



A N N U A L R E P O R T
A N D A C C O U N T S

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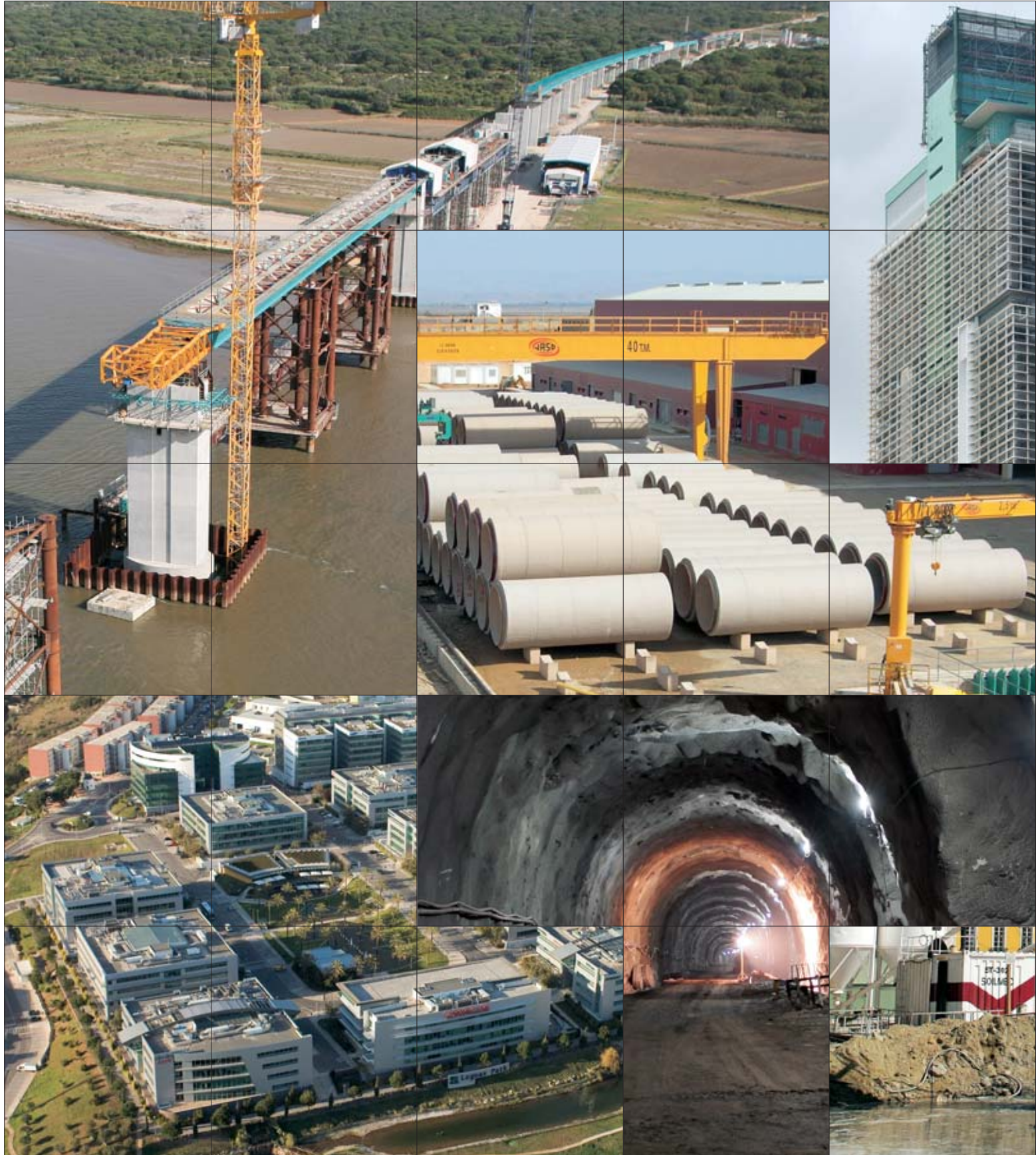
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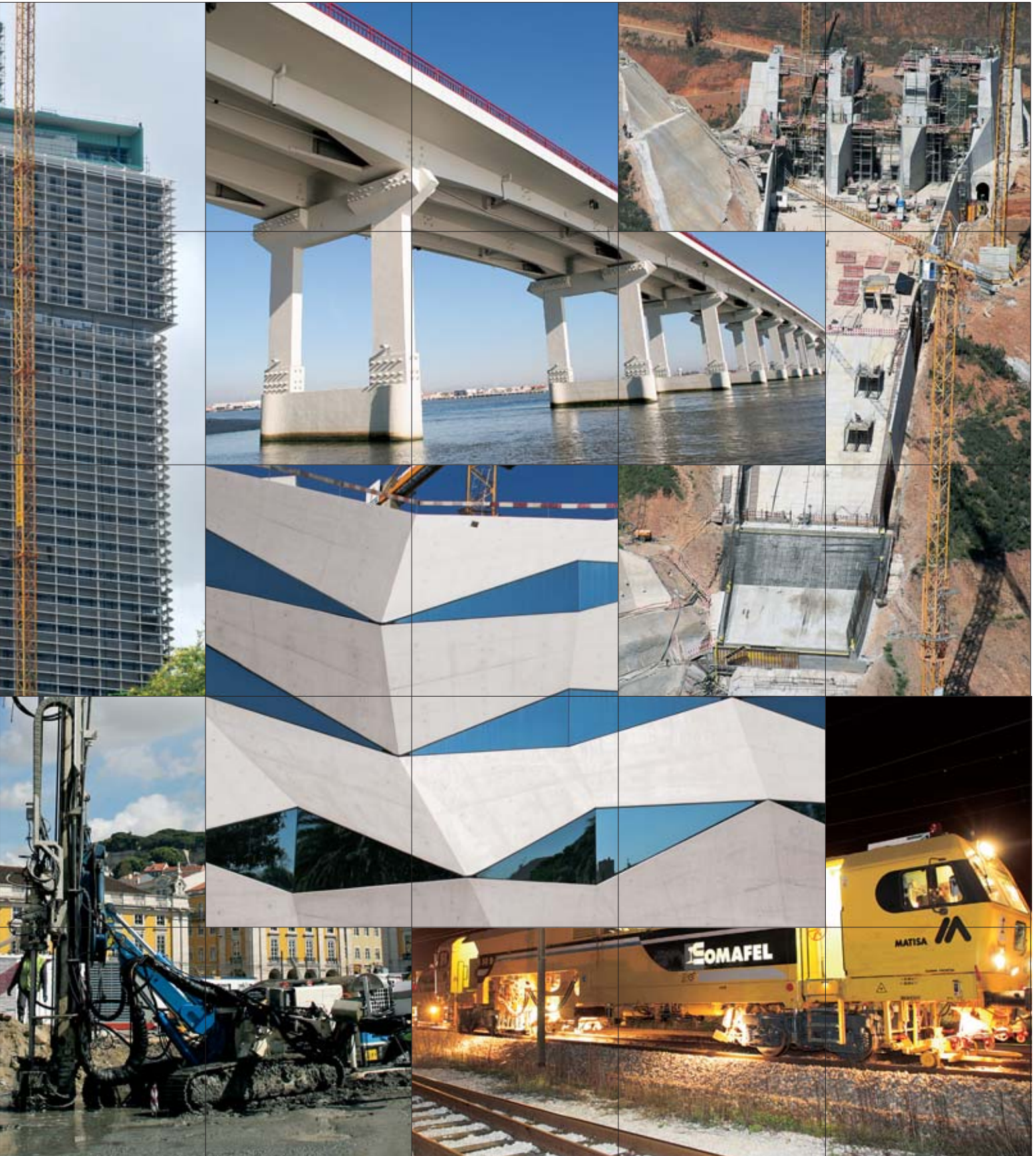
ANNUAL REPORT
AND ACCOUNTS

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TEIXEIRA DUARTE - ENGENHARIA E CONSTRUÇÕES, S.A.

PLC

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

Capital Stock: € 210,000,000

Corporate Tax ID No. 500 097 488, Registered at the Trade Registry Office of Cascais

Holder of Construction License No 24



Quality Guarantee System Certification attributed to Teixeira Duarte on 20th December 2002, within the scope of "Civil Construction and Industrial and Public Sector Works, including Foundation Technology".



Health and Safety Management System Certification attributed to Teixeira Duarte on 23rd February 2006, within the scope of "Civil Construction and Industrial and Public Sector Works, including Foundation Technology".



Certification Document of the Environmental Management System granted to Teixeira Duarte on 15th April 2008, within the scope of "Civil, Industrial Construction and Public Works, including Foundations Technology".

Shareholders Meeting

Chairman	Mr. Rogério Paulo Castanho Alves
Vice-Chairman	Mr. João Torres Agoas Martinho Lopes
Secretary	Mr. José Gonçalo Pereira de Sousa Guerra Constenla

Board of Directors

Chairman	Mr. Pedro Pereira Coutinho Teixeira Duarte
Chief Executive	Mr. Pedro Maria Calainho Teixeira Duarte
Directors	Mr. João Salvador dos Santos Matias
	Mr. Manuel Maria Calainho de Azevedo Teixeira Duarte
	Mr. Joel Vaz Viana de Lemos
	Mr. Jorge Ricardo Figueiredo Catarino
	Mr. Carlos Gomes Baptista
	Mr. João José de Gouveia Capelão
	Mr. João José do Carmo Delgado

Supervisory Board

Chairman	Mr. António Gonçalves Monteiro
Member	Mr. Mateus Moreira
Member	Mr. Miguel Carmo Pereira Coutinho
Alternate Member	Mr. Horácio Lisboa Afonso

Statutory Auditors

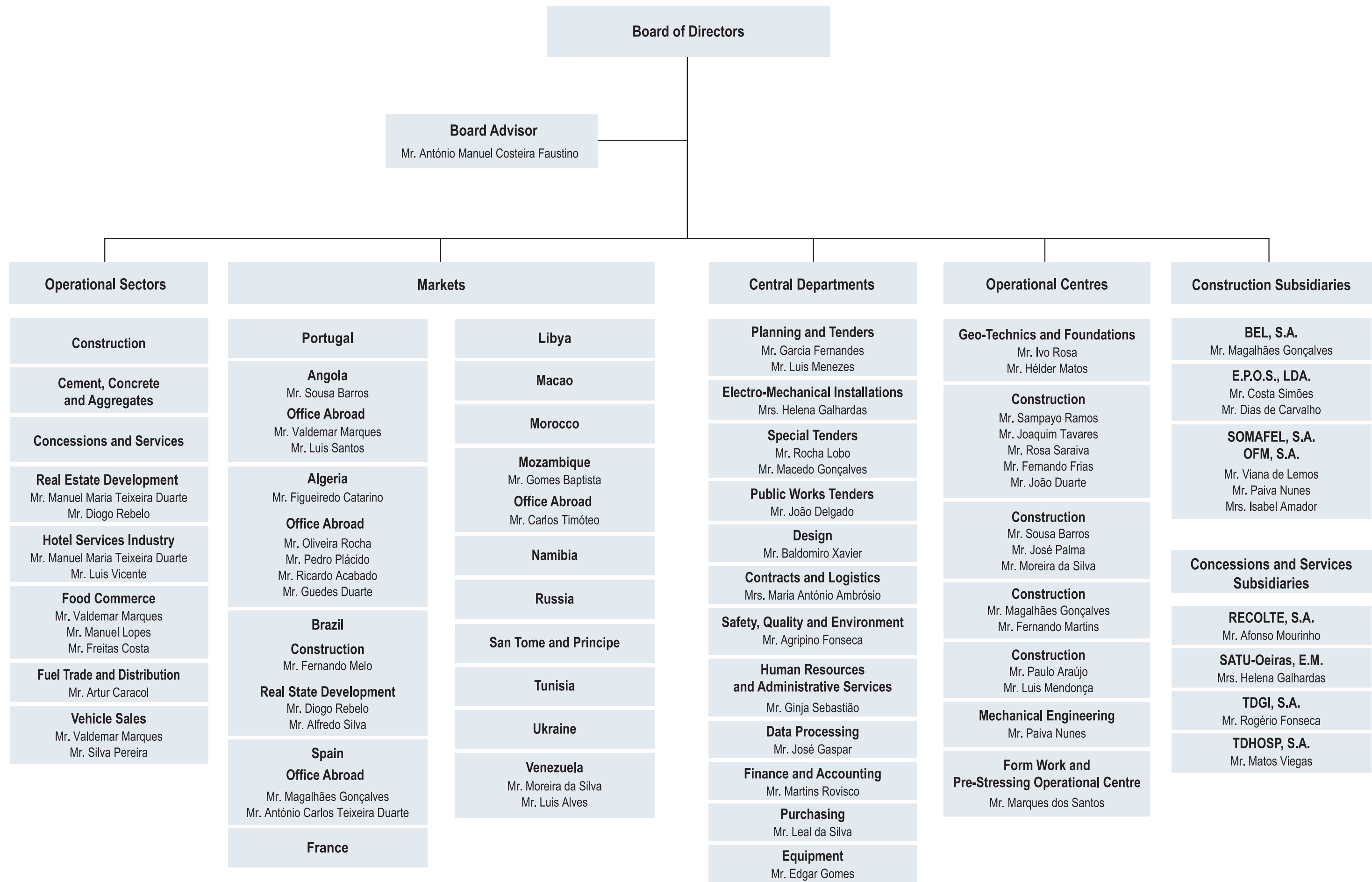
Mariquito, Correia & Associados
Sociedade de Revisores Oficiais de Contas, represented by
Mr. António Franciso Escarameia Mariquito - ROC

Company Secretary

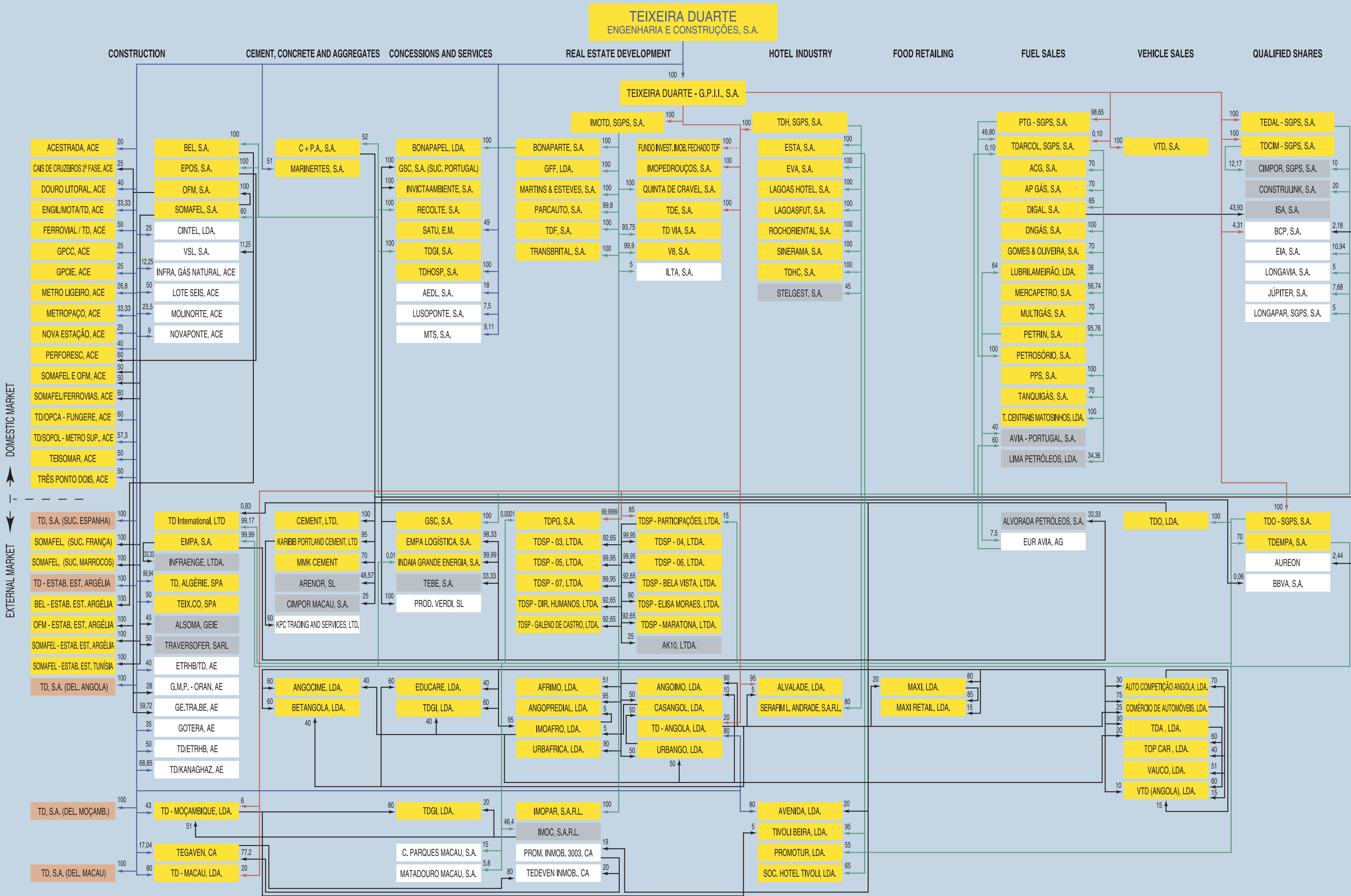
Member	Mr. José Pedro Poiares Cobra Ferreira
Alternate Member	Mrs. Maria António Monteiro Ambrósio

Representative for Relations with Securities Market

Mr. José Pedro Poiares Cobra Ferreira



TEIXEIRA DUARTE GROUP - 2007



Teixeira Duarte Group

	2004	2005	2006	2007	2008	Variation % 2008/2007
Employees	6,080	6,362	7,774	10,717	13,157	22.8%
Sales / Services rendered	628	629	756	1,012	1,291	27.6%
Operating income	671	697	833	1,067	1,377	29.1%
EBITDA	76	91	118	113	188	66.2%
EBITDA margin / Annual turnover	12%	14%	16%	11%	15%	30.2%
EBIT	49	60	87	70	131	87.5%
Tangible fixed assets + Investment property	539	664	724	781	925	18.4%
Investments in associates + Financial assets available for sale + Other investments	915	1,127	1,225	1,551	1,168	(24.7%)
Total Equity	367	544	783	834	339	(59.4%)
Net Results	61	108	114	122	(347)	-

Notes:

Booked amounts shown are in millions of euros.

The figures in the "Variation % 2008/2007" column were calculated based on amounts that were not rounded off.

Total shareholder equity includes minority interests.



**Management Report
of the Board of Directors
Financial Year 2008**



I. INTRODUCTION

The Board of Directors of “TEIXEIRA DUARTE - Engenharia e Construções, S.A.”, in compliance with the regulatory and legal framework for publicly traded companies, has the pleasure to present its management report for the financial year 2008.

This report summarises the most significant matters relating to the individual activities of “TEIXEIRA DUARTE - Engenharia e Construções, S.A.” and its delegations. Additionally, it covers the consolidated activities of a parent company that heads a business group comprising several investee companies illustrated in the “Teixeira Duarte Group Chart – 2008” in the preliminary pages.

As each of these units has its own governing bodies, which report on their respective activities, this document will only provide brief, appropriate observations wherever the consolidated position is affected.

Within that very scope and in order to more appropriately assess the development of the activity of these entities, mention will be made, where justified, of some key economic and financial indicators reported by the investee companies.

The most adequate way to expose the subjects herein will be, in first place, to describe the economic background that prevailed in the year under review, in which operations were carried out, followed by an overall assessment of the Business Group, focusing on the most significant aspects of consolidated operations.

The ensuing chapters provide information on the performance carried out in various business sectors throughout 2008, distinguishing the internal and external markets in each one of them, focusing particularly on the Construction sector, which is the core business of both the Group and “TEIXEIRA DUARTE - Engenharia e Construções, S.A.”. The latter will deserve an individual approach and its main economic and financial indicators will be treated separately.

Mention will also be made of strategic stakes held in listed companies, i.e. “CIMPOR” - Cimentos de Portugal - SGPS, S.A.; “Banco Comercial Português, S.A.” and “Banco Bilbao Vizcaya Argentaria, S.A.”.

The significant events that took place between the end of the financial year and the date on which this Report was prepared will then be described, followed by the conclusions on the year 2008, ending with an outlook for the financial year in progress and the proposed allocation of profits.

Attached to this document are, under the applicable legislation, the detailed report on the Company’s structure and corporate governance practices (prepared in compliance with Article 245-A of the Portuguese Securities Market Code and with CMVM Regulation No. 1/2007), as well as some information regarding the shares held in the capital of “TEIXEIRA DUARTE - Engenharia e Construções, S.A.” (particularly in accordance with Articles 447 and 448 of the Portuguese Commercial Companies Code and with CMVM Regulation No. 5/2008).

Lastly, the individual and consolidated financial statements and accompanying notes are also included in this report. They were prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union, as well as the respective Reports and Opinions by the Supervisory Boards, the Legal Certification of Accounts and the Audit Report prepared by an auditor registered with the CMVM.

Under the terms and for the purposes of paragraph 1(c) of Article 245 of the Portuguese Securities Market Code, the undersigned declare that, to the best of their knowledge, the Management Report, the annual accounts, the legal certification of accounts and all the other documents for the presentation of accounts were prepared according to the applicable accounting standards, conveying a true and proper image of the assets and liabilities, of the financial situation and results of “TEIXEIRA DUARTE - Engenharia e Construções, S.A.” and of the companies comprised in its consolidation perimeter, since they also truthfully

display their respective business development, of the performance and position of each of these entities, containing a description of the main risks and uncertainties they face.

II. ECONOMIC BACKGROUND

In order to provide a better understanding of the information supplied, a brief description of the overall economic and financial background against which the Group carried out its activities will be provided, mentioning some of the constraints experienced by the different markets, obviously highlighting the national situation.

During 2008, there was stagnation in Portugal's annual GDP growth, which had increase 1.9% in 2007. This negative trend reflects, above all, the dramatic drop in investments and exports over a period in which the full force of the economic crisis was felt, especially in the fourth quarter, where there was a -2.0% variation on the previous one. This is the worst result recorded in Portugal since 1984.

This trend follows the one observed in the Euro Zone, in the USA and in Japan, with global trade shrinking at the quickest and most intensive pace since the Great Depression.

In fact, in 2008, the financial markets experienced their worst crisis since the 30's, triggered by US real estate market crash, thus called the "sub-prime crisis", although the real causes were much more varied and deeper. This situation, in addition to the sharp increase in the trade balance deficit, the high oil prices and the severe crash of the global stock markets, had a significant impact on countless economic sectors and consequently, on the unemployment rates.

In spite of this situation, in Portugal, according to the INE (National Institute of Statistics), the average unemployment rate in 2008 settled at 7.6%, 0.4 percentage points less than that recorded 2007 and below the rate forecasted by the Government, which estimated an average value of 7.7%. From this value, 47.8% correspond to long-term

unemployment, the lowest percentage in the last four years.

However, the increase in unemployment has had a very negative social impact worldwide. After four consecutive years of decreasing rates, in 2008 there was a reversal of this trend, with a total of 190 million unemployed worldwide at the end of that year. According to studies by ILO (International Labour Organisation), in 2009 there could be more than 40 million newly unemployed, thus increasing the global rate to 7.1%, equivalent to 230 million workers. In parallel, according to World Bank data, the number of people living below the poverty line (USD 1.25 per day) may increase substantially, eliminating all the progresses achieved since 1997.

In response to the crisis, governments and central banks have attempted to coordinate efforts, implementing countless economic stimulation packages and emergency interventions, reducing interest rates and injecting short-term liquidity. However, these measures, especially aimed at preserving the financial system and preventing the bankruptcy of large-scale companies, as well as ensuring the maintenance of jobs and supporting investments in infrastructures, shall take time to produce visible effects in the current economic situation.

Considering the unforeseen dimensions of the crisis and, also, that the fiscal and monetary policies of the world's main economies may only achieve results in the medium term, there is real concern that the consumption standards will take time to return to previous levels, already quite precarious in underdeveloped or developing countries.

There is consensus among analysts and observers that, in 2009, the crisis will worsen before it starts to recover. However, there are a few positive aspects, such as the fact that stock markets are already negotiating with less volatility and that there is already a reduction in the final price of fuel to the consumer, as a result of the abrupt drop in oil prices. The decrease in the Euribor rate also had a positive impact on the reduction of banks' housing loan

instalments and the issuance of new private debt securities revealed an increased demand for assets not exempt of risks. Lastly, mention will be made of the forecasts announced by market agents, according to whom the previously announced expectations of deflation have disappeared.

Therefore, no matter how negative the forecasts are, the possibility of experiencing a new global Great Depression seems unlikely, although some countries may record depressions. At present, the priority has been and should continue to be to restore trust.

In 2008, the inflation rate in Portugal was 2.6%, measured by the annual average change in the Consumer Price Index, a value that is particularly affected by the rising prices for energy production raw materials and food products.

In Angola, the global economic background shows the development of a stable economic growth process. However, the boom in oil prices per barrel observed in the last two years is expected to be replaced by a contraction in 2009, with a possible decrease in GDP, which in 2008 had a growth rate of 15.6%. Although food price increases have been moderate, inflation reached 13.18% in 2008. In the meantime, the National Bank of Angola will adopt the measures aimed at reducing this indicator, for the purpose of materialising a flexible, strong monetary policy and for continuous economic growth.

In Algeria, the economy continues to grow with the inflation rate reaching approximately 4.6%. The global financial crisis did not have immediate consequences for the Algerian economy, due to the weak integration of its financial system at international level. However, the sharp drop in the price of oil per barrel and the decrease in demand may have a negative effect on Algeria's revenues in the future. In 2008, the GDP growth rate was 4.6% and the unemployment rate, according to the OECD, was 13.8%.

In 2008, exports and imports recorded a growth rate of 30% and 40%, respectively. Portugal has been increasing its exports to Algeria, reaching values that correspond, in 2008, to an increase of approximately 140% compared to 2007.

Algeria is expected to continue to fulfil all the conditions for maintaining a high level of public investments over the next few years, also because it continues to pursue its five-year programme 2005-2009, under which the country has been developing more fundamental infrastructures for a sustainable growth. The signs of modernity that this development is providing are quite visible, namely in the environment, housing, roads and transport sectors.

In Brazil, inflation is still under control at 5.9%, according to data from the Bank of Brazil, while GDP has grown firmly to almost 5.2%. The unemployment rate is estimated at 6.8%, according to data provided by the Brazilian Institute of Geography and Statistics. Although 2008 has continued to show economic growth, the deepening of the global crisis caused several indicators to recede, affecting the country on many fronts, mainly in the sharp drop in the price of goods exported by Brazil and in the decrease in international trade and credit. As a consequence, several companies reviewed their investment plans, reduced their production and the number of workers when they saw their sales decreasing.

However, this country stands out as a strong global player, namely in the field of alternative energies, such as ethanol and bio-fuel, but also due to the discovery of new oil and gas fields. For the first time in many years, Brazil is in a reasonably good position to face the global crisis owing to the strong reduction of its dependence on the American market, the existence of effective reserves, inflation control and to the maintenance of interest rates.

In Spain, during 2008, the economy's instability increased, revealing a very sharp deceleration, basically due to the combination of two factors, such as the international financial crisis and the crash of the real estate market, which has been

the main driver of the Spanish economy for over a decade. However, GDP increased by 1.2%.

This situation was further aggravated by the increase in the price of oil and of several raw materials, which caused food prices to increase, having significant social effects, although the country recorded 1.4% inflation rate at the end of 2008.

Due to all these factors, there was a strong reduction in consumption, resulting in less growth and greater difficulties for companies, with a consequent increase in the unemployment rate, which, at the end of 2008, reached 13.9%, making Spain the country most affected by this phenomenon within the euro area.

In France, where the Group operates through SOMAFEL, S.A., GDP grew by 0.7%, while inflation stayed at 3.2% and the unemployment rate at 7.8%. The international financial crisis has increased the risks that weigh upon economic forecasts, thus the Government's top priority is to mitigate of impact of the economic slowdown, by increasing public investment and supporting companies, creating jobs and maintaining the income of unemployed people and low-wage workers.

In Libya, where it continued to explore the construction sector, GDP grew by 6.3% and the inflation rate reached 10.4% in 2008. The combination of the decrease in oil prices with the effects of the global economic slowdown may affect real economic growth in the short term.

Macao continues to benefit from the strong economic growth of the past few years, despite the slowdown experienced in 2008, especially regarding enormous undertakings related to gambling and tourism. The Group continues to hold shares in companies with great growth potential in the territory of Macao and in China, while benefiting from the associations and excellent contacts that Teixeira Duarte has maintained over the last 25 years, always keeping a watchful eye on new business opportunities.

Morocco recorded interesting public investment results, mainly within the scope of railway works, which has enabled our investee company SOMAFEL, S.A. to operate in an increasingly firm manner. GDP is estimated to have grown by 6.8% and the inflation rate would have reached 3.9%.

In Mozambique, following the measures taken by the Bank of Mozambique, the inflation rate was 11.9%, representing an increase of 3.76% compared to 2007.

Nonetheless, the levels attained have exceeded the initially planned objectives, mainly because the Bank of Mozambique interventions in the interbank markets have allowed the market to work with the adequate foreign currency level, which has provided great stability to the Metical in relation to both the Dollar and the South African Rand, significantly absorbing the impact of the external shocks on domestic inflation.

GDP increased by 6.8% in 2008, that is, 0.5% below the growth recorded in 2007, where the recovery of the secondary sector stands out, basically induced by construction, which had a significant 20.1% increase, mostly driven by works related to infrastructures.

In Namibia, the economy is strongly dependent on ore extraction and processing activities, being the largest African exporter of these materials and the largest producer of uranium, lead, zinc, tin, silver and tungsten. However, this sector only employs approximately 3% of the population, while more than 50% depends on agriculture for its survival.

In Russia, in 2008, GDP grew by 6.0% and the inflation rate reached 14.1%. The Government faces the hard task of facing the rapid global dissemination of the financial and economic crisis and the growing discontent among the local population over the deteriorating economic conditions. Despite these circumstances, good business opportunities led to large foreign investment flows.

In Sao Tome and Principe, 90% of export revenues still today come from cocoa monoculture, while 70% of its food is imported and the industry simply limits itself to transforming agricultural products. The Government aims to improve the islands' infrastructures to allow both convenient tourism development and the creation of other revenue sources. The largest trade partners are the European Union countries (60% Portugal) and Angola.

Tunisia is another market in which the Teixeira Duarte Group operates through its investee company SOMAFEL, S.A. This country's GDP is estimated to have grown by 5.1% and the inflation rate would have reached 5%.

In Ukraine, domestic policy has remained highly unstable, aggravated by the difficult relations with Russia, with consequent effects on the economy, mainly in the weakening of the currency and the deficit increase. In 2008, GDP growth slowed down to 2.1% and the average inflation rate was 25%.

In Venezuela, GDP grew by 4.9% in 2008, not only because it is one of the world's largest oil exporters, but also owing to the fact that the Country is going through a period of significant public investment in the modernisation of road and harbour infrastructures, in the creation of new railway lines and, most of all, in social facilities: housing, health, safety, among others, as well as in works related to water supply and basic sanitation.

III. GLOBAL OVERVIEW

- COMPANY AND GROUP PERFORMANCE:

Teixeira Duarte is proud of the operating rules and guiding principles that have governed its operations for more than 80 years, and which it has kept constantly updated but unchanged in their essence, encouraging the growth of the Group.

Its operations are basically characterised by widespread decentralisation with in-depth information and support, careful selection and training of staff, a philosophy of corporate responsibility and committed entrepreneurial performance. An example of this within the Company is the *Site Manager* and his relationship with the client.

This consistent relationship between autonomy and responsibility, which involves all of the Group's staff, requires careful and strict compliance with the tasks allocated to each employee. Its end result is the integration of a strong, sustained and efficient risk control system that delivers extremely satisfactory practical results.

It has been felt and confirmed that remaining loyal to this way of being and acting has received a very gratifying response, not only as a production unit, but also as a training centre for personal and collective improvement within an enormous group of employees that increased significantly in 2008, as a result of the signing of numerous contracts and the acquisition of new companies. Teixeira Duarte Group thus achieved an average annual number of 13.157 employees and, by the end of the year, a total of 13.362, compared to 10.717 and 12.237, respectively, recorded in the previous year.

The inevitable impact of this approach on the lives of such a large number of individuals and of the many other entities, with which Teixeira Duarte interacts directly and indirectly, implies being fully aware of the Company's social responsibility commitments.

The importance of this challenge is positively accepted, facing it with the growth and diversification that it pursues with total commitment, sure to fight for the extensive and wholesome principles of plain-dealing, rigour, professionalism, quality, fulfilling its obligations and defending its rights, all of which it expects, without being presumptuous in any way, all its collaborators to participate in.

It is based on these business pillars that, from a corporate perspective, efforts to strengthen its capacity and dimension

have never been given up, which has enabled TEIXEIRA DUARTE – Engenharia e Construções, S.A. to reach the first line among national entities operating in the Construction sector.

The capacity thus achieved has made it possible for the desire to continue to grow and the strategic understanding of the needs of the national economy to gradually lead, already for decades, to the diversification of business sectors and to countless internationalisation processes, as well as to important investments in strategic financial stakes of recognised intrinsic value.

In fact, the Company has wanted and managed to instil its basic policy and the guiding principles underlying it in the teams that carry out such operations, in close collaboration with the Parent Company's Board of Directors. Said policy and principles form and mould all team members.

A particularly remarkable point during 2008 was the systematisation of said principles and their definition within the scope of "Teixeira Duarte's Mission and Values", with their subsequent dissemination to the Group's staff, through several scheduled actions aimed at creating awareness among all employees.

The interventions in such varied business sectors as Construction, Cement, Concrete and Aggregates, Concessions and Services, Real Estate, Hotels, Food Trade, Fuel Sales and Vehicle Sales, and in such different markets as Portugal, Angola, Algeria, Brazil, Spain, France, Libya, Macao, Morocco, Mozambique, Namibia, Russia, Sao Tome and Principe, Tunisia, Ukraine and Venezuela, clearly reflect the availability and versatility of the workers trained at the Parent Company.

In fact, thanks to the substantial dedication and commitment of all those who abide by the Company's guidelines, sometimes making personal and family sacrifices, the positive effects of such initiatives have now become clearer and, indeed, not at all surprising when we consider the prudent and patient investment plans that have been drawn up and executed.

Based on the justness of the path pursued, which is once again clearly reflected in the performance during the financial year under review, Teixeira Duarte continues to reaffirm its responsibilities as a National Engineering Company and its strong desire and recognised capacity to participate in undertakings that, besides contributing to the well-being of populations, are vital to Portugal's economic recovery.

Despite the current global crisis, with the inherent financial difficulties and consequent investment retraction, namely in the much affected construction sector, the Company is diligent and prepared to integrate new projects that allow to endow Portugal with long-term development and sustainability instruments, which simultaneously bolster an activity that is, as universally recognised, a factor of strong induction of employment increase and with immediate effects on the economic activity, both upstream and downstream.

- FINANCIAL OVERVIEW:

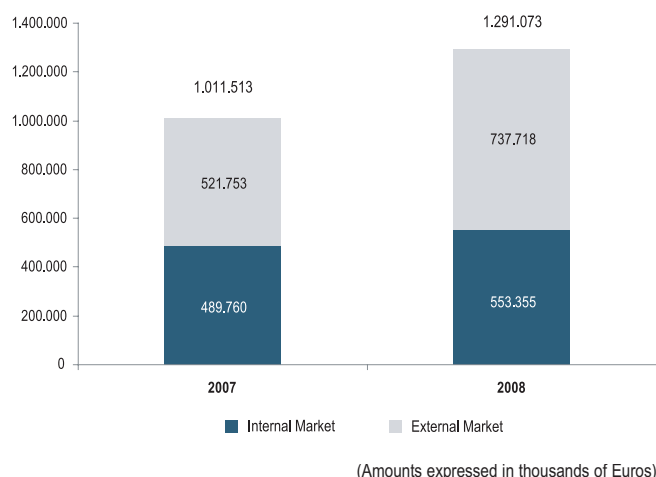
After having exposed these general observations on the Company and Group performance in 2008, a few references and some of the most significant consolidated financial indicators are presented next. These, like last year, are reported in accordance with the International Accounting and Financial Reporting Standards (IAS/IFRS).

The consolidated net profit attributable to shareholders was a negative EUR 347.244 thousand.

This result was heavily penalised by the devaluation of the Available-for-Sale Financial Assets, which reached EUR 390,105 thousand.

Without this penalising factor, profit would be a positive EUR 861 thousand.

Turnover increased 27.6% compared to 2007, totalling EUR 1,291,073 thousand, reflecting an increase both in the internal and external markets.

Turnover Trend per Market

Despite the recognised and sharp contraction in the internal market, Portugal recorded a positive 13% increase in turnover.

Even more significant is the progress in the Group's exposure to other more dynamic economies, leading to a considerable increase in foreign contributions to this business sector, having strengthened its position even more in the external market, which now represents 57.1%.

The chart below shows the amounts of the contributions made by the different countries where Teixeira Duarte operated in 2007 and 2008, where the growth of the Angolan and Algerian markets stands out, with the latter currently accounting for more than 10% of total Turnover.

Contribution to Turnover

	2008	(%)	2007	(%)	Var (%)
Portugal	553,355	42.9%	489,760	48.4%	13.0%
Angola	445,015	34.5%	334,027	33.0%	33.2%
Algeria	135,042	10.5%	64,708	6.4%	108.7%
Brazil	53,410	4.1%	39,384	3.9%	35.6%
Ukraine	27,560	2.1%	20,623	2.0%	33.6%
Spain	26,782	2.1%	24,000	2.4%	11.6%
Mozambique	26,034	2.0%	28,514	2.8%	(8.7%)
Morocco	13,177	1.0%	4,812	0.5%	173.8%
Venezuela	9,090	0.7%	4,396	0.4%	106.8%
Other Countries	1,608	0.1%	1,289	0.1%	24.7%
Total	1,291,073	100%	1,011,513	100%	27.6%

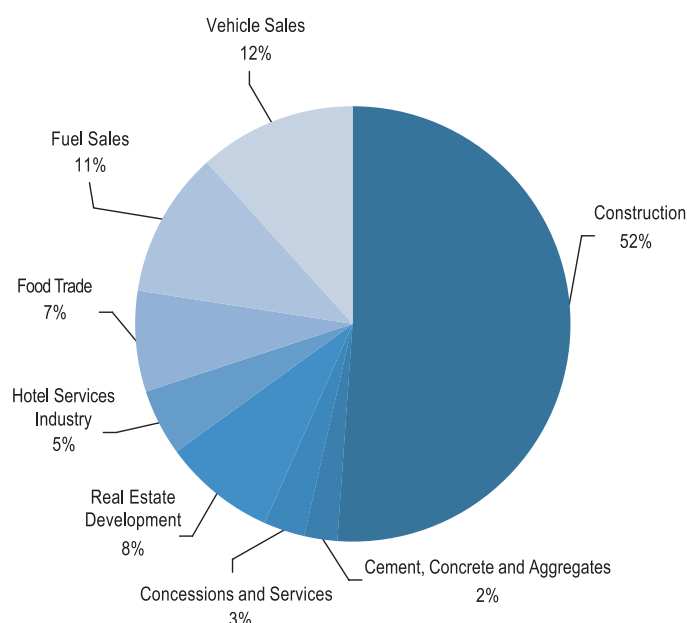
(Amounts expressed in thousands of Euros)

The consolidated operating profit was EUR 1,377,181 thousand, representing a 29.1% increase compared to the amount reported for the previous year. This increase is basically due to the expansion of the external market, which was considerably greater than that observed in Portugal.

The internal market grew 11.2% compared to the same period in the previous year, while the external market grew 46.9%, currently accounting for 57% of operating profit.

It is important to highlight the contribution of the construction sector to support the Group's growth, accounting for more than 50% of the consolidated total operating profit, with an increase of 19.6% in Portugal and 58.6% abroad.

The contribution of each business sector to the overall amount related to the consolidated operating profit was the following:



Comments regarding the development of operations in the Group's different business areas, shown above, and which justify the amounts reported and their respective changes, will be presented below in the chapters dedicated to sector analysis (IV) and qualified investments in listed companies (V).

Operating Profit by Business Sector and Geographic Markets

Business Sector	Internal Market			External Market			Total		
	2008	2007	Var (%)	2008	2007	Var (%)	2008	2007	Var (%)
Construction	342,639	286,459	19.6%	370,345	233,455	58.6%	712,993	519,914	37.1%
Cement, Concrete and Aggregates	3	1	200.0%	33,148	21,419	54.8%	33,151	21,420	54.8%
Concessions and Services	13,420	13,459	(0.3%)	21,445	21,681	(1.1%)	34,865	35,140	(0.8%)
Real Estate Development	70,885	82,465	(14.0%)	42,971	5,470	685.6%	113,856	87,935	29.5%
Hotel Services Industry	13,597	11,537	17.9%	55,137	51,002	8.1%	68,734	62,539	9.9%
Food Trade	-	-	-	102,589	89,286	14.9%	102,589	89,286	14.9%
Fuel Sales	151,320	131,134	15.4%	20	45	(55.6%)	151,340	131,179	15.4%
Vehicle Sales	122	7,148	(98.3%)	159,531	112,166	42.2%	159,653	119,314	33.8%
Total per Sector:	591,986	532,203	11.2%	785,195	534,524	46.9%	1,377,181	1,066,727	29.1%

(Amounts expressed in thousands of Euros)

EBITDA increased 66.2% compared to the previous year, amounting to EUR 187,842 thousand, influenced by non-recurring operations of EUR 53,263 thousand.

The EBITDA margin / Turnover increased by 30.2%, going from 11.2% in 2007 to 14.6% in 2008.

Financial results were a negative EUR 595,439 thousand, basically due to the devaluation of the Available-for-Sale Financial Assets at fair value, amounting to EUR 536,037 thousand.

Without taking into consideration this non-recurring loss, the worsening of financial results would be EUR 123,269 thousand, basically due to the sharp increase in interest rates and in the amount of indebtedness of EUR 164,934 thousand, as well as for the decrease in the results in associated companies, which, in 2007, had had a significant benefit from the sale of the stake in "Scutvias – Autoestradas da Beira Interior, S.A.".

Regarding this matter, it is important to mention the negative impact that exchange rate fluctuations had on the financial year, amounting to EUR 5,870 thousand, due to the devaluation of the Real (Brazil) and of the Hryvnia (Ukraine).

The Income Tax, negative by EUR 51,368 thousand, reflects the composition of the deferred taxes assets of EUR 76,480 thousand, related to the loss of Available-for-Sale Financial Assets and to deferred tax liabilities of non-recurring operations amounting to EUR 16,490 thousand.

The Total Net Assets maintained values similar to those recorded for the previous financial year, having reached EUR 3,178,037 thousand, where the strategic stake taken in "CIMPOR - Cimentos de Portugal, SGPS, S.A." and in "Banco Comercial Português, S.A.", as well as in "Lagoas Park" stands out, amounting to an overall sum of EUR 1,301,463 thousand.

Group Indebtedness, which continues to be subjected to tight control within the scope of the global strategy defined, reached EUR 1,957,380 thousand, having had an increase of EUR 164,934 thousand in 2008, during which the Group significantly invested in several projects in Brazil and increased its stake in "CIMPOR – Cimentos de Portugal – SGPS, S.A." and "Banco Comercial Português, S.A.".

Total Equity decreased considerably, settling at EUR 338.932 thousand, which represents a 59.4% decrease compared to the previous year, basically due to the enormous impact that the market crisis had on the market value of Available-for-Sale Financial Assets.

Financial Autonomy, despite having gone from 25.9% to 10.7%, proves how well prepared Teixeira Duarte Group is to face the difficulties arising from the deep crisis that has been affecting all economic agents worldwide.

With regard to the consolidation perimeter, it is important to mention the entry of the following entities:

In the construction sector, the Complementary Grouping of Companies “DOURO LITORAL, ACE”, “CAIS DE CRUZEIROS, ACE” and “NOVA ESTAÇÃO, ACE”;

In the Cement, Concrete and Aggregates sector, “MMK CEMENT, Ltd.”, a company incorporated under the Russian Law, to operate in Murmansk harbour, in Northern Russia, with the main purpose of importing cement.

In the Concessions and Services sector in Portugal, “TDHOSP – Gestão de Edifício Hospitalar, S.A.”, dedicated to the management of the new Cascais hospital building, “INVICTAAMBIENTE – Recolha de Resíduos e Limpeza Pública, S.A.”, incorporated within the scope of a tender launched by the Town Hall of Porto. In Brazil, “EMPA LOGÍSTICA, Lda.”, dedicated to transport activities in several contract jobs and “INDAIA GRANDE, Lda.” to take up the concession for the construction and operation of a small hydroelectric power station.

Among the real estate companies, “TDF – Sociedade Gestora de Fundos Imobiliários, .S.A.”, which is now 100% owned by the Group and, as such, integrated in the consolidation perimeter, having incorporated “IMOPEDROUÇOS – Sociedade Imobiliária S.A.”, owner of plots for construction in Lisbon.

In the hotel sector, “PROMOTUR, Lda.”, owner and operator of a *Resort* in Sao Tome, was also integrated in the consolidation perimeter.

In the Food Trade sector and for the purpose of operating in the Angolan retail market, “MAXI RETAIL – Comércio Geral, Lda.” was incorporated.

In the Vehicle Sales sector, “VTD – Veículos Automóveis, Angola, Lda.” was incorporated for the purpose of developing a motor vehicle centre project in South Luanda, Talatona.

In 2008, the companies that left the consolidation perimeter due to sale were: “TEPORSET – Terminal Portuário de Setúbal, S.A.” and “TDSP – DOM JAIME, Lda.” (Brazil), and due to dissolution: “TEJOVILLAGE – Promoção Imobiliária, S.A.”, “E.C.T. – Companhia de Comércio de Tabacos, Lda.” and “EUROGTD – Sistemas de Informação, S.A.”.

To conclude this Financial Overview, it must also be mentioned that, on the one hand, the Company has fulfilled its commitments – as it continued to meet, also in 2008, all its fiscal, legal, contractual and social obligations - and, on the other hand, its business activities in Portugal generated public revenue equivalent to EUR 67,045 thousand, of which EUR 40,100 thousand were from taxes and EUR 26,945 thousand from social security charges.

- ORGANISATIONAL OVERVIEW:

Without prejudice to a more detailed description of this subject in the attached “Corporate Governance Report”, it is important to mention here, also with respect to Teixeira Duarte’s performance in the different business sectors and markets, the close collaboration between all Group structures, which are better illustrated in the organisation chart attached at the beginning of this Report, and the added value resulting from these synergies, which are reflected in the efficient and privileged environment of achieving collectively assumed targets.

Within this scope, it is important to mention the support that the various **Central Directorates** gave to the activities that were carried out by the **Operation Centres** and by the numerous investee companies throughout the financial year.

In this respect, we also benefit from a valuable team of **Coordinators/Consultants** comprising staff members with many years of service to the Company and to

the Group, who provide crucial training, guidance and information support.

As far as **Human Resources** are concerned, an effort was made to minimize labour force inactivity, which decreased considerably, coupled with a consistent policy of vocational training and improved awareness of workplace health and safety, providing the indispensable qualifications to face new challenges that the Company is facing.

Teixeira Duarte worked hard to adjust the number of staff to the activities carried out in the different sectors and markets. In the year under review, staffing levels rose again, from an average 10,717 to 13,157, in line with the expansion of operations in the external market.

The Company continued to develop the organisation of the **Shared Services** for accounting, finance and human resources, which pursued the objective of increasing efficiency and productivity in the tasks assigned to them, while extending their activities to more companies and to the new markets in which Teixeira Duarte Group operates.

The Central IT Directorate continued to respond to the challenges posed by the Group's growth and by the diversity of business areas, creating and adapting new solutions with a view to achieving continuous improvement in data processing and quality.

Among the various projects, those carried out in Angola deserve highlighting, mainly the one that allowed us to include the Food Trade activity in the SAP platform, where all the Group's activities in that country are integrated.

The implementation of the Teixeira Duarte Group Portal was a project considered to be very important and large, which is intended to be extended to all staff and through which an attempt is made to optimize the information and services areas, creating a privileged medium for connecting the Employees to the Company.

This is a dynamic and evolving process, where contents shall

be developed to incorporate data platforms, such as INTRANET, as well as to include the numerous services required to optimize internal communication and to speed up the connection between the employees and the Company and the use of workstations.

In the technology and communications infrastructures area, the projects carried out focused on the reduction of operational risks, on security and on the availability of IT systems.

The various companies that integrate Teixeira Duarte Group were encouraged and supported to, whenever it was convenient for their activity, start and complete the Quality, Safety and Environmental **certification processes**, as well as within the scope of Social Responsibility and Research, Development and Innovation.

- CORPORATE OVERVIEW:

Besides fulfilling all its corporate obligations, mainly as a company issuing tradable securities on a regulated market, Teixeira Duarte also strictly complied with public disclosure requirements, at different levels, related to corporate information. This is in response to a growing interest of several market agents in Teixeira Duarte Group.

Within this scope, we inform that the **Annual General Meeting** of "TEIXEIRA DUARTE - Engenharia e Construções, S.A." Shareholders was held on 14th May 2008, with significant attendance by 77.4% of the holders of the entire capital, who approved all the proposals submitted, mainly those signed by the Board of Directors, including the one regarding the ratification of the cooptation of Eng. João José do Carmo Delgado, appointed by the respective Board of Directors to fill the vacancy and to remain in office until the end of the current mandate (2007/2010), owing to the retirement of the former office holder, Eng. José Alves Pereira, on 18th June 2007.

Following the Annual General Meeting's decision regarding the allocation of profit, the subsequent formalities were fully

accomplished and the dividends distributed among the shareholders, by means of payments made as of 12th June 2008, everything in accordance with the announcements that were duly disseminated to the market.

Mention must also be made of the resignation of the Chairman of the Board of Directors, Eng. Pedro Pereira Coutinho Teixeira Duarte, via a letter dated 27th November 2008, for personal reasons, mainly for having completed ninety years of age, of which sixty-two were spent at the service of the Company.

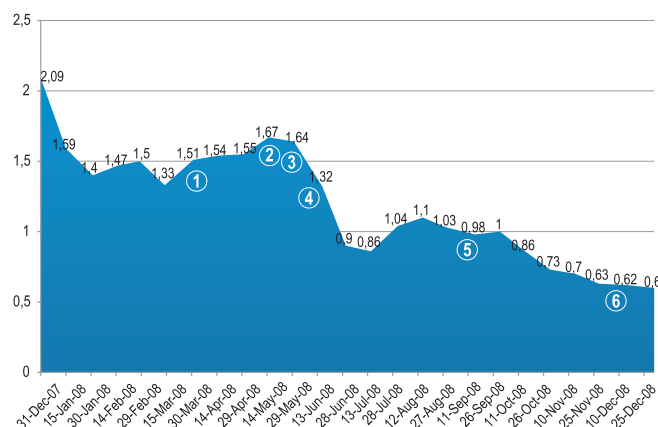
In the meeting held on 28th November 2008, the Board of Directors postponed its decision on the replacement of the outgoing Chairman until the next General Meeting, thus, according to the law, his resignation became effective on 31st December 2008.

The Board of Directors takes this opportunity to express its gratitude, recognition and respect to Eng. Pedro Pereira Coutinho Teixeira Duarte for his enormous technical competence, exceptional availability and constant follow-up throughout these sixty-two years at the service of the Company, as well as for the unsurpassable trust he placed in TEIXEIRA DUARTE's staff, who he helped train through his example.

“TEIXEIRA DUARTE - Engenharia e Construções, S.A.” securities suffered a 71.4% devaluation, dropping from EUR 2.09 on 31st December 2007 to EUR 0.60 at the end of 2008. Although they reached the annual minimum of EUR 0.58 in November 2008, they followed the market trend and, as at the date of this report, they were being valued at EUR 0.70.

The chart below shows the share evaluation trend throughout the year. It also presents the dates on which the results were announced and the moment when the dividends for the financial year 2007 were paid-off, for a gross amount of EUR 0.018 per share.

**Stock Exchange Quotation
of Teixeira Duarte - Engenharia e Construções, S.A. Shares**



1 - Disclosure of Results Regarding the Financial Year of 2007.

2 - Activity, Results and Economic and Financial Situation in the 1st Quarter of 2008.

3 - Approval of the Annual Report and Accounts for the Financial Year of 2007.

4 - Payment of Dividends for the Financial Year of 2007.

5 - Results Regarding the 1st Quarter of 2008 and Perspectives for the End of the Financial Year.

6 - Activity, Results and Economic and Financial Situation in the 3rd Quarter of 2008.

As to share liquidity throughout the year, 43% more shares than in 2007 were traded, reaching a total number of 455,658,778, for an overall amount of EUR 553,987,567.00, which represents a 37% reduction of its value compared to the same period in the previous year.

IV. - SECTOR ANALYSIS

This chapter analyses the Group's performance in the different business sectors, making reference to the respective indicators from a non-consolidated perspective, in order to allow a better understanding of the levels achieved in each one of them, and providing a description of the corresponding performance.

IV.1. - CONSTRUCTION

In 2008, the operating profits of the Group companies that operate in the Construction sector reached a total sum of EUR 931,484 thousand, representing a 27% increase compared to the previous year.

In this regard, a very positive factor is **Teixeira Duarte Group's Orders Portfolio** for the construction sector, which has reached a significant overall amount of EUR 2,018,575 thousand, allowing the Group to assure good activity levels, especially in such an unfavourable context as the current one.

The fact that this sector represents the Group's core business and the activity developed by the Parent Company that supports and/or heads, with articulated operations, the activity of its investee companies and of the Groups and Consortiums, imposes, not only for that reason, but also due to regulatory impositions, that the activity framework is defined and a general analysis of the performance of "TEIXEIRA DUARTE - Engenharia e Construções, S.A." is provided, followed by a description of the operations in the internal and external markets, specifying, in the first case, the activities by companies and groupings and, in the second, by countries.

IV.1.1. - "TEIXEIRA DUARTE - Engenharia e Construções, S.A." - GENERAL ANALYSIS

"TEIXEIRA DUARTE - Engenharia e Construções, S.A." operating profit was EUR 640,841 thousand, which is considered quite positive, especially taking into account that, in a year of great difficulties in this sector, it reflects a 32.6% increase compared to the amount achieved last year.

**Main Economic and Financial indicators of
"TEIXEIRA DUARTE - Engenharia e Construções, S.A."**

	2004	2005	2006	2007	2008	Growth % 2008/2007
Employees	1,756	1,684	1,676	1,722	1,816	5.5%
Sales/Service Provision	390,357	339,127	392,711	453,023	592,930	30.9%
Operating Profit	367,338	343,988	419,885	483,206	640,841	32.6%
EBITDA	24,816	20,624	5,926	20,416	43,952	115.3%
EBITDA/Turnover	6%	6%	2%	5%	7%	64.5%
Net Results	29,860	66,357	49,301	56,935	(196,358)	-
Total Net Assets	770,724	937,279	917,365	1,188,826	1,083,200	(8.9%)
Equity	251,295	311,908	337,593	382,896	206,919	(46.0%)
Total Liabilities	519,429	625,371	579,772	805,930	876,301	8.7%
Bank Indebtedness	332,073	409,900	357,180	476,739	423,352	(11.2%)
EBITDA/Bank Indebtedness	7%	5%	5%	4%	11%	183.4%
Financial Autonomy	33%	33%	37%	32%	19%	(40.7%)
General Liquidity	239%	238%	237%	293%	124%	(57.8%)

Teixeira Duarte is structured on solid ground, with different Operation Centres and Central Directorates (see the *organisation chart* attached to this document), which interact and create compensation mechanisms leading to the rationalisation and optimisation of resources, boosting a growing improvement of productivity rates so that, in an integrated manner, having a technically demanding operation, with more consistency and good use of the commercial function in the current conjuncture.

In the year under review, the Company followed the development of Public and Private Sector activities, having participated in the Tenders that were launched, proving, with regard to Public Concession Tenders and Private Public Partnerships, great technical and financial capacity, insofar as it has been able, on one hand, to deploy the required financial resources for the undertakings in question and, on the other hand, to meet the required nature, dimension and complexity of the works with an adequate and technically well-prepared labour force.

In relation to the previous year, the desired changes in the internal market did not take place, with the deterioration of bidding prices in the tenders launched, a trend that has been reinforced in an ongoing manner for the past few years. Despite this fact, the Company's commercial activity has been strengthened so that it can technically respond, in a sustained manner, to the new tenders, which, although fewer, are, due to their nature, more demanding and complex. Thus, the different Central Directorates for Price Quotations, Studies and Projects contributed significantly to Teixeira Duarte's participation in the most important tenders launched in Portugal.

In parallel, in the external markets where the Company operates, a regular and intensive commercial activity has been developed, with the study and follow-up of the opportunities considered to be relevant, leading to its participation in several tenders.

Thus, the joint effort of the Company's different sectors, from the Technical-Commercial to the Production one, led to the submission of 816 bids, for an overall sum of EUR 6,031,626 million, of which 70 were in association and amounted to EUR 2,659,588 thousand.

Therefore, Teixeira Duarte participated in many important public and private tenders launched in the markets where it operates, particularly:

- In Portugal: Sub-concession of Baixo Tejo, for Instituto das Estradas de Portugal (IEP); Ribeira de S. Jorge/Arco de S. Jorge Expressway – 2nd Phase and New Road Link Vasco Gil – Fundoa, at level 500 – 2nd Phase, for RAMEDM – Estradas da Madeira, S.A.; Design/Construction of the Carcases for the Extension between the Underground Station of Amadora-Este and Reboleira Station of the Blue Line, for Metropolitano de Lisboa, E.P.; Setúbal Integration Project – Contract Job for Building PM-4, for About the Future - Empresa Produtora de Papel, S.A.; Building of the future Hotel Management School, for Parque Escolar, E.P.E.; Office Building of Vodafone in Porto, for Fundo de Investimento Imobiliário Aberto Portfolio Imobiliário; Integrated Elementary School (Kindergarten to 9th grade) of Ponta Garça, for the Regional Secretariat for Education and Science – Regional Directorate of Education; Applications for the Prequalification of Todos-os-Santos Hospital and Algarve Central Hospital, under a Public-Private Partnership scheme.

- In Angola: Construction of the new Safe IT (Information Technology) Centre (NCIS), for EMIS – Companhia Interbancária de Serviços;

- In Mozambique: Construction of buildings for the ministries of Education and Culture, Rehabilitation of the Bridge connecting the Island of Mozambique to Nampula, for the ministry of Transport and Communications;

- In Venezuela: Construction of the By-pass Tunnel and Project of Duas Bocas Dam, for the “Ministério do Poder Popular para o Ambiente” (Ministry of People’s Power for the Environment).

The total value of works awarded reached EUR 494,606 thousand, with the opening of 132 construction yards, significantly increasing its value and reducing the number of construction yards, which reflects a greater concentration of operations compared to 2007 and an adaptation to the market’s requirements.

In fact, this way, and thanks to so much effort, the **orders**

portfolio will reach the amount of EUR 1,682,497 thousand in 2009, 7.2% higher than that achieved in the previous year.

With regard to Human Resources, the increase in operations carried out by the Company in the construction sector, in both the internal and external markets, made it possible to reduce labour force inactivity by 38.9%, amounting to 48,624 hours, which is the lowest value achieved since 2001.

The absenteeism rate increased compared to the previous year, although it settled at 3.6%.

Continuing a strong effort to assure personnel qualification, 72,512 hours of in-house training and 14,250 hours of external training were provided, totalling 86,762 hours, which represents a 20.7% increase compared to the previous year.

Training actions were attended by 1.025 employees, which correspond to 55.5% of the labour force, and, in this context, we must also highlight the realisation of the second “Development and Integration Plan”, through which 60 newly hired senior executives were informed about the multi-tasking nature of the Company and Group, as well as actions related to the Public Contracts Code, which were attended by 258 trainees.

The Company continued to invest in the Professional Aptitude Certification (CAP) process, which comprises twenty-six types of applications in six different areas, following which 396 certificates were obtained, corresponding to employees from different professional categories, working both in Portugal and abroad, which represents a 32.9% increase compared to 2007.

Having maintained the permanent staff renewal policy, the number of “TEIXEIRA DUARTE - Engenharia e Construções, S.A.” employees as at 31st December 2008, compared to the previous year, was the following:

	On 31/12/2008	On 31/12/2007	Variation
Top Management Staff:	463	407	13.8%
Administrative Staff:	363	364	(0.3%)
Specialised Staff:	960	916	4.8%
Others:	60	68	(11.8%)
TOTAL:	1,846	1,755	5.2%

Among the senior executives, 321 (69.3%) are Engineers. Among these, 201 (62.6%) joined the company as newly graduated trainees

The importance given to professional engineers is one of the main flagship policies at “TEIXEIRA DUARTE - Engenharia e Construções, S.A.”. It was introduced many years ago and gives the Company its own emphatic, special and distinguished identity. Ever since its establishment, it has been an engineering company, which trains junior engineers under the most rigorous standards of ethics and professional conduct, instilling in them the wholesome principle of thinking about things, of reflecting upon the issues posed to them, to use logical reasoning to solve problems. They are encouraged to be good observers of nature and its creatures – among which humans are the most perfect and complex of all – and to understand and respect nature, as well as learn from it. Critically applied, these are valuable tools for seeking solutions to the problems that arise during the course of a professional career.

Engineers are not just professionals trained to solve problems. Their primary concern is to prevent problems before they arise. Here, as always, nature is a wise and irreplaceable teacher, so an engineer must be humble and intuitive enough to learn from his surrounding environment.

With regard to Social Responsibility, “TEIXEIRA DUARTE - Engenharia e Construções, S.A.”, on its own and through its shareholders, its directors and employees, has always played an active role, mainly in what concerns the well-being of its employees and their families, and it is precisely through these concerns, joint efforts and common objectives that the purpose of achieving social justice for everyone is best pursued.

The implementation of a Social Responsibility Management System for the current year of 2009, with the aim of certifying it, appears to be a natural consequence of these practices.

In line with these principles, the Board of Directors has decided it should focus, from an institutionalised position, on

a posture that shows the genuine commitment that TEIXEIRA DUARTE has dedicated to the consubstantiation of a supporting policy for the needy, meaning not only actions in the internal plan of its organisation, but also in certain areas of charitable organisation. Thus, and within the internal scope, the Board of Directors decided to promote, in relation to 2008, an initiative addressed to TEIXEIRA DUARTE Group employees working in Angola, for the maximum amount of EUR 25,000.00 (twenty-five thousand Euros).

Outside the Company and the Group, a number of entities were once again supported, with the amount of EUR 15,000.00 (fifteen thousand Euros) for social solidarity purposes, determined upon a proposal made by the Company's employees who had personally adhered to those objectives.

Still regarding this matter, we highlight the payment of EUR 1,000 thousand to reinforce the insurance capital created by the Company for the purpose of providing pension benefits to its employees and which, reached, at the end of the year under review, the amount of EUR 35,207,425.511.

In terms of Safety, Quality and Environment, the external audit for environmental follow-up and for the renewal of the Quality and Safety Certificate was successfully performed and, as planned, the Company took the opportunity to migrate the Safety Management System to the new OHSAS 18001:2007 standard.

It is following this event and for the referred purpose of implementing a Social Responsibility Management System that the Company's Policy Declaration was updated and widely disseminated, the general lines of which are transcribed below:

“Its humane character, associated to the nature of its (...) origin, is reflected in the expression of TEIXEIRA DUARTE's Mission. To act, contributing to build up a better world. It is through this guiding principle that we can achieve customer satisfaction, the Company's reinforcement, for the creation of new opportunities and thus, also for a better Society.

This Mission has been followed throughout TEIXEIRA DUARTE's history through the application of its Values, that go from Skill, to Efficiency, to Engagement, to Truth, to Commitment to the obligations toward its stakeholders, to the Trust of its employees and to the Respect for its peers and for the dignity of the human beings and of institutions.

These are behaviours that guide everyone's activities and which reflect an implicit and instinctive way of acting that implies the natural adoption of actions that give priority to Safety and to the prevention of Health risks, to Quality, to Pollution prevention, to the preservation of the Environment and to Social Responsibility and which indeed become fundamental vectors in all employees' behaviour."

We continue to promote and to provide training within the general and specific scope of Safety, Quality and Environment, aiming to cover more people and more topics, highlighting the development of these matter in Angola, due to the requirements arising from the significant work portfolio in that country, as well as in the different commercial areas, with the preparation of specific documentation related to Safety, Environment and Quality documentation that is required in Tender Programmes.

In fact, the Company has been increasingly careful in achieving and having a solid performance in this matter, through the control of the environmental impacts deriving from its activities, products and services, in line with the different standards, policies and outlined objectives.

With regard to Equipment, there was an improvement in the respective occupancy rate values, which went from 37% in 2007 to 47% in 2008, as well as the significant investment in the acquisition of new machines for road construction, due to the fact that part of them had to be available for the Angolan and Algerian markets.

Teixeira Duarte's Material Laboratory also started to deploy its resources to support the works being carried out in Angola, namely in the manufacture and control of the concrete produced by the company of the Group based in Luanda, "Betangola, Lda."

Despite the considerable deployment of resources used for that purpose, in 2008, five new tests were accredited by the Portuguese Accreditation Institute:

- Determination of Void Volume and Density NP EN 1097-3: 2002;
- Determination of Crushing Strength NP 1039: 1974;
- Depth of Penetration of Water under Pressure NP EN 12390-8: 2003;
- Determination of Water Absorption by Immersion. Tests performed under Atmospheric Pressure. LNEC E 394: 1993;
- Determination of Water Absorption by Capillary Action EN 13057: 2002.

The profound changes in the legislation relating to concrete manufacture, control and applications, deriving from Decree-Law No. 301/2007 of 23rd August, led the Laboratory, together with the Central Directorate for Safety, Quality and Environment and with the Formwork Operation Centre and also with the support of "Associação QSP" (Portuguese Steel Industry Quality Association), to promote and carry out a refresher training campaign in those areas for the Company's senior executives.

With regard to Research and Development, sprayed concrete was the material chosen in 2008, following the work carried out in this field to obtain that high performance material (in terms of shrinkage and permeability), applied dry in the rehabilitation works on Barra Bridge, in Aveiro.

In this area and within the scope Geotechnique and foundations, a technical and scientific cooperation protocol was signed with the Construction Institute of the Faculty of Engineering of Porto, regarding the development of "Studies to Assess the Conditions that led to sand liquefaction ("sable de Les Dunes") at the time of the Boumerdes earthquake in Algeria, 2003".

As announced above, the other activity developments of

“TEIXEIRA DUARTE - Engenharia e Construções, S.A.” and, in particular, the description of the contract jobs executed, shall be exposed in the following sections of this Report.

IV.1.2. - INTERNAL MARKET

An overall analysis of the construction market conditions in Portugal, during 2008, will be provided, followed by an account of “TEIXEIRA DUARTE - Engenharia e Construções, S.A.” production, describing its different types of Operation Centres and mentioning the main works carried out by each one of them.

Later on, the productive activity of the main investee companies operating in this sector of Construction and of a number of Groupings will be mentioned. Wherever justified, the individual economic and financial data for each Group company shall be provided.

A) BACKGROUND

The circumstances and conditionings that took place in 2008 did not allow this financial year to correspond to a growth period in the construction sector, rather highlighting, especially in the last few months, a deterioration of the expectations made at the beginning of the year.

In fact, the construction market in Portugal did not grow in terms of global production, revealing instead, sharp decreases, although more subtle than the ones which took place in the previous years, and the decrease in the global Construction Sector production rate in 2008 is estimated at approximately 1.3%, while, in 2007, this indicator recorded a negative growth of 2.2%.

This situation is easily proved by the cement consumption indicator which, in 2008, shows a 6.1% reduction, quite revealing of the sector's retraction during that period.

In reality, the decrease in 2008 was not even more significant because some contract jobs were awarded throughout the year, involving some public investment, which contributed to prevent the sector from being even more penalised.

The statistics regarding the trend of residential building production rates for the year under review show a 9% decrease compared to the previous year – the worst result since 2002 -, while the production of non-residential buildings increased by 4.2% and civil engineering works by 2.1%, which together were not enough to allow an increase of overall production.

However, we wish to highlight the very positive behaviour of Government public tenders, which increased by approximately 32% compared to the previous year. However, this did not stop the price dumping practices and the average value awarded in 2008 was 4.2% below the average value launched in those tenders, a less significant change compared to 9.1% recorded in 2007

Despite the persistence of these practices, we consider encouraging for its operations and quite positive for the sector and all its stakeholders, the signs of growing consideration of other bid assessment criteria, besides just the price, with advantages in terms of quality and fulfilment of contract job deadlines.

Expectations of the sector's growth, with the consequent increase of the activity, may be confirmed if the announced public investment plans are carried out, which would allow preventing further deterioration of the activity levels and, thus, also contribute to reducing the unemployment rate, considering how important this sector is in the national economy.

In that sense, we hope that, during this year, the measures adopted by the Government under the current economic situation, may create the required conditions to carry out the scheduled investments in large-scale national works, restoring the trust levels required for growth, thus revitalising national economy and thwarting the pessimism that has been pervading Portugal. The awarding of the contract jobs tendered for in 2008 is therefore considered decisive, as well as the launching of tenders for the works foreseen in the plans announced by the Government.

B) “TEIXEIRA DUARTE - ENGENHARIA E CONSTRUÇÕES, S.A.”

- GEOTECHNIQUE AND FOUNDATIONS OPERATION CENTRE

This Centre has always had the awareness – and with it, the responsibility - of having been present since the very beginning of Company's establishment, so it has always received market recognition for its prestige and competence in this field. This is due to its excellent preparatory work in high quality scientific studies, in cutting-edge technology and equipment and a highly specialised staff.

With such a reputation and resources, it makes a considerable contribution to supporting work in other Centres, adding value in finding appropriate solutions, particularly in design/construction tenders.

In 2008, the geotechnique and foundations market did not suffer any significant changes in terms of supply and the volume of works tendered was basically the same, with a slight decrease in the number of works awarded and corresponding prices.

Keeping in line with the equipment renewal policy defined for this market niche, the investments made during this period reached almost EUR 2,000 thousand.

The most significant works carried out during the financial year under review were:

- The contract job for the railway connection of Aveiro Harbour, comprising the execution of large diameter piles, for “Rede Ferroviária Nacional - REFER, E.P.”;

1



1 REFER / Railway Connection of Porto de Aveiro – Execution of Large Diameter Piles / Aveiro



2



- The contract job involving the execution of large diameter piles for “Southern Line. Pinheiro-Grândola Link. By-pass between Pinheiro station and km 94. Sado river crossing. Bridge and access viaducts”, for “Rede Ferroviária Nacional - REFER, E.P.”;

- The contract job for the “Extension of solid bulk cargo terminal at Figueira da Foz Harbour”, for “IPTM – Instituto Portuário e dos Transportes Marítimos, I.P.” – foundation piling work using Symmetrix technology;

- The execution of peripheral containment walls on buildings located at Avenida Porto de Pesca Lote D, in Peniche, in Páteo do Bonjardim and Loop, in Porto and on Buildings 14 and 15 of Lagoas Park, in Oeiras.

- The works to place a Waterproofing core wall and inverted plum line in the Pretarouca Dam, for Águas de Trás-os-Montes, S.A..

- The works to stabilise the existing excavation slopes between km 26+575 and km 25+900, in the Loures/Bucelas sub-link (direction Alverca/Estádio Nacional) of A9, for “BRISA – Auto-estradas de Portugal, S.A.”,

Among the works in progress, the most significant are:

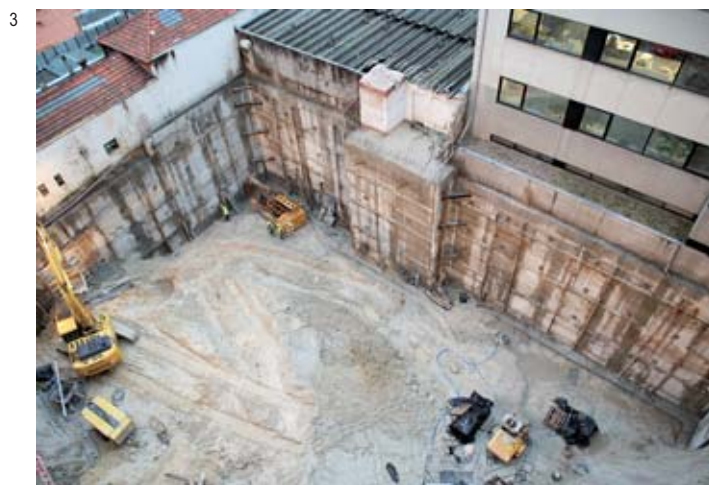
- The contract job for general excavation and peripheral containment walls of the Business and Technology Complex of Porto, for “IMOFARMA – Empreendimentos Imobiliários, Lda.”;

2 REFER / Sado River Railway Crossing – Bridge and Approach Viaducts - Execution of Large Diameter Piles / Alcácer do Sal

3 Millennium BCP / Peripheral Containment Walls in Páteo do Bonjardim and Loop / Porto

4 Brisa / Stabilization of the Existing Excavation Slopes between km 26+575 and km 25+900, in Sublink Loures/Bucelas (Alverca/Estádio Nacional direction) of A9

5 Imofarma / General Excavation and Peripheral Containments of the Entrepreneurial and Technological Complex / Porto



6



- The Jet Grouting and foundation pile works comprised in the contract job for the tide interception and valve chambers of Terreiro do Paço, for “SIMTEJO - Saneamento Integrado dos Municípios do Tejo e Trancão, S.A.”;
- The excavation and peripheral containment works for the contract job of Building V15 – Gaia Nova, for a company of Teixeira Duarte Group;
- Continuation of the waterproofing core wall works in the Odelouca Dam, for “Águas do Algarve, S.A.”.

Given the reduction in the number of awarded contract jobs in the second semester of 2008 and at the beginning of 2009, we foresee a decrease in profits for the year in progress, a trend that could be mitigated with interventions in the construction works related to the Douro Litoral Concession.



6/7 SIMTEJO / Jet Grouting Works and Foundation Piles Integrated in the Contract Job for the Interception System and Tide Valve Chambers of Terreiro do Paço / Lisbon

8 Águas do Algarve / Waterproofing wall for Odelouca Dam / Silves





- OPERATION AND CONSTRUCTION CENTRES

Despite maintaining the work selectivity policy and remaining loyal to performance principles, the activity carried out by the Operation and Construction Centres of “TEIXEIRA DUARTE - Engenharia e Construções, S.A.” increased compared to 2007, mostly due to the boost from the Public Works sector.

With regard to the production of the Operation Centres involved in the different Construction areas, the most significant works were:

In the Trade and Services area:

Completion of the following works:

- Construction of a building for the Business Incubation Centre, for “Instituto de Soldadura e Qualidade”, in Lot 20 at Tagus Park, in Oeiras.

Commencement of works for:

- Construction of the new Covered Market of the city of Torres Vedras, for the Town Hall of Torres Vedras;
- Remodelling of the Technology III Building Premises, at Tagus Park, in Oeiras;
- Construction of the Vodafone Building – Porto, for Millennium BCP - Gestão de Fundos de Investimento, S.A.;
- Construction of Building 14 at Lagoas Park, for a company of Teixeira Duarte Group;
- Construction of Building 15 at Lagoas Park, for a company of Teixeira Duarte Group;
- Remodelling and Finishing Works of buildings number 62 and 74, located in Rua Garrett, in Lisbon, for Fundimo – Sociedade Gestora de Fundos de Investimento Imobiliário, S.A.;
- Construction of a restaurant services (catering) building at Lagoas Park, for a company of Teixeira Duarte Group.

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In the Healthcare area:

Completion of the following works:

- Remodelling and expansion of the Obstetrics Unit (4th Floor), Newborn Care Unit (5th Floor) and Cardiology Unit (6th Floor) for “Hospital de S. João, E. P. E.”, in Porto;

- Remodelling of the Oncological Urology Unit (7th Floor), for “Hospital de S. João, E.P.E.”, in Porto;

- Emergency Unit expansion, for “Hospital de S. João, E.P.E.”, in Porto;

- Remodelling of the Emergency Unit Orange Area Service, for “Hospital de S. João, E.P.E.”, in Porto;

Continuation of the contract job for “Remodelling and Expansion Works in the South-West Wing”, for “Hospital de S. João, E.P.E.”, in Porto;

Commencement of the following works:

- Remodelling of the Cardiology Unit (Remodelling of the Arrhythmia Pathology and Cardiac Pacing Laboratory), for “Hospital de S. João, E.P.E.”, in Porto;

- New Cascais Hospital, for the Portuguese Government, within the scope of a contract comprised in the public-private partnerships and under which the building managing entity is the Teixeira Duarte Group company, TDHOSP, S.A. (see IV.3.1.).

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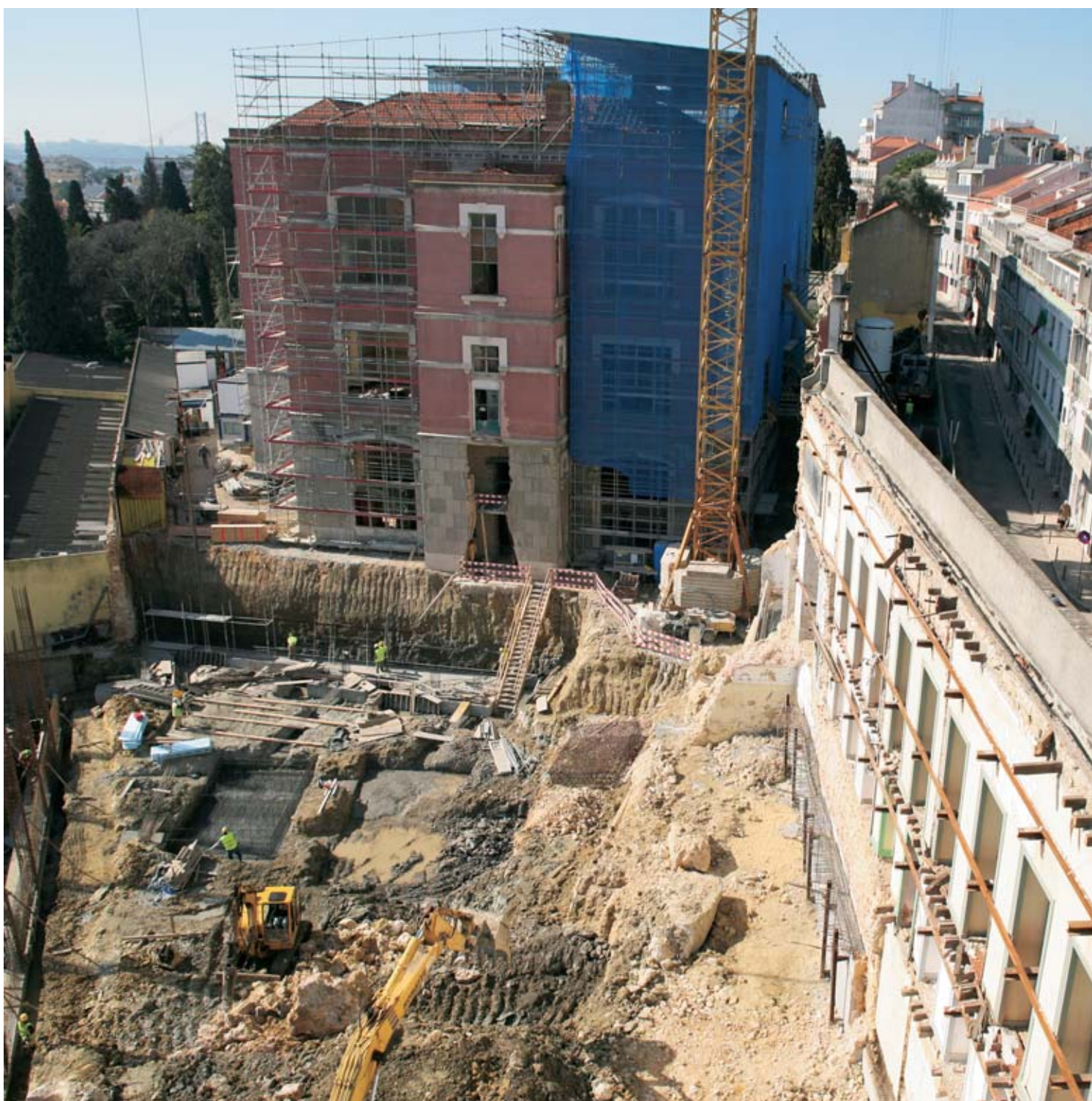
10 Portuguese State / New Hospital of Cascais

11 Hospital de São João / Remodelling and Expansion of the Southern/Eastern Wing / Porto

12 Hospital de São João / Remodelling of the Oncological Urology Service (7th Floor)

13 Hospital de São João / Remodelling of the Orange Area of the E.R.

14



In the Education and Science area:

Completion of the following works:

- Construction of the Mineralogy/Geology and Computer Science Departments, the Calculation Centre and Academic Services of the Faculty of Science of the University of Porto;
- Rehabilitation of the Kindergarten Building of Colégio Moderno school, for “João Soares & Filhos, Lda.”, in Lisbon;
- Remodelling and Rehabilitation of the East and Central Blocks of Rodrigues de Freitas Secondary School, for “Parque Escolar E.P.E.”, in the city of Porto;
- Remodelling and Rehabilitation of the West and South Blocks of Rodrigues de Freitas Secondary School, for the New Premises of the Music Conservatory of Porto, in Porto, for “Parque Escolar E.P.E.”;
- Restoration of the Luis de Camões Auditorium roof, for the Regional Secretariat for Education of the Autonomous Region of the Azores - “Conservatório Regional de Ponta Delgada”.

Commencement of the following works:

- Foundations and Structure of Building A of Machado Castro School, in Lisbon, for “Parque Escolar E.P.E.”;
- Demolition and Roofing works of Building A, Foundations and Structure of Building B, for the Future Hotel Management School in Lisbon, for “Parque Escolar E.P.E.”;
- Construction of the sports pavilion of Rodrigues de Freitas School, for “Parque Escolar E.P.E.”, in Porto;
- Construction of the Auditorium and Other Support Facilities of the Music Conservatory of Porto, for “Parque Escolar E.P.E.”;

14 Parque Escolar / Construction of the Future Hotel Management School (Former Machado de Castro School) / Lisbon

15 Parque Escolar / Remodelling and Requalification of the Western and Southern Blocks of Rodrigues de Freitas School / Porto

16 Parque Escolar / Auditorium and Remaining Supporting Installations of the Conservatório de Música do Porto

17 Parque Escolar / Multi-sports pavilion of Escola Rodrigues de Freitas / Porto

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18/19/20



- Adaptation of building, the Head Office of Escola de Formação Turístico-Hoteleira (Tourism and Hotel Training School), for the Autonomous Region of the Azores – Regional Directorate for Labour and Professional Qualification of the Regional Secretariat for Labour and Welfare, in Ponta Delgada;

- Construction of the Integrated Primary School of Ponta Garça, for the Autonomous Region of the Azores – Regional Directorate for Education of the Regional Secretariat for Education and Training, in Vila Franca do Campo.

In the Sports, Culture and Leisure areas:

Completion of the following works:

- Execution of the Preservation and Improvement works of the Carlos Machado Museum Building, in Ponta Delgada, for the Autonomous Region of the Azores - for the Regional Directorate of Culture, in Ponta Delgada;

- Improvement works in the Quinta das Cruzes Museum, for the Autonomous Region of Madeira – Regional Directorate of Cultural Affairs of the Regional Secretariat for Education and Culture, in Funchal.

Continuation of the following works:

- Remodelling of “Recolhimento de Santa Bárbara”, for the Autonomous Region of the Azores – Regional Directorate of Culture, in Ponta Delgada;

- Construction of the Santana Culture House and Youth Centre, for the Autonomous Region of Madeira, in Santana.

18/19/20 Autonomous Region of Azores / Conservation and Improvement Works of the building of Carlos Machado Museum / Ponta Delgada / Azores

21 Autonomous Region of Azores / Adaptation of building to become the head Office for the Tourism-Hotel Related Activities Training School / Ponta Delgada / Azores

22 Autonomous Region of Azores / Basic Integrated School of Ponta Garça / Azores

23 Autonomous Region of Madeira - Improvement of Museum Quinta das Cruzes / Funchal / Madeira

21



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In the Transport and Communications area:

Completion of the Rehabilitation and Modernisation of the Civil Air Terminal of Lajes – Phase II, for the Autonomous Region of the Azores –for the Regional Directorate of Economy, at Lajes, in Terceira Island.

In the Industrial Construction area:

Completion of the Civil Construction and Metal Structure for the Expansion of Aisle 3 of the Rolling Mill of Siderurgia Nacional S.A., in Seixal;

Commencement of the works for:

- Construction of the Filling Pavilion and Expansion of the Ageing Cellar of “Herdade do Esporão”, in Reguengos de Monsaraz, for Finagra – Sociedade Industrial e Agrícola, S.A..
- Expansion and Remodelling of the Composite Area, Buildings 39, 40 and 41, for OGMA – Indústria Aeronáutica de Portugal, S.A., in Alverca;
- SIP – Execution of the PM4 Building of the new paper factory in Setúbal, for “About The Future – Company Produtora de Papel, S.A”.

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24 About The Future / PM4 Building for the New Paper Mill / Setúbal

25 Finagra / Filling Pavilion and Expansion of the Maturing Basement for Herdade do Esporão / Reguengos

26 OGMA / Composite Area Remodelling, Buildings 39, 40 and 41 / Alverca

27 Autonomous Region of Azores / Requalification and Modernization of the Civil Air Passenger Terminal of Lajes, Phase III

28



In the Housing area:

Completion of the construction of Building Q15, in “Quinta do Cravel”, in Vila Nova de Gaia, for a company of Teixeira Duarte Group.

Continuation of works for:

- Construction of Building V10, in the “Gaia Nova” urbanisation, in Vila Nova de Gaia, also for a company of Teixeira Duarte Group;
- Construction of eight buildings at the Villa Park Undertaking, in Amadora, for a company of Teixeira Duarte Group;
- Construction of a building in Rua Ocidental do Campo Grande, No. 9 and 11, in Lisbon, for Construções Urbanas A. Lopes, S.A..

In the Hotel and Tourism sector:

- Remodelling of the Façade and Bedrooms of “Hotel Sinerama”, in Sines, for a company of Teixeira Duarte Group.

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28 Gaia Nova / Building V10 / Vila Nova de Gaia

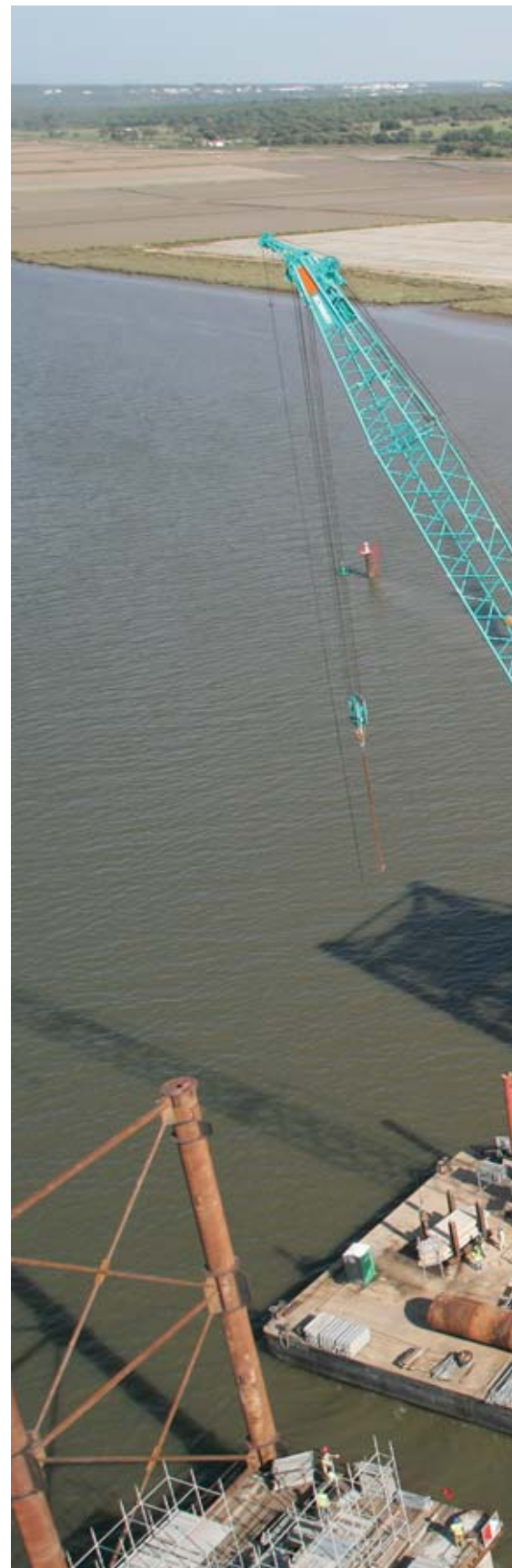
29 Quinta de Cravel / Building Q15 / Vila Nova de Gaia

30 Real Estate Development Villa Park / Amadora

31

In the various areas of **Public Works** and with regard to the period under review, the most significant contract works were:

- The Railway Crossing of Sado River, integrated in the by-pass of Alcácer do Sal, for “Rede Ferroviária Nacional - REFER, E.P.”, which includes a metal bridge with multiple arches with a span of 160 linear metres. Its slim design requires innovative construction and erection solutions, due to the unusual nature of the structure.
- Commencement and completion of the execution of the Water Mineralisation System of the Desalination Plant of Porto Santo, in Porto Santo, for “IGA – Investimentos e Gestão da Água, S.A.”.



31 REFER / Railway Crossing over Sado River / Alcácer do Sal





- Construction works of the Ribeira de São Jorge/Arco de S. Jorge Expressway – 1st Phase – Tunnels, in Madeira Island, for “RAMEDM – Estradas da Madeira, S.A.”, which includes the construction of three 1500 metre long tunnels. The relevant excavation works have been completed and the work is expected to be handed over in June 2009.

- Execution of the ETAR (Wastewater Treatment Plant) of Serzedelo II, for “Águas do Ave, S.A.”;

- Execution of the Pretarouca Dam, in Lamego, for “Águas de Trás-os-Montes e Alto Douro, S.A.”;

The following works are still in the start-up stage:

- Construction of the Tide Intercepting System and Valve Chambers, at Terreiro do Paço, in Lisbon, for “SIMTEJO, S.A.”;

- Reboleira Station, for “Metropolitano de Lisboa, E.P.”;

- Construction of links on IC 24 and on IC 29, and construction of the Bridge over the Douro River, comprised in the Construction works of the Douro Litoral Concession, for “DLACE – Douro Litoral, ACE”.

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32 RAMEDM / Express Highway of Ribeira de São Jorge/Arco de S. Jorge – 1st Phase - Tunnels / Madeira

33 Águas do Ave, S.A. / Residual Waters Treatment Plant (RWTP) of Serzedelo II

34 Águas de Trás-os-Montes e Alto Douro / Pretarouca Dam / Lamego

35 SIMTEJO / Intercepting System and Tide Valves Chamber, in Terreiro do Paço / Lisbon

36/37



Also, the works relating to:

- The execution of the contract job called "Completion of Construction of the Odelouca Dam", for "INAG, I.P.";
- The completion of the Rehabilitation of Barra Bridge over Mira channel, in Aveiro, for "EP – Estradas de Portugal, E.P.E.";

Finally, an important factor for the development of operations in the ensuing years was the incorporation of a Complementary Grouping of Companies, in which "TEIXEIRA DUARTE – Engenharia e Construções, S.A." holds 20%, for the execution of works relating to the Baixo Tejo Concession, for a total amount of approximately EUR 160,000 thousand. The contract for these works was signed in January 2009.

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36/37 INAG / Conclusion of the Odelouca Dam Construction

38 INAG / Conclusion of the Odelouca Dam Construction / Flood Discharger

39 EP - Estradas de Portugal / Rehabilitation of Barra Bridge over the Mira Channel / Aveiro

40
41/42

- MECHANICAL ENGINEERING OPERATION CENTRE

In its speciality, the Mechanical Engineering Centre regularly collaborates with other Operation Centres in the Company and also with other companies integrated in the Teixeira Duarte Group.

Within the scope of these works, we would like to highlight the construction and erection of the metal decks of the Railway Bridge and Viaducts for the New Crossing over Sado River, which is currently underway.

For external clients, we would like to highlight, in the Hydro-Mechanical Equipment area, the Improvement of the Returning Flood Gates of the Crestuma Power Plant, for “EDP – Gestão de Produção de Energia, S.A.”.



40 REFER / Assembly of the Bridge Metal Decks and Railway Viaducts for the New Crossing over the Sado River

41 EDP / Improvement of the Returning Floodgates of the Crestuma Power Plant

42 ANA - Agence National des Autoroutes / 2ème Rocade Autoroutiere D'Alger Sur



43
44/45





- FORMWORK AND PRE-STRESSING OPERATION CENTRE

In line with the increasing activity of the Construction Operation Centre, the production of this Centre reported a strong boost during the year under review.

Within this scope, the most significant contract jobs were:

- Odelouca Dam, for “AdA – Águas do Algarve, S.A.”;
- Vodafone Building – Porto, for “Millennium BCP - Gestão de Fundos de Investimento, S.A.”;
- SIP – Execution of the PM4 Building of the new paper factory in Setúbal, for “About The Future – Company Produtora de Papel, S.A.”;
- New Cascais Hospital, for a company of Teixeira Duarte Group.

Besides the above, the Formwork and Pre-stressing Operation Centre continued to assert its importance in contributing to the Company’s overall good performance levels, providing resources and solution for problems that arose, particularly in external markets.

The Centre continued to privilege training, having reinforced the different areas of the technical team, with the recruitment of young elements, more precisely for project management, administrative and preparation works.

Due to the completion of the abovementioned works and to the new large construction yards that were opened, such as the Railway Crossing of Sado River and the Douro Litoral Concession, an increase in activity is expected for 2009.

43 REFER / Railway Crossing over Sado River

44 Vodafone Building / Av. dos Aliados / Porto

45 Águas do Algarve / Odelouca Dam

C) PARTICIPATIONS AND ASSOCIATIONS

In this chapter, which describes some of the companies on an individual basis, we will only make brief comments and references to certain events of particular significance, since each company has its own governing bodies and publishes its own activity report

BEL - ere - Engenharia e Reabilitação de Estruturas, S.A.

is a company that has long been 100% owned by Teixeira Duarte Group, carrying out specialist works in the areas of Structural Rehabilitation and Preservation of Monuments and Architectural Heritage, as well as in Inspection and Diagnostics of Structures.

It is the oldest company of its kind in Portugal, having celebrated its 50th anniversary in 2008.

Confirming the forecasts advanced in the previous year's report, we wish to mention that, as a result of the dynamism and performance of its elements, this company recorded, on an individual basis, an operating profit of EUR 20,727 thousand, which represents a significant 34% increase compared to 2007.

Considering the ongoing difficulties that the internal market is facing, BEL, S.A. confirmed its strategic investment in external markets (see IV 1.3), such as Algeria and Mozambique, having also started its activities in Ukraine, and more recently in Angola. Such growth was only possible because this company stands on solid ground and its staff has high technical and human capacity, which was reflected in the quality of the works executed and in the full fulfilment of the established deadlines, which earned the trust of its clients and consequently contracts for works and technical studies.

Despite the persistent crisis in this Civil Engineering works sector, the Technical-Commercial department submitted 143 bids amounting to EUR 76,014 thousand, which, in real terms, represents an increase of approximately 31% in the tendered value, thus allowing it to have an orders portfolio of EUR 24,200 thousand.

Among the several tenders in which the company participated, besides the works executed abroad, which will be described later on (see IV 1.3 below), the "Rehabilitation of Docks 20 and 21 and the Pumping Station" at the Lisnave shipyards, in Mitrena, also deserves highlighting.

The number of commenced contract jobs reached the amount of EUR 11,572 thousand, of which 5,758 thousand are from internal market, which led to the opening of 47 construction yards.

In the Research and Development area, associated to other complementary areas, such as Inspection, Diagnostics and Project, all of them of a strong technical-scientific nature, specialist works were carried out in the field of Structural Rehabilitation and Preservation of Monuments.

As a result of the Research and Development activity, we would like to highlight the obtainment of the certification for BEL ARG concrete repair mortar, as a product suitable for use in contact with water intended for human consumption.

In this scientific context, we must mention the approval of the joint application to the "Atlantic Area Transnational Cooperation Programme 2007-2013", under the INTERREG, positioning itself as the only European Company participating in this Project. BEL also started participating in the Management of APEE – Associação Portuguesa de Engenharia de Estruturas (Portuguese Association of Structural Engineering), a Portuguese group of IABSE – International Association for Bridge and Structural Engineering, and maintains its participation, through two elements, in the CT43 Technical Committee – Corrosion of Reinforcements in Concrete.

In the area of Structural Rehabilitation, Reinforcement and Repair, the most significant interventions were:

- Completion of the works for the Replacement of the Polar Stock Roof, at the CIMPOR factory, in Souselas;
- Completion of the Repair of the Homogenisation Silo of Line 2, at the CIMPOR plant, in Souselas;

- Completion of the Repair of Decanting Pits 1 and 2 at the ETA (Water Treatment Plant) of Morgavel, for Águas de Santo André, in Sines;

Within the scope of Maritime Repairs, the most significant interventions were:

- Completion of the Rehabilitation of the Bridge over Mira channel, in Aveiro;
- Completion of the Rehabilitation and Reinforcement of the Eiffel Bridge infrastructures, in Viana do Castelo, for “Rede Ferroviária Nacional - REFER, E.P.”;



46 REFER / Rehabilitation and Reinforcement of the Eiffel Bridge Infrastructures / Viana do Castelo

Another major area of this investee company's activity is focused on the Preservation and Restoration of Architectural Heritage and Ancient Constructions, where it carries out a number of works, some of them in partnership with “TEIXEIRA DUARTE - Engenharia e Construções, S.A.”, among which we highlight the following:

- Conclusion of the structural consolidation and reinforcement of “Igreja de Nossa Senhora do Carmo”, for the Town Hall of Serpa;
- Continuation of the Rehabilitation of D. Zameiro Bridge over the Ave River, for “EP - Estradas de Portugal, E.P.E.”;
- Commencement of the structural consolidation and archaeological works in the Convent of São Francisco, for the Town Hall of Coimbra.

Within the scope of building and structure rehabilitation, the most significant interventions were:

- Revitalisation of the Buildings and Auxiliary Structures – 6th phase, at the Sines Thermal Power Plant, for “EDP – Gestão de Produção de Energias, S.A.”;
- Rehabilitation and seismic reinforcement of a building damaged by a gas explosion, in Setúbal;



47 Rehabilitation and Seismic Reinforcement of a Damaged Building / Setúbal

- Improvement works in the pumps house of “Colónia Balnear de São Martinho do Porto”, for CIMPOR.

For 2009, taking into account the orders portfolio and the volume of works already contracted and in progress, a volume of profits similar to that achieved in the year under review is foreseen.

In 2008, after having obtained the certifications of its Integrated Safety, Quality and Environmental Management Systems in previous years, the company updated the Safety Management System in accordance with the Benchmark Standard BS OHSAS 18001:2007.

E.P.O.S. - Companhia Portuguesa de Obras Subterrâneas, S.A. is 100% owned by Teixeira Duarte Group. It has recognised expertise and it uses the most advanced technology in underground works.

In 2008, this Company reported, in individual terms, a 33.5% increase in operating profit, which was fully due to the internal market and reached EUR 61,159 thousand.

The development of mining infrastructures contributed to the most important portion for the production volume achieved, followed, in order of importance, by the construction of road tunnels.

In the Moinho and Feitais mines, in Aljustrel, more than 8.2 km of tunnels were built, despite the fact that “Pirites Alentejanas, S.A.” decided, on 31st October, to suspend all the production activity, and consequently terminated all the work contracts it had with several service providers.



48 SOMINCOR / Execution of the Tunnels at Neves Corvo Mines

In those same mines, and only during the first ten months of the year, 107,000 m³ of ore were excavated and removed underground and important complementary works were carried out, among which we highlight the opening of 283 metres of mining pits and the installation of 11.500 linear metres of steel cable anchorage slings.

In the Neves Corvo mine, the works that were being carried out for “SOMINCOR – Sociedade Mineira de Neves Corvo, S.A.”, continued, having completed 8.7 km of tunnels and applied approximately 29,000 m³ of sprayed concrete.

In the contract job for the Construction of the Ribeira de S. Jorge – Arco de S. Jorge Expressway – 1st Phase – Tunnels, in progress for “RAMEDM – Estradas da Madeira, S.A.”, executed under a consortium arrangement, 3.890 metres of tunnels and connection galleries were excavated, leaving the opening of the road lanes practically completed and preparing the ground to receive the final layer of the reinforced concrete.



49 RAMEDM / Express Highway of S. Jorge - Arco de S. Jorge – 1st. Phase - Tunnels

Lastly, mention must also be made of the fact that EPOS, S.A. also worked within the “PERFORESC – Perfurações e Escavações, A.C.E.” group, in which it holds a 60% stake, while the remaining 40% is held by “Teixeira Duarte – Engenharia a Construções, S.A.”.

In 2008, EPOS, S.A. continued its effort to expand and modernise its machinery fleet, investing EUR 8,332 thousand, essentially for the purchase of basic production equipment.

An orders portfolio amounting to EUR 30 million was carried forward to 2009. Considering that some of projects for which bids were previously submitted will be awarded, the operating profit is expected to reach EUR 50 million.

Within the scope of the Integrated Safety, Quality and Environmental Management System the usual follow-up audits were performed, this time simultaneously analysing the change/migration to OHSAS 18001:2007, and the certifying entity recommended recertification in accordance with the

benchmarks standards OHSAS 18001:2007, NP EN ISO 9001:2000, NP EN ISO 14001:2004.

SOMAFEL - Engenharia e Obras Ferroviárias, S.A. is 60% owned by Teixeira Duarte Group and its core business is railway engineering (tracks and catenaries).

In 2008, and on an individual basis, the company reported an operating profit of EUR 45,242 thousand, which corresponds to an overall increase of 70.7% compared to the previous year.

However, this was yet another year in which national production dropped as a result of a reduction in railway construction, renewal and maintenance activities, although the external market – which we will develop further ahead (IV.1.3.) – grew exponentially with very significant production rates, namely in Algeria and Morocco.

In Portugal, the execution of the following works during 2008 deserves highlighting:

- Installation of the railway layout (tracks and catenaries) in the Upper PMO (Workshop Material Park) of Guifões, for “Metro do Porto, S.A.”;
- Project Preparation and Installation of concreted railway tracks and catenaries in the Santo Ovídio Terminal, for “Metro do Porto, S.A.”;
- Heavy-Duty Mechanical Tamping Machine for the preservation of the ballasted railway track for “Metro do Porto”/ “Transmetro”;
- Replacement of the AMV’s (Track Switching Devices) at the south side of Pampilhosa Station, on the North Line, for “Rede Ferroviária Nacional - REFER, E.P.”;
- Installation of railway tracks and catenaries on the Sul do Tejo Metro Line, for MST (ACE) and “Siemens, S.A.”, respectively;



50 MST/Siemens / Railway Track and Catenary (Overhead Power Lines) Installation at Metro Sul do Tejo Line

- Heavy-Duty Mechanical Tamping Machine for the preservation of the railway track on the North line for “Rede Ferroviária Nacional - REFER, E.P.”;



51 REFER / Heavy Mechanical Attack for the Conservation of the Northern Line Railway Track

- Mechanical disassembly of the railway track in the East Line from Pk 180+000 to 180+400 for “Rede Ferroviária Nacional - REFER, E.P.”;
- Maintenance of the Railway Track and Geotechnical Works on the Beira Alta Line, for “Rede Ferroviária Nacional - REFER, E.P.”;
- Electrification and rail works in “Grupo Oficinal” (Workshop Group) of Entroncamento, for “Rede Ferroviária Nacional - REFER, E.P.”;
- Installation of the Viseu funicular railway track, for “LIFTECH - Tecnologia de Elevadores, Lda.”.



52 LIFTECH / Railway Track Installation for the Funicular of Viseu

During the period under review, the Company invested EUR 3,550 thousand, basically continuing what it has been doing for the past years to transform/adapt the equipment to European standards, besides the Iberian ones.

In the second quarter of 2009, SOMAFEL, S.A. will be receiving two new pieces of highly productive equipment suitable for use in the most demanding railway networks across Europe: a Universal Heavy-Duty Tamping Machine for open track and B66U-type AMV's (Track Switching Devices), Matisa's high-end model, already equipped with a modern computer system "CATT-Computer Aided Track Tamping" for the automatic steering of the machine during the railway track layout rectification operation, as well as a high performance Ballast Grader, model R21LS of Matisa.

This investee company has also reinforced its traction material park with the acquisition of three totally reconditioned diesel-electric locomotives.

For 2009, not a very significant increase of the railway infrastructures sub-sector activity is foreseen in Portugal, but it is expected that SOMAFEL, S.A. will achieve a turnover not below EUR 49,000 thousand, essentially as a result of its operation in the afore-mentioned external markets.

In the year under review, SOMAFEL, S.A. kept its Safety, Quality and Environmental Management Systems certified in

accordance with the benchmark standards OHSAS 18001:2007; ISO 9001:2008 and ISO 14001:2004, respectively.

For the current year, the company intends to certify its Research, Development and Innovation (IDI) Management and Social Responsibility Systems in accordance with the benchmark standards NP 4457:2007 and SA 8000:2008, respectively, thus seeing the practices that it has gradually implemented in these areas being recognised by a certifying entity.

OFM - Obras Públicas, Ferroviárias e Marítimas, S.A. is a company 100% owned by SOMAFEL, S.A. and specialises in rail, maritime and river infrastructures.

In 2008, this company reported, on an individual basis, an operating profit of EUR 36,478 thousand, which represents a 46.6% increase over the previous year. From this income, approximately 73% was generated in the internal market and the rest in Algeria.

Among the works developed in Portugal during the year under review, the most significant were:

In the railway sector:

- Completion of the contract job for the "Design and construction of the Sto Ovídio terminal, executed under a consortium arrangement, for "Metro do Porto, S.A.";



53 Metro do Porto / Design and Construction of Santo Ovídio Underground Terminal / Porto

- Completion of the construction of the upper platform and accesses to the PMO (Workshop Material Park) of Guifões, executed by a consortium led by OFM, for “Metro do Porto, S.A.”.

In the Maritime Works area:

Completion of the following contract jobs for:

- Construction of the new Multi-Purposes Terminal of Leixões Harbour, executed under a consortium arrangement, for “Administração dos Portos do Douro e Leixões, S.A.”;

- Construction of the New Maritime Cruise Ship Terminal of Ponta Delgada, executed under a consortium arrangement, for the “Administração dos Portos das Ilhas de S. Miguel e Santa Maria, S.A.”;



54 Port Administration of the Islands of S. Miguel and Santa Maria / New Sea Cruise Terminal of Ponta Delgada / Azores

- Extension of the Solid Bulk Cargo Terminal at Figueira da Foz Harbour, for IPTM – Instituto Portuário e dos Transportes Marítimos, IP;

- Execution of a Mooring Quay at the Clinker Grinding Mill in Mitrena, Setúbal, for “PEPORSET – Terminal Portuário de Setúbal, S.A.”;

- Rehabilitation of the West Breakwater at Peniche Harbour, executed by a consortium led by OFM, S.A., for “IPTM – Instituto Portuário e dos Transportes Marítimos, I.P.”;

The following contract jobs in the maritime sector are in progress:

- Rehabilitation and Reconstruction of the Breakwater Quay at Ericeira Harbour, executed under a consortium arrangement, for “IPTM – Instituto Portuário e dos Transportes Marítimos, I.P.”;



55 IPTM - Instituto Portuário e dos Transportes Marítimos (Port and Maritime Transport Institute) / Rehabilitation of the Western Breakwater of the Port of Peniche

- Rehabilitation and Reinforcement of the Quays between Santa Apolónia and Jardim do Tabaco (2nd phase) – Work to be executed by “Cais de Cruzeiros - 2^a fase, ACE” group.

During 2008, OFM, S.A. invested a total sum of EUR 835 thousand, highlighting the acquisition of a Komatsu PC750SE Dragline Excavator, two Modular Pontoon, one with eight Modules and another with four Modules, as well as a set of Sheet Piles and a 150KW Dredging Pump with its respective power supply unit.

A comfortable public works portfolio was carried forward to 2009, so a turnover of more than EUR 30,000 thousand is expected.

Following the obtainment of the Occupational Health and Safety Management System certification, which resulted in OFM, S.A. having a Certified Integrated Management System in the areas of Safety, Quality and Environment, the Company has decided to move on to the Social Responsibility Management System, to be certified in 2009 under standard SA 8000.

The implementation of the IDI Management System (Research, Development and Innovation) is in the start-up stage.

METROLIGEIRO - Construção de Infra-Estruturas, ACE is a complementary grouping of companies which was awarded a construction tender for long-term infrastructures on the Sul do Tejo Metro Network, in which “TEIXEIRA DUARTE - Engenharia e Construções, S.A.” holds a 26.8% stake.

The works were completed and commissioned at the end of November.



56 Metropolitano da Margem Sul do Tejo (Underground of the Southern Margin of Tagus River)

“PERFORESC - Perfurações e Escavações, ACE” is a complementary grouping of companies, in which “TEIXEIRA DUARTE – Engenharia e Construções, S.A.” holds a 40% stake and EPOS, S.A. the remaining 60%. It was created for the purpose of executing contract jobs and providing drilling and excavation services to be signed with mine owners and mining concessionaires.

During 2008, this grouping reported an operating profit of EUR 20,252 thousand.

Between January and October 2008, it continued with the works in progress under the Contract Job for Mine Drilling, Excavation and Removal signed with “Pirites Alentejanas, S.A.” and, on 31st October, as already mentioned, this company decided to terminate the contract, justifying such a decision with the deterioration of the international market value of zinc ore, which recorded a 51% drop in those ten months.

In the Moinho and Feitais mines, in Aljustrel, 107,000 m³ of ore were excavated and removed and other important works were carried out, among which we highlight the opening of 283 metres of mining pits and the installation of 11,500 linear metres of steel cable anchorage slings.

TEIXEIRA DUARTE - SOPOL - Metro de Superfície, ACE is a complementary grouping of companies led by “TEIXEIRA DUARTE - Engenharia e Construções, S.A.”, which holds a 57.3% stake, created for the purpose of carrying out a number of works for the abovementioned grouping METROLIGEIRO, and which through its activity, helped the latter achieve its goals.



57 Metropolitano da Margem Sul do Tejo / Terminal of Cacilhas

IV.1.3. - EXTERNAL MARKET

In this chapter, a brief description will be provided of the most significant operations carried out in external markets, both by “TEIXEIRA DUARTE - Engenharia e Construções, S.A.” and by its investee companies, which operate in the Construction sector in the markets of Angola, Algeria, Brazil, Spain, France, Libya, Morocco, Mozambique, Sao Tome and Principe, Tunisia, Ukraine and Venezuela.

- ANGOLA

Despite some setbacks due to the accelerated economic growth in Angola, the Company performed fairly well in this

market, which corresponded to a greater number of works, among which the following deserve highlighting:

- Commencement, completion and repair of several bank branches of Banco de Fomento de Angola;
- Completion of the of the Elysée Tower and follow-up of the structural works of the second Tower for “SPFA - Sociedade Participação Financeira Angolana”;



58 SPFA / Elysée Tower / Luanda

- Completion of the Bridge over Giraul River, in Namibe, for I.N.E.A.;
- Rehabilitation and Construction of Bank Branches for Millennium BCP;

- Continuation of construction of the Headquarter Building for the CHEVRON oil company;



59 CHEVRON / Headquarters Building / Luanda

- Continuation of construction of the Espírito Santo Building, for ESCOM;



60 ESCOM / Espírito Santo Building/ Luanda

- Continuation of the construction of a new four-star Hotel in Luanda, for a company of Teixeira Duarte Group;



61 Teixeira Duarte / Hotel Baía / Luanda

- Construction of the Head Office Building for INACOM;
- Continuation of the execution of the Ekumbi Building, intended for Housing.
- Commencement of the construction of the definitive premises of “Colégio São Francisco de Assis”, in South Luanda;
- Commencement of rehabilitation works on Avenida Hojy Ya Henda, in Luanda, as well as the execution of the new Bridge over the Kwanza River, between Cabala and Muxima, for I.N.E.A.;



62 I.N.E.A. / New Bridge over the Kwanza River, between Cabala and Muxima

- Commencement of the execution of infrastructures of four pavilions for “Centro Logístico de Distribuição Alimentar – CLOD”, in Viana, for a company of Teixeira Duarte Group;

Within the scope of the Geotechnique and Foundations sector, the commencement of the following contract jobs deserves highlighting:

- Execution of a diaphragm wall and excavation of eight underground floors, for ESCOM;
- Execution of peripheral containment with a diaphragm wall for eight underground floors in the Maravilha Building;
- Completion of the execution of diaphragm walls and excavation for eight underground floors in the TORRES DO CARMO Building.



63 Bentonite Walls and excavation for Eight Basements in TORRES DO CARMO Building

In 2008, a total of approximately EUR 8,000 thousand was invested in equipment.

There are still several construction yards awaiting the signing of contracts and/or consignment of sites for the commencement of works, which raises expectations for an improvement in this sector's performance in 2009

Although the opening of a Portuguese credit line is considered to be a positive factor, its reinforcement is still a priority and desirable, in order to cover all the projects of considerable interest for national entities.

Even so, for Portuguese companies to gain access to the large-scale reconstruction projects that are starting now, it is still considered essential to increase the level of cultural affinity between the peoples of Portugal and Angola, an area in which Portugal has a competitive advantage over all the other bidding countries.

- ALGERIA

In 2008, the installed productive capacity reached its maturity with several fully operating construction yards and only administrative setbacks prevented the good performance of the activity from being totally reflected in the reported profit volume.

The works in the “2^{ème} Rcade Autoroutiere D’Alger Sur” carried out to fulfil the schedule of inaugurations foreseen for the current year.



64 2nd Highway ring road of Alger-South

The contract job “El Oued – Assainissement des Eaux Résiduares Pluviales et Lutte Contre La Remontée de La Nappe Phréatique de La Vallée D’el Oued (Tranche 2)”, for “ONA – Office National de L’Assainissement”, continues at an excellent pace.

In the works of “El Harrach – Réalisation des Ouvrages de Dérivation et Transfert El Harrach-Douera Pour L’Aménagement du Périmètre de La Mitidja Centre” – for “ONID – Office Nationale de Irrigation et Drainage”,

performance was again affected by the severe weather conditions of the region, with floods and overflows repeatedly interrupting the operations, but, despite everything, the contract job will be completed within the set deadlines.



65 ONID / El Harrach - Execution of Diversion Works and Transfer El Harrach-Douera for the development of the Mitidja Centre Perimeter

The contract job “MAO – Projet de Adduction du Couloir Mostaganem-Arzew-Oran – LOT 3.1” – for “ANBT – Agence Nationale de Barrages et Transferts”, has progressed so well that it will be possible to inaugurate its fundamental parts in the first quarter of the current year and achieve its full commissioning by the end of the current semester.



66 ANBT / MAO - Mostaganem-Arzew-Oran Corridor Adduction Project - LOT 3.1

In 2009, the railway works of Thenia - Tizou Ouzou were handed over and the contract job for the reconstruction of the Tindouf Air Base was awarded, while Teixeira Duarte

submitted the best price in the tender for the execution of the contract job “Etudes d’exécution, réalisation des travaux du génie civil, gros oeuvres, et pose de voie et du troisième rail relatives à l’extension “A” Place Emir Abdelkader- Places des Martyrs de la première ligne du Métro d’Alger”. These facts reflect the Company’s optimism about the sustainability and growth of production levels.

The local investee company, TEIX.CO, SPA continues to carry out works for the execution of a waterproofing cor wall on the Kerrada dam for the MAO project. This is a large-scale project to be fulfilled in coordination with the other construction works under the general contract job.

The development of TEIX.CO has been affected by the difficulties in the materialisation of the foreseen investment, but this has not hindered its growth and, for 2009, it still intends to reach a turnover of over EUR 10,000 thousand. For that purpose and besides its participation in the Thenia - Tizou Ouzou project, the Company is relying upon the increase in demand for solutions for the execution of the underground floors of the Air Algérie Head Office Building, which is currently being completed, close to the International Airport of Algiers.



67 Peripheral Containment of the Basements of Air Algérie Headquarters Building

With regard to the Portuguese associated companies, the following events must be highlighted:

- BEL, S.A. has completed the Rehabilitation of “Boulevard Front-de-Mer”, in Oran, for DTP (Departement des Travaux

Public) and commenced the Rehabilitation of the Riadh El-Feth Monument, built in memory of the martyrs of the revolution of Algiers;

- OFM, S.A. continued its activity in this market executing the following works:

- Completion of the Contract Job for the Reconditioning of the Intermediate Link of Oran Harbour (Lot II), for “Direction des Travaux Publics” of Wilaya d’Oran;

- Continuation of the Contract Job Works for the Execution of the Sea Outfall Pipes at the Beni Saf Desalination Plant. Subcontract for the general contractor – “UTE Desaladora Beni Saf Construcion”.

- The handing over of Lots I and III comprised in the “Contract Job for the Reconditioning of the external breakwater at Oran Harbour” is expected, as well as the commencement of works for the execution of the mixed gas/oil terminal at the nautical harbour of Bejaia.

SOMAFEL, S.A., after one year of “suspended” (discontinued) activities relating to the contract for the execution of the Full Renewal of the Railway Line between “El Gourzi/Biskra/Touggourt” (240km) as a result of undecidedness from the Site Owner (ANESRIF), finally resumed the works in the third quarter of 2008 and now hopes that their execution, to be done with its congenerous railway companies, will progress normally throughout 2009.

In parallel, this Company stabilised the production and the industrial routine of the bi-block sleeper factory that was installed in the Central Construction Yard, in Biskra. Such an investment already assures an average production of approximately 500 sleepers a day for the continuation of the Works.

- BRAZIL

Since 2007, Teixeira Duarte has been operating in the construction sector of this South American country through its investee company “EMPA, S/A – Serviços de Engenharia”, with Head Office in Belo Horizonte, State of Minas Gerais,

which operates in the heavy construction sector in several Brazilian States.

During the year under review, EMPA, S/A reported an operating profit of EUR 56,989 thousand, which represents a 44.7% increase compared to 2007.

In 2008, the average number of employees was 1,112. The Company carried out a renewal and expansion process of its equipment fleet, namely that allocated to road construction.

In the heavy construction sector, highly relevant technical contract jobs were completed, among which the mining complex and bauxite ore improvement in Mirai, State of Minas Gerais, for the Votorantim Group and a 20 MW Mini-Hydraulic Power Station besides other Works, most of them in the road sector.



68 EMPA / Railway works BR 060 Brasília / Goiânia

EMPA, S/A participated in the consortium that tendered for the concession of the 423 Km long “Marechal Rodon – Oeste” road, in the State of São Paulo, and is part of the managing group of private companies that develop studies for the Minas Gerais Roads Concession Programme, in a Public-Private Partnership scheme which involves a total of 5,766 Kms, distributed across 17 lots.

In December 2008, EMPA, S/A had an orders portfolio amounting to EUR 170,000 thousand.

During this year, specific projects for 8 Mini-Hydraulic

Power Stations were developed, with a total installed power of 101 MW, which are expected to be brought into service between the end of 2010 and 2012.



69 PCH Areia Branca (Small Hydroelectric Power Plant of Areia Branca)

The company “EMPA Logística, Lda.” was incorporated to enter the Brazilian mining market by providing loading and transport services.

“INFRAENGE - Construções, Lda.” is a company incorporated under the Brazilian law, with Head Office in Bebedouro, State of São Paulo, 33.33% owned by EMPA, S/A and specialised in road construction, having reported an operating profit of EUR 6,134 thousand, which represents a 81.9% increase compared to 2007.

The investee company, SOMAFEL, S.A. also continued its increasing geographical diversification strategy and started prospecting this emerging market in the railway line infrastructures area. Within this scope, it has submitted a bid for the execution of the expansion works on the underground network projects of “Metro de São Paulo” and continued to analyse possible local partnerships for several pre-qualification tenders.

The intention is to deploy resources in the short term, in order to create a Local Establishment with commercial representation and to specifically define the objectives for creating possible associations to capture contracts.

- SPAIN

In Spain, Teixeira Duarte Group operates through “GSC - Compañía General de Servicios y Construcción, S.A.”, with the support of “TEIXEIRA DUARTE - Engenharia e Construções, S.A.” operation centres, as well as of its branch in this Country. As a result of these structures’ performance, it reached an operating profit of EUR 9,405 thousand.

This investee company continued to perform its construction activity, with particular emphasis on the consolidation of the technical-commercial department in Madrid and in Andalusia, as well as the implementation of a construction yard in the area of Madrid.

Thus, the Company participated in 34 tenders, for an overall amount of EUR 221,023 thousand, expanding its position in this market.

During the current financial year, the following contract jobs were completed for the municipality of Torrejon de La Calzada, in Madrid:

- Construction of a covered swimming-pool, SPA and changing rooms;



70 Indoor Swimming Pool and municipal SPA of Torrejon de La Calzada / Madrid

- Construction of 52 Ecological Islands, formed by buried equipment, for solid urban waste collection;
- Construction of a Public Park, in Bairro Saladillo, for the

Municipality of Algeciras;

“Construction of a Pedestrian Walkway” over Avenida Europa, in Madrid, for the Municipality of San Sebastian de Los Reyes.

The “construction of Facilities for the Cleaning and Waste Collection Services” in the city of Algeciras also commenced, for the municipal company “ALGESA - Actividades de Limpieza y Gestión, S.A.”.



71 ALGESA / Installations for the Waste Collection and Cleaning Services / Algeciras

The “construction of CEMPLAF – Municipal Beaches and Forests Centre”, for the Municipality of El Puerto de Santa Maria commenced.

Within the scope of the Geotechnique and Foundations Operation Centre of GSC, S.A., it must be mentioned that, in 2008, and in partnership with Teixeira Duarte – Engenharia e Construções, S.A. (Spain Branch), the following procedures in fundamental areas were optimised, such as the study and price quotation of projects, contracting and debt collection, simultaneously maintaining the good performance levels in contract jobs execution.

As a contribution to the stabilisation of the Company's activity in Spain, it is also important to mention the operation start-up of the machines park in Torrejón de la Calzada, Madrid, so now there is a platform in the centre of Spain, which is quite important for increasing the efficiency of operations in the Country.

The commercial activity in this sector, during the year under review, was intense and led to the submission of 110 bids, for an overall amount of EUR 92,873 thousand, which represents a significant increase compared to the previous year.

The number of open contract jobs amounted to EUR 1,274 thousand, leading to the opening of 9 construction yards.

During 2008, the following contract jobs were completed:

- "Diaphragm wall, for the Metro Málaga consortium";
- "Diaphragm wall and Piles, in the *Intercambiador de Mairena de Aljaraje*", for the company "Construcciones Sanchez Dominguez-Sando, S.A.";



72 Sando / Bentonite Wall and Piles in the Interchanger of Mairena de Aljaraje

- Execution of Piles and Jet-Mix, in the Cuenca-Ollala AVE link, for "INGESA - Ingenieria geotécnica S.A.";

The contract jobs commenced for several clients also deserve highlighting, mainly:

- "Execution of Piles, for the sanitation network in Espejo in Córdoba", for "Construcciones Sanchez Dominguez-Sando, S.A.";
- "Execution of Piles and Jet-Mix, at the La Motilla viaduct in Cuenca, in one of the AVE links, for "FERROVIAL - Agroman S.A."";



73 FERROVIAL / Piles and Jet-Mix, in viaduct La Motilla in Cuenca

- "Execution of Piles, at "Variante Miraflores, in San Roque", for "Construcciones Sanchez Dominguez-Sando, S.A.";
- Execution of Piles, at "Canal Segarra", in Lérida, for the "BRUESA, S.A." – "PLODER, S.A." consortium;
- Piles were also executed at another Cuenca-Ollala AVE link, for "FERROVIAL - Agroman S.A.";

- FRANCE

The Group operates in this country through its investee company SOMAFEL, S.A., which, since 2004, is accredited by SNCF - Société Nationale des Chemins de Fer – one of the world's most demanding railway administrations –, for both railway track and catenary works.

SOMAFEL, S.A. carried out several Works for this entity, among which the completion of the subcontract job for Nantes/Les Sables d'Orlone Electrification deserves highlighting.

It received the revalidation of its qualification for railway trackworks from the abovementioned Railway Administration, as well as for catenary Works and studies, having been awarded new higher classes in the categories authorised for tenders, which will allow it a significant increase in future participations.

In this market, SOMAFEL, S.A. was awarded the following

Catenary erection works:

- Fusion des Postes de la zone élargie d'Aulnoye;
- GOP V2 2008 and Création ITCS Hazebrouk/Dunquerque;
- LGV RHIN RHONE – Remaniement Préparatif au Raccordement de Petit Croix;
- Création du raccordement de Blangy : Ligne de Paris – Lille.

- LIBYA

Following the work that “Teixeira Duarte – Engenharia e Construções, S.A.” and other companies comprised in its economic group have been carrying out in North Africa with greater dimension and regularity, it was deduced that the Libyan market appears to have great capacity and growth potential, so Company decided to start operating in that Country, mainly including the incorporation of a local connection office, for the purpose of allowing it to perform its activity under the legally admitted terms and requirements and in a nimble, organised manner, suited to the local conditions.

In 2008, the Company continued to approach local agents with the signing of several joint performance protocols, which makes it possible to envisage 2009 as the year of its production start-up in that Country.

- MOROCCO

This market has been gaining increasing importance in the operation of the investee company SOMAFEL, S.A., which developed the logistics and industrial production in three large construction yards.

During 2008, the following works for “ONCF – Office National de Chemins de Fer” deserve highlighting:

- Full renewal of the railway track between Tangiers and Mechraa Bel Ksiri (70 Km);

- Construction of a new railway track projected between Taourirt and Nador, including the project and installation of the layout on a concreted railway track at Beni Ansar Harbour (130Km);



74 ONCF / New Railway Track in the Link Projected between Taourirt and Nador

- Project and installation of a concreted railway track at Tangiers-Méditerranée Harbour.

SOMAFEL, S.A. continues with expectations of reinforcing its activity in this Country, through catenary works and with preservation and maintenance contracts.

- MOZAMBIQUE

The construction market revealed an unusual higher activity, both at tender level, and in the awarding of Works, especially during the second semester of 2008, which provided a much larger works portfolio and with high expectations for 2009.

During the year under review, the completion of the following contract jobs deserves highlighting:

- Construction of the reinforced concrete structure for a trade and services building, in Maputo, for “MMD – Construções, Limitada”;
- Mitigation of erosion at Tofo beach, in the Province of Inhambane, for “Telecomunicações de Moçambique S.A.R.L.”.

- Design/Construction for the rehabilitation and execution of the Inhambane and Maxixe Pontoon Bridges, in the Province of Inhambane, for the Ministry of Transports and Communications;



75 Ministry of Transports and Communications / Rehabilitation and Construction of Bridge Piers of Inhambane and Maxixe, in the Province of Inhambane

- Rehabilitation of “Marginal de Inhambane” (Coastal Fortified Wall), in the Province of Inhambane, for the Municipal Council of Inhambane;



76 Municipal Council of Inhambane / Rehabilitation of the seaside road of Inhambane

- Rehabilitation and Improvement of the Monument to the II Congress and Construction of the Matchedge Interpretation Centre, in the Province of Niassa, for the Ministry of Education and Culture;

- Rehabilitation of the premises of the scholarships department, in the Province of Maputo, for the Ministry of Education and Culture;

In the same period, the following contract jobs were continued:

- Construction of the Rectory Building, in Lot 01, in Maputo, for University Eduardo Mondlane;

- Construction of the Sciences Faculty building – Lot 2, for the University Eduardo Mondlane, in Maputo.

During the year, the following works were commenced:

- Rehabilitation of DATI's head office building, in Inhambane, in the Province of Inhambane, for “Telecomunicações de Moçambique S.A.R.L.”;



77 Telecommunications of Mozambique / Rehabilitation of the Headquarters Building of DATI / Inhambane

- Design and construction of buildings for the Ministries (Youth and Sports; Tourism and Public Service), in Maputo, for BCI – Fomento;

- Construction of an outpatients building, in Maputo, for “ICOR – Instituto do Coração”;



78 Heart Institute / Outpatients Building / Maputo

- Design and construction of a building for the Ministry of Labour, in Maputo, for BCI – Fomento;
- Construction of PS-Laulane Substation, in Maputo, for “ISOWAT Moçambique, Limitada”;
- Rehabilitation of Maputo and Catembe Pontoon Bridges, in the Province of Maputo, for the Ministry of Transports and Communications;
- Rehabilitation of the São Sebastião Fortress in the Island of Mozambique, in the Province of Nampula, for UNESCO / Ministry of Education and Culture;



79 UNESCO / Ministry of Education and Culture / Rehabilitation of the Fortress of São Sebastião in the Island of Mozambique

- Construction of the Complete Primary School in the city of Chitima, in the Province of Tete, for the Provincial Directorate of Education and Culture of Tete, Ministry of Education and Culture;
- Construction of the Complete Primary School in the city of Tete, for the Provincial Directorate of Education and Culture of Tete, Ministry of Education and Culture;
- Construction of the Teachers' Training Institute of Chitima, in the Province of Tete, for the Provincial Directorate of Education and Culture of Tete, Ministry of Education and Culture;
- Construction of the Teachers' Training Institute of Tete, in the Province of Tete, for the Provincial Directorate of Education and Culture of Tete, Ministry of Education and Culture;



80 Ministry of Education and Culture / Teachers Training Institute of Tete

- Construction of the Pedagogical University of Tete, in the Province of Tete, for the Provincial Directorate of Education and Culture of Tete, Ministry of Education and Culture;
- Rehabilitation of the School of Agriculture of Chokwé, in the Province of Gaza, for the Ministry of Education and Culture;
- Construction of the Secondary School of Chidzolomondo, in the Province of Tete, for the Ministry of Education and Culture;
- Construction of Handicrafts School of Mugeba, in the Province of Zambézia, for the Ministry of Education and Culture;
- Construction of the Secondary School of Macia, in the Province of Gaza, for the Ministry of Education and Culture;
- Construction of the Region Handicapped Resources Centre of Tete, in the Province of Tete, for the Ministry of Education and Culture;
- Construction of Higher Polytechnic Institute of Geology and Mining of Tete;
- Construction of Faith See, in Avenida 24 de Julho, 1st Phase, in the Province of Maputo;
- Reconstruction of the Beira fishing harbour and construction

of processing factory, ice factory, cold stores and supporting facilities, in Beira, in the Province of Sofala;

- Rehabilitation of “Utomi Park” building, in the Province of Maputo, for the National Directorate of Public Accounting and Budget;

- Infrastructures for the updating and extension of safety equipment, in the Province of Maputo, for “Kudumba Investments Lda.”.

- SAO TOME AND PRINCIPE

The Company continues to study and survey this market, within the scope of which it expects to start the construction of the new Head Office of San Tome and Principe Central Bank.

- TUNISIA

Following the signing of the contract between SOMAFEL, S.A. and TRANSTU, - Société de Transports de Tunis in 2007, the Company has started the works for the “assembly of catenary lines and power supply along the extension of the light metro west line, for “Campus Universitário de Manouba”.

This contract of SOMAFEL, S.A., in consortium with EFACEC, includes the preparation of a study of the execution project as well as the supply of Catenary materials.

- UKRAINE

Following its activity in Ukraine, which has been developed since the middle of 2006, “TEIXEIRA DUARTE - Engenharia e Construções, S.A.” completed, in the first semester of 2008, the 1st phase for the remodelling and modernisation works of the cement factory owned by another company of the Group (CEMENT, Limited), in the city of Odessa, close to the Black Sea, with the commissioning of the new clinker grinding mill.

Associated to this mill is the construction of two metal silos, each of 2,500 ton capacity, the execution of a new tunnel for transporting the clinker to the mill, the modernisation of the additive transport and feeding systems to the new mill, an

electrical building and the installation of a new cement and raw material loading, unloading, weighting and transport system.

Additionally, the Company has finished the construction of the new administrative building and the laboratory, as well as the reformulation of the internal circulation system of the plant, adapted to the new infrastructure, which allowed the achievement of significant gains in operating capacity.

In parallel, it has performed the rehabilitation and modernisation of the two existing silos. This work was implemented through the investee company BEL, S.A. and required the development of a complex and very detailed planning, due to the logistical and technical requirements involved.



81 Cement Plant in the city of Odessa / Ukraine

For 2009, the completion of the coal grinding mill and related safety systems is expected, as well as a new palletizing warehouse, attached to the pucking building. These projects were somewhat delayed due to an unexpected slowness in said structures’ licensing process in progress with the Local Authorities.

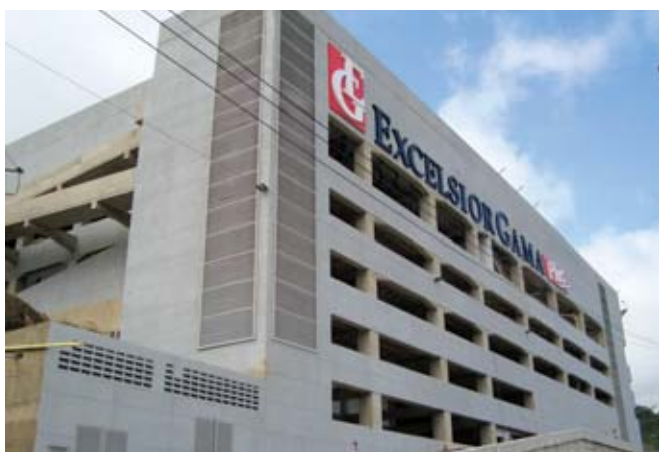
The execution of this contract job has led to greater knowledge of the local market and to the study and analysis of new business opportunities in the “Construction” area as well as in the “Cement, Concrete and Aggregates” areas, among others.

Despite the current global conjuncture, which Ukraine is particularly exposed to, Teixeira Duarte remains determined to strengthen its position in this market and in the opportunities it offers, disseminating and reinforcing the Group's presence in this Eastern European country.

- VENEZUELA

In 2008, the local investee company "TEGAVEN, CA" – which celebrated 30 years of activity – has maintained good growth levels, benefiting from the previously created portfolio with the Public Sector, especially in Social Housing Construction.

In the year under review, the Company completed the construction of the Excelsior Gama supermarket, in La Trinidad, Caracas DC.



82 Supermarket Excelsior Gama / La Trinidad / Caracas

The progress of the construction of the reinforced concrete structure of the buildings of the Multi-family Houses Project, within the Special Plan of Physical and Structural Transformation in the Metropolitan Area, Sector III of João Paulo II Urbanisation Lot D, in Montalban, Caracas DC, for "PDVZA – Petróleos da Venezuela, S.A."; continues at a good pace.

TEGAVEN, CA has also started the finishing work in a set of multi-family houses in Montalban.

The relations between Portugal and Venezuela reached their

peak in 2008, with the signing of an important trading agreement that involves the trading of Portuguese goods and services for Venezuelan oil products, under which "TEIXEIRA DUARTE - Engenharia e Construções, S.A." has signed two important contracts: one for the construction of the DOS BOCAS Dam for water supply to Barquisimetro and the other for the modernisation and expansion of La Guaira Harbour, for a total amount of more than USD 1,000 million.



83 Modernization and Expansion of the Port of La Guaira

Although the current financial crisis might affect the development of these projects by delaying them, such contracts allow us to foresee the growth of Teixeira Duarte Group in that country to levels never achieved before.

IV.2. - CEMENT, CONCRETE AND AGGREGATES

Teixeira Duarte Group operates in this sector through several companies, which operate in Portugal and abroad and reached a total operating profit of EUR 49,227 thousand in 2008, representing a 47.9% increase compared to the previous year.

Within this group of companies, we highlight "C+P.A. – Cimento e Produtos Associados, S.A.", 52% owned by an investee company and the remaining 48% by CIMPOR – Industria de Cimentos, S.A., and which has focused its operations on the development of its own projects and on the purchase of shares in other companies operating in the sector, as well as on the management of other financial

stakes, among which the one held in “Banco Comercial Português, S.A.”

IV.2.1. - INTERNAL MARKET

With the sale of “TEPORSET – Terminal Portuário de Setúbal, S.A.”, following the signing of an offer to purchase in December 2007, Teixeira Duarte now operates in this sector, in Portugal, only through its investee company “MARINERTES, S.A.”, where it holds a 51% stake, which specialises in aggregate dredging, maintenance, transformation, marketing and transport services.

This company currently holds the rights of prospecting, research and future exploitation of mineral deposits of sand, gravel and other aggregates on the seabed and subsoil, in a total area of approximately 980 km² in territorial waters and in the Portuguese continent platform, comprising eight areas.

In 2008, prospection and research works were completed in six areas, in accordance with the annual programme approved by the Directorate General of Energy and Geology (DGEG), and the Environmental Impact Studies (EIA) were submitted for approval within the scope of the Exploration Concession.

MARINERTES, S.A. was notified by the Portuguese Environment Agency (APA) of the decision to terminate the Environmental Impact Assessment (A.I.A.) procedure, in response to which the company took legal action to safeguard its rights.

IV.2.2. - EXTERNAL MARKET

- ANGOLA

Teixeira Duarte Group operates in the cement, concrete and aggregates area in Angola through its investee companies ANGOCIME, Lda. and BETANGOLA, Lda..

During the year under review, the erection of four 3,600-ton capacity cement storage silos, in Viana, was completed and a new gravel extraction unit was opened in the vicinity of

Luanda. Furthermore, equipment was purchased for a new crushed granite extraction unit, which is currently being completed to start operating.

With regard to the production of ready-mixed concrete, the Company purchased and assembled three new concrete plants, one located in Luanda, another in Namíbe and the third in Quibala.



84 Betangola / Concrete Plant in Namíbe

With the abovementioned investments and with the growth of the transport fleet, BETANGOLA, Lda. is in a position to double the production of aggregates and ready-mixed concrete.

This sector's development continues to be affected by the high cost and irregular supply of cement and by the increase in aggregate procurement cycles, implying that longer distances have to be covered to reach the geographical sources of raw materials, added to the enormous traffic problems in the city of Luanda, factors which weigh significantly on the increase in the end product transported.

During the year under review, a total operating profit of EUR 21,617 thousand was achieved, representing a 112% increase compared to 2007, which was nonetheless below the set target due to the abovementioned supply difficulties.

- SPAIN

C+P.A., S.A. maintained its 48.57% share of the capital

stock of the Seville-based company, "ARENOR, S.L.", which operates in the Spain's concrete and aggregates sector and holds a stake in local companies and in other countries. In May 2008, Teixeira Duarte Group promised to purchase a share of more than 22.86% of ARENOR, S.L.'s capital, and the signing of the final contract is currently underway.

In March 2008, ARENOR, SL sold part of its stake in a number of companies, while other already owned companies sold some of their assets allocated to their activities and are carrying out the subsequent processes for their dissolution.

The funds deriving from those sales provided the capital for new investments, and ARENOR, SL:

Incorporated, in August 2008, the company "Arenor-Hormigones Sevilla, SLU", for the purpose of continuing to exploit a concrete plant in that Spanish Province;

Incorporated, under the Portuguese law, "ARENOPOR – SGPS, S.A.", which has subsequently made investments in other investee companies:

"Banco Comercial Português, S.A." - 23 million shares, corresponding to 0.5% of its capital stock;

"LUSOBETÃO – Betões de Portugal, S.A." – 15% of the capital stock, expecting to purchase another 15% in the first quarter of 2009;

Made some acquisitions in Bulgaria through a local company called ARENOR BULGÁRIA, which, in turn, holds 100% of another local company with "CIMBUL", which will be dedicated to the exploitation of quarries and to concrete manufacture and sale.

- MACAO

C+P.A., S.A. remained associated with its shareholder CIMPOR, S.A. and with local partners of Teixeira Duarte, to perform operations in the strategic market of the

People's Republic of China, through the Macao-based company "Sociedade de Investimento CIMPOR - Macau, S.A.", 25% owned by C+P.A., S.A. and which also holds a stake in other companies incorporated under the Chinese law.

Those local companies have a total of two clinker production lines with capacity for 2,800,000 ton/year each and two cement mills, one with a production capacity of 1,200,000 ton/year and the other 600,000 tons/year, operating in the province of South Sandong and Jiangsu, including the Shanghai area.

This is a market in which an increase in production capacity and new investments are expected.

- NAMIBIA

The project that C+P.A., S.A. had underway in Namibia for the purpose of creating and installing a cement production and clinker storage plant have ended with the acquisition, still in 2007, of KARIBIB PORTLAND CEMENT, a company incorporated under the Namibian law, with registered head office in Windhoek, Namibia.

Following a long and complex process carried out with the different Namibian authorities, this investee company, in the middle of 2008, obtained the mining license and the environmental license, which allow it to commence the works for the installation of a clinker production plant, in the city of Karibib, for the purpose of producing cement.

At the same time and for the optimisation of the commercial line which is expected to be implemented within the scope of this project, an agreement was signed with the local company "SYRENE INVESTMENTS (PTY) Ltd.", which implied the acquisition (by "KARIBIB PORTLAND CEMENT, Ltd.") of 60% of another local company incorporated under the Namibian law, "KPC TRADING and SERVICES (Proprietary) Limited", as well as the selling of 5% of "KARIBIB PORTLAND CEMENT, Ltd." to these new partners.

- RUSSIA

In June 2008, C+P.A., S.A. purchased a 70% stake in a company incorporated under the Russian law, called MMK CEMENT, for the purpose of acquiring facilities and obtain the license to operate in the port of Murmansk, located in the North of Russia, as well as for the installation of a cement storage unit to be sold in that market.

- UKRAINE

“CEMENT, Ltd.”, a company incorporated under the Ukrainian law, 100% owned by C+P.A., S.A., continued its activity focused on the exploitation of a cement plant in Odessa, owned by the first.

Production in 2008 was 397,000tn of cement and clinker, reporting an operating profit of EUR 27,610 thousand.

This good performance was possible as a result of the investments that have been made since 2006, in the rehabilitation and expansion of the factory, which allowed the new grinding unit to start-up in March 2008, with a 54 ton/hour capacity mill. In May 2008, the new metal silos were also started-up, each with a 5,000 ton capacity, having started to load the new road tankers with cement to improve customer service.



85 Cement Plant in the city of Odessa / Ukraine

Despite this, the activity was significantly affected by the financial charges and by a sharp devaluation of the local currency in the last months of 2008.

The process to obtain the licenses for the exploitation of a new quarry and of a new cement production line is currently underway.

IV.3. - CONCESSIONS AND SERVICES

Teixeira Duarte Group's operations in this sector involve a wide range of companies which, together, generated a total operating profit of EUR 49,998 thousand.

IV.3.1. - INTERNAL MARKET

Due to the diversity of businesses in this area, the main operations of each company integrated in it will be summarily analysed, briefly mentioning some events that deserve highlighting, since each of these companies, as already stated, has its own governing bodies and publishes its own activity report.

RECOLTE - Recolha, Tratamento e Eliminação de Resíduos, S.A. is 100% owned by Teixeira Duarte Group and is dedicated to the design and operation of urban cleaning and sanitation systems, to urban and industrial waste management systems, and also to the execution and maintenance of gardens and green spaces, providing services in the environment area.

In 2008, the Company reported, on an individual basis, an operating profit of EUR 7,881 thousand, representing a 15.5% increase over the previous year, which is especially significant considering the ongoing negative cycle of this market.

In this financial year, the Company confirmed the sustained growth trend, from both the organisational and the turnover point of view, notwithstanding the systematic decrease in awarding values due to the huge gap between supply and demand.

Within the scope of an internal reorganisation strategy and with the objective of optimising the execution of new contracts, the Company invested strongly in the renewal of its fleet and in the acquisition of last generation vehicles and equipment, also more efficient and environmentally friendly, for an overall amount of EUR 3,044 thousand, which represents a 58% increase compared to the previous year.

The technical-commercial activity also experienced a boost, having prepared a total of 196 bids for an overall sum of EUR 113,85 thousand, which represents a 26% increase compared to the previous year, participating in almost all the main Waste Collection and Urban Cleaning public tenders launched during the year in Portugal.

26% of the abovementioned bids were awarded, which is considered very satisfactory. The value of these contracts, to be executed within a period of 1 to 8 years, amounted to EUR 29,439 thousand, compared to EUR 803 thousand in the previous year.

The activities carried out regarding Common Industrial Waste with the Management of Aggregates Landfills and the Gardens and Green Spaces area, besides the strategic areas, contributed significantly to numerous operations and diversified customers, representing about 25% of total profits, while the Waste Collection and Urban Cleaning activity accounted for the remaining 75%.

Some of the most significant operations that were carried out or in progress in 2008 are described below, by type of activity:

In the field of Urban Solid Waste Collection and/or Urban Cleaning, we highlight the contracts in progress with the City Halls of Ovar, São João da Madeira, Lamego, Alenquer, Vale de Cambra, Cascais and Porto.

Within the scope of Garden Design, Execution and Maintenance, several contracts held with the Municipality of Oeiras, the Parish of Alfovelos and with several private entities.



86 Urban Cleaning / Lamego



87 Design, Execution and Maintenance of Gardens / Oeiras

In the field of Cleaning of Beaches and Coastal Areas, we highlight the works carried out for the Municipality of Peniche.

In the field of Container Washing, the contracts held with Municipalities of Bombarral, Peniche, São João da Madeira, Lamego, Alenquer, Vale de Cambra, Cascais and Porto.

The Company will continue to pursue its efforts to assure the permanent renewal and modernisation of equipment, the implementation of proactive, flexible management methodologies with greater proximity to the customers and operations, as well as a strict follow-up of the fair working conditions provided to all the staff, which is, after all, the company's main asset.

Despite the context of uncertainty that the near future holds,

the Company's goal for 2009 is to reach an operating profit and net result above those obtained in the year under review.

RECOLTE, S.A. has its Quality Management System certified in accordance with Standard NP EN ISO 9001:2000 since 3rd August 2006 and, in order to adapting the Company's performance and posture to higher levels, in an continuous improvement process, during the year under review the necessary actions were launched for the purpose of implementing the technical, regulatory and legal processes to obtain the certification in the Integrated Safety, Quality and Environmental Management System, in accordance with the benchmark standards OHSAS 18001:2007, NP EN ISO 9001:2008 and NP EN ISO 14001:2004, respectively, which is expected to take place during the current year.

Furthermore, the good practices of Sustainable Development and Social Responsibility, had – and will continue to have – a very special place at RECOLTE, S.A., resulting in the creation of new employee conduct standards, in the involvement of the Company with other organisations for the promotion of several awareness actions.

INVICTAAMBIENTE - Recolha de Resíduos e Limpeza Pública, S.A. is a company incorporated under the Portuguese law, 100% owned by the investee company "GSC - Compañía General de Servicios y Construcción, S.A.", as a result of an obligation deriving from the concession contract between this sole shareholder and the City Hall of Porto.

This Company has the objective of developing, managing and operating, under a concession scheme, urban solid waste collection and public cleaning services in a very large urban area of the municipality of Porto.

This is an eight-year contract, renewable for another eight years, which started on the last days of the financial year of 2008 with a very significant total work volume of more than EUR 27 million, and which represents, although indirectly, the beginning of GSC, S.A.'s activity in a strategic area of the country for the purpose of increasing its activity in the internal market.

We wish to highlight that one of the characteristics of this contract is the fact that one of the assignments given to INVICTAAMBIENTE, S.A. involves the management and integration of more than one hundred workers of the City Hall of Porto in its production team, under a transfer scheme, throughout the whole duration of the concession.

This situation, associated with capacity to coordinate and manage resources by capitalising on Teixeira Duarte Group's synergies, is expected to contribute, already in 2009, to achieving a qualitative performance with high efficiency standards and the creation of value.

TDGI - Tecnologia e Gestão de Imóveis, S.A. is 100% owned by Teixeira Duarte Group. Its core business is the management and technical maintenance of facilities and undertakings.

In the year under review, it reported, on an individual basis, an operating profit of EUR 9,492 thousand, which represents an increase of more than 21.8% compared to last year.

This increase was the result of the combination between the good commercial performance and the recognised quality in the provision of the services carried out, leading not only to the continuation of contracts in general, which were brought forward from previous years, but also the gaining of a remarkable number of new clients, whose contracts started in 2008 and which, in some cases, shall be extended to the ensuing years.

In the Analysis and Diagnostics sector, mention must be made of the new legislation on energy efficiency and indoor air quality in buildings, with the resulting obligations in terms of tests to be performed at the completion stage of the works and then throughout the facility's life. This made TDGI, S.A. invest strongly in new equipment and solutions that allow it to meet demand appropriately.

Thus, a team of specialised technicians was formed, equipped with the technologies most recently used in Building Maintenance, allowing the company to provide its clients with services such as the measurement of indoor air quality

parameters, thermography and the measurement of vibrations, among other qualified services.



88 Thermography Analysis

The Studies and Special Projects sector also experienced strong development in 2008. The focus on this area also involved the team's reinforcement, allowing it to respond to the frequent demands from its clients within the scope of their space management requirements.

Noteworthy is the reorganisation of TAP's Maintenance and Engineering Unit, the study, project and coordination of the execution of JET REPUBLIC's current space, in Lagoas Park, as well as the Project Management of the new head office of this same company, in the building that is under construction, also at Lagoas Park.

In the first case, it was a vast study on the operating requirements of TAP's Maintenance and Engineering Unit, in the airport of Portela, for the purpose of relocating a number of operational areas according to its business requirements.

In the second case, TDGI, S.A. developed a "turnkey" project that includes the interior layout of spaces, both in terms of their compartmentalisation and furniture, as well as the implementation of the solution in the space in question in a very short period of time.

In 2008, the Facilities Management and Installations Management and Operation area, which continues to be the

company's core business, recorded an increase in the number of contracts, particularly the ones listed below, regarding the following spaces:

- Air terminal buildings of the Islands of Pico and Flores, in the Autonomous Region of the Azores, for SATA Group;
- Sports Pavilions of the University Stadium of Lisbon;
- Building of ICP - Autoridade Nacional de Comunicações (ANACOM), in Porto;



89 Building for ICP - Autoridade Nacional de Comunicações (ANACOM) / Porto

- New Cascais Hospital – commencement of construction follow-up;
- Lusíadas Hospital, in Lisbon, for "HPP – Hospitais Privados de Portugal, S.A.";



90 Lusíadas Hospital, in Lisbon, for "HPP - Hospitais Privados de Portugal"

- Buildings for the Administration of the Port of Lisbon, in Cais do Sodré;



91 Buildings for the Administration of the Port of Lisbon, in Cais do Sodré

- Madeira Regional Archives, in Funchal, for the Regional Secretariat of Education and Culture of the Regional Government of Madeira.

The results and the growth achieved in the previous years, especially in 2008, make it possible to be optimistic about the future and, despite the current unfavourable conjuncture – especially for companies like TDGI, S.A., which are strongly dependent on labour costs – there is still confidence that the trust shown so far by customers and the strategy for service quality, innovation and excellence shall allow to mitigate difficulties ahead.

In 2008, TDGI, S.A. continued to focus on the Integrated Management System for Quality, Occupational Health and Safety (OHSAS 18001:1999) (NP EN ISO 9001:2000) and Environment (NP EN ISO 14001:2004), which, being certified, allows the Company not only to provide its clients with safe and environmentally sustainable quality services, but also to ensure their enforcement by intervening in the facilities that it manages.

BONAPAPEL - Artigos de Papelaria e Equipamentos Informáticos - Unipessoal, Lda. is 100% owned by Teixeira Duarte Group and is dedicated to the sales of stationery articles. It started developing its activity in September 2007, in a shop in “Shopping Cidade do Porto”.

In 2008, the company's main objectives were the consolidation of the shop's sales volume and the boosting of direct home sales (Ofimarket), thus achieving EUR 341 thousand of total sales.

SATU-OEIRAS - Sistema Automático de Transporte Urbano, E.M. is a municipal company in which “TEIXEIRA DUARTE - Engenharia e Construções, S.A.” holds a 49% stake and is direct involved in the management.

However, the economic-financial aspects are still affected by the fact that the System only operates in a route of approximately one tenth of what is considered to be the materialisation of the design for this system, which is likely to prove profitable for all its innovative potentials.

SATU-OEIRAS, E.M. reported an operating profit of EUR 233 thousand.

The financial year 2008 was characterised by a moderate growth in the company's activity, which recorded a 10% rise in ticket revenues and a 6% increase in the number of users, which should continue to be interpreted taking into account the fact that only the first phase of the System has been completed.

The Company maintained the adequate rigour in the developed operations, thus allowing it to maintain the certifications in accordance with the benchmark standards OHSAS 18001, ISO 9001 and ISO 14001, having already updated its OHSAS 18001:2007 certification.

Although it was carried out already at the beginning of 2009, it is important to mention the “Pre-Feasibility Study on the Solution to Extend SATU to the Cacém Railway Station”, which provides several system development alternatives for the axis Municipality of Oeiras/Municipality of Sintra and reports high technical and operational virtualities.

For the financial year 2009, the activity's development is expected to have an identical performance level, although it is admitted that the profound global economic and

financial crisis may negatively affect the company's results.

AEDL - Auto-Estradas do Douro Litoral, S.A. is a company in which "TEIXEIRA DUARTE - Engenharia e Construções, S.A." holds 18% of its capital stock and which signed the Douro Litoral concession contract with the Portuguese State at the end of December 2007.

Said concession contract will last 27 years and envisages the design, project, construction, increase of the number of lanes, financing, preservation and running of the highway links and associated road links, called "Concessão Douro Litoral" (Douro Litoral Concession), along a total of 129Km, of which 78Km include toll-gates.

LUSOPONTE - Concessionária para a Travessia do Tejo, S.A. is a company exclusively dedicated to the management, under a concession scheme, of the two Road crossings over Tagus River, in the region of Lisbon, and in which "TEIXEIRA DUARTE - Engenharia e Construções, S.A." holds a 7.5% of the capital stock.

The Company's performance was relatively stagnant during the year under review, having recorded a 0.6% decrease in profit before tax, achieving EUR 16,987 thousand compared to EUR 17,093 thousand in 2007.

Basically due to the economic crisis in Portugal, for the third consecutive year there was an overall reduction of the traffic in the two bridges under concession, representing a 1.2% decrease compared to the previous year.

Even so, a strong cost control policy at all levels allowed a minimum deviance in relation to the budget and a net profit after tax of EUR 12,441 thousand, 1% below the one reported for 2007.

TDHOSP - Gestão de Edifício Hospitalar, S.A., incorporated on 24th January 2008, is 100% owned by "TEIXEIRA DUARTE - Engenharia e Construções, S.A." and is dedicated to the management of the new Cascais Hospital for a period of 30 years, envisaging the design, project,

construction, financing, preservation and maintenance activities.

The management contract was signed on 22nd February 2008 with the Regional Health Administration and with "HPP – Parcerias Cascais, S.A.". The Hospital construction commenced on the same date and is expected to be completed in a period of 24 months.

The construction is under the responsibility of "Teixeira Duarte - Engenharia e Construções, S.A.", while the maintenance of the future building shall be performed by "TDGI – Tecnologia e Gestão de Imóveis, S.A.".

In July 2008, the Court of Auditors issued a document in which it informed that it had refused to approve the contract. This temporary decision slowed down the pace of the works in the months of August, September and October, in order to promote an approximation of the construction volume to that established in the Work Schedule under the contract.

On 8th October 2008, an amendment to the management contract was signed, which made up for the underlying reserves that had led to the refusal of its approval, allowing its concession on 4th November of the same year.

TDHOSP, S.A. has developed its activity for the purpose of guaranteeing that the works are carried out according to schedule, coordinating the various parties involved so as to create the conditions for an excellent performance within the future building management phase.

Despite the difficulties generated by the lack of definition as to the characteristics of the clinical equipment required for the preparation and execution of the contract job works, it has progressed at good pace and the works completion rate is 20.0%, while in accordance with the contract schedule it should be 18.2%.

TDHOSP, S.A. started the ISO 9001 quality certification process, although the certification of the Company's overall activity will only be possible after the

commencement of the management phase. On the other hand, it implemented the data management system ACONEX to manage the contract job. This is an innovative process in Teixeira Duarte Group that has proved extremely efficient for coordination, due to the swiftness, availability and rigour of data transmission.

IV.3.2. EXTERNAL MARKET

- ANGOLA

TDGI - Tecnologia e Gestão de Imóveis, Lda. (Angola) is also 100% owned by Teixeira Duarte Group and was created to operate in Angola, where it is dedicated, just as its Portuguese homonym, to the management and technical maintenance of facilities and undertakings.

In 2008, the Company's operating profit maintained a good growth pace, reaching EUR 7,364 thousand, as a result of the investment made in its resources and equipment, which optimised its capacity and commercial assets.

Furthermore, the Company continued its efforts to gain new contracts and to train and reinforce the technical teams required to provide a highly efficient quality service.

With the activity developed during the current year and some demand it is possible to foresee the sector's growth and it is important to mention the commencement of two new contracts signed with customers with great potential.

EDUCARE - Actividades Educativas e Culturais, Lda. is 100% owned by Teixeira Duarte Group and was incorporated in 2007 for the development of the S. Francisco de Assis School project, in Luanda, through which it intends to respond to a demanding and culturally diversified public, assuring the education of children and youth aged 3 to 18 years.

This company started its activity in September 2007 with the opening of the School's temporary premises in Talatona, South Luanda, having since then affirmed itself in the Country's educational market offer, with an

excellent multicultural unit, which resulted in the expressive doubling of the number of pupils enrolled for school year 2008/2009.

In the year under review, the company achieved operating profits amounting to EUR 1,756 thousand, which, compared to EUR 350 thousand of last year, reflect the fact that only in 2008 did its activity develop fully.

- BRAZIL

TEBE, S.A. is a company incorporated under the Brazilian law, with Head Office in Bebedouro, State of São Paulo. It is 33% owned by Teixeira Duarte Group's investee company EMPA, S.A. and has the concession of a 156Km road, located inland in the State of São Paulo, linking the cities of Barretos and Bebedouro, a cattle breeding, farming and major sugarcane producing region.



92 Dealer for Rodovias TEBE / Railway Link SP 326 / Bebedouro/Barretos / São Paulo / Brazil

Traffic volume in 2008 was of 4,330,605 passenger and heavy vehicles, representing a 23% increase compared to 2007, which was due to the closing down of an escape route close to one of the toll-gates and also to the growth of the local economy.

The operating profits reported were EUR 13,698 thousand and the result of the financial year was EUR 2,878 thousand.

During the year under review, investments were made in road duplication works in Barretos and pavement rehabilitation works, which involved an amount of EUR 5,460 thousand.

- SPAIN

GSC - Compañía General de Servicios y Construcción, S.A. is a company incorporated under the Spanish law, 100% owned by "TEIXEIRA DUARTE - Engenharia e Construções, S.A.", providing services related to waste removal and several operations within the scope of the maintenance and management of urban spaces and buildings, as well as being involved in the construction sector.

In 2008, it reported, on an individual basis, an operating profit of EUR 21,644 thousand in the Concessions and Services area.

In the year under review, we wish to highlight the awarding of a contract job for the Management of a Public Cleaning and Maintenance of Beaches and Pine Forests, including related equipment, as well as the Construction and Management of an Adventure and Leisure Park, for a period of 8 years, in the Municipality of El Puerto de Santa Maria, for the amount of EUR 20,059 thousand.

The most significant operations carried out or in progress in 2008, were the following:

- Within the scope of Urban Solid Waste and Road Cleaning:

In the Community of Madrid, the following operations were continued:

- San Lorenzo de El Escorial, where the operation of the Eco-Centre and the USW Collection and Road Cleaning works continue;

- With the City Hall of Griñon, it has renewed the Eco-Centre operation contract and continued with the USW Collection works;

- In Torrejón de la Calzada, the USW Collection works continued and a new Road Cleaning contract started;



93 Torrejón de la Calzada / USR Collection and Roads Cleaning

- In Quijorna, the Road Cleaning contract with the its City Hall was maintained;

- In the Municipality of Cubas de la Sagra, the Eco-Centre operation continued;

- In Torrejón de Velazco, the USW Collection works continued and the Road Cleaning services commenced;

- With the City Hall of Serranillos, the USW Collection works continued.

In Andalusia, a strong presence was maintained in:

- Benalmadena, municipality where the company maintains an important contract for the Selective Collection of USW and Container Washing;

- In Algeciras, the management of the Transfer Station and Eco-Centre of Los Guijos continued.

In this Waste sector, the operation, under a consortium arrangement, of a Package Selection Centre in Colmenar Viejo also continued, for GEDESMA, a company of the Community of Madrid, as well as the Common Industrial Waste collection services.

- In the Preservation of Green Spaces, Parks and Gardens:

In Madrid, GSC, S.A. carried out works in:

- Majadahonda, where it performed the maintenance of the Parks in the Area of Oportunidad;

- In Serranillos del Valle, where it continued to perform the maintenance of the Parks and Gardens of this Municipality.



94 Serranillos del Valle / Maintenance of Parks and Gardens

In the Community of Andalusia, it maintained a very intense performance, especially in:

- Algeciras, where it maintains an important contract for the construction and maintenance of children Playgrounds and Green Spaces;

- In El Puerto de Santa Maria, it continued with Gardens and Forest areas maintenance contract.



95 El Puerto de Santa Maria / Maintenance Contracts for Gardens and Forest Areas

- In the area of Maintenance and Preservation of Beaches and Coastal Areas (Andalusia):

- It cleaned and maintained more than 52 km of coast, in the Autonomous Community of Andalusia;

- Cleaning, rehabilitation and levelling of the coastal area in the Málaga and Cádiz, after damages caused by bad weather and maritime accidents;

- Equipment Maintenance and Operation on the beaches in the area of the Bay of Cádiz;

- It continued with the maintenance services on beaches and maritime sidewalks, for the municipality of El Puerto de Santa Maria.

Within the scope of Urban and Industrial Waste Collection, Road Cleaning, Eco-centre Management and Green Spaces Maintenance, GSC, S.A. has its Quality and Environmental Management systems certified in accordance with standards UNE-EN-ISO 9001:2000, since 8th November of 2006, and UNE-EN-ISO 14001:2004, since 18th October 2006, respectively.

- MACAO

A CPM - Companhia de Parques de Macau, S.A., of which Teixeira Duarte Group is a shareholder since its incorporation, holding 15% share of its capital stock, was a pioneer and is still a benchmark company in construction and management of underground parking lots and related activities in the Special Administrative Region of Macao. It has reported a sustained increase in its revenues, having reached EUR 5,773 thousand in 2008.

- MOZAMBIQUE

TDGI - Tecnologia e Gestão de Imóveis, Lda. (Moçambique) is 100% owned by Teixeira Duarte Group and is a replica, in this Country, of its counterparts in Portugal and Angola, operating in an area which is considered to have great potential for development.

In the year under review, the company reported, on an individual basis, an operating profit of EUR 966 thousand, which represents a 27.6% increase.

The company continues to do the maintenance of “Polana Shopping Centre”, in Maputo, and cooperates with a number of other local companies of Teixeira Duarte Group, mainly in undertakings such as IMOPAR Shopping Centre, Miramar, Hotel Avenida and Hotel Tivoli Maputo and Hotel Tivoli Beira.

On the other hand, it continued to provide services to Companhia Vale Rio Doce Moçambique and to BCI – Fomento, which, despite being relatively small, make it possible to hope for good growth perspectives.

Noteworthy is also the request and fulfilment of national training actions addressed to the higher executives of the Ministry of Education and Culture, as well as good perspectives for capturing new contracts, since the company continues to be consulted for the management and maintenance of several undertakings in Maputo and of works carried out for the Mozambican Government.

IV.4. - REAL ESTATE DEVELOPMENT

Teixeira Duarte Group's operations in this sector cover a wide range of companies, which have generated a total operating profit of EUR 91,835 thousand, among which we highlight “TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A.” and also “Fundo de Investimento Imobiliário Fechado TDF”.

On the basis of Teixeira Duarte Group's diversification strategy implemented three decades ago, the real estate area is considered a natural and logical extension of the Parent Company's core business. As such, it has consistently and systematically acquired land in the markets where the Group operates. These acquisitions are allocated for various purposes, particularly for residential, services and logistics.

The real estate market was one of the first sectors of the economy to feel the impact of the current strong crisis

conjuncture. In fact, as it is an industry that produces long-term assets, highly dependent on its customers' credit capacity and trust, suffered a generalised retraction in all the market segments throughout the year, particularly in the second semester.

This is a very demanding period for the teams operating in the sector, in which special relevance is given to the market perception, always in the expectation of creating added value through the qualification of products and services.

IV.4.1. - INTERNAL MARKET

The assets portfolio of the Group companies dedicated to real estate promotion in Portugal has more than 25 undertakings under development and under property management, with a potential estimated in approximately 1,000,000 m² of construction above ground level.

In the year under review, noteworthy is the obtainment of recurring profits of EUR 25,968 thousand, which correspond to a 13% increase compared to the same period in the previous year.

In the housing segment:

In Portugal, approximately 50 thousand dwellings were licensed during the year under review, as a result of the gradual deceleration that has been taking place since the beginning of this decade, when dwelling production was more than 100 thousand units per year, reflecting an adaptation of supply to the current market conditions.

Despite this reduction, the economic instability environment and the greater difficulty for customers to obtain loans, hindered the sale of the housing products in stock, especially in the last months of the year.

As a result of the good quality of Teixeira Duarte's products and of the commercial efforts pursued, it was possible to maintain, in 2008, the good sales pace that was recorded in 2007, namely in the real estate undertakings “Fórum Oeiras”,

“Quinta de Cravel” and “Gaia Nova”, which generated significant operating profits in this sector.

In the “Gaia Nova” undertaking, in Vila Nova de Gaia, it continued the construction of building V10, consisting of 69 dwellings and 9 shops, and also started the execution of a “Virgin Active” health club, with a construction area of 4,000m² above ground level;



96 Real Estate Development “Gaia Nova” / Building V10 / Vila Nova de Gaia

In the “Quinta de Cravel” undertaking, also in Vila Nova de Gaia, building Q15, consisting of 57 dwellings, was completed, in which, despite the current conjuncture, more than 50% of the dwellings were allotted even before the works were completed.



97 Real Estate Development “Quinta de Cravel” / Building Q15 / Vila Nova de Gaia

In the “Villa Park” undertaking, in Amadora, which comprises 11 housing and commercial buildings, 3 service buildings and

a public parking lot with 228 spaces, the marketing process commenced, which is expected to be boosted once the project is fully completed.



98 Real Estate Development “Villa Park” / Amadora

With regard to the “Villa Simões” housing project, which will have a construction area of approximately 48.000 m² above ground level, it is important to mention the publication in “Diário da República” (Portuguese Official Journal) of the second amendment, under a simplified scheme, to the Block Plan for the Urban Axis Luz – Benfica, which is a significant progress for the obtainment of its licensing.

For 2009, noteworthy in this housing sector is the completion of the construction of lots 27 and 30 in the “Villa Park” undertaking, the continuation of the marketing actions for the purpose of selling the product made available in this real estate undertaking, as well as the beginning of the preparatory works in the plots of land intended the construction of the “Villa Rio” undertaking, located in Vila Franca de Xira.

The Company will continue with the licensing process of the buildings in the “Magnólia Oeiras Living” undertaking, which, like “Lagoas Park”, is foreseen in the Block Plan for the Western Area of Porto Salvo and shall have a construction area of approximately 32.000m² above ground level for housing purposes and 5.500m² for trade and services.

In the Office market:

In the Metropolitan Area of Lisbon - where there is a stock of approximately 4.3 million m² - more than 230.000m² were allotted in 2008, which, even if it includes the extraordinary allotment of 62.000m² intended for the installation of several services of the Ministry of Justice in a single real estate development, reflect a demand above the average absorption levels of the last five years, throughout which areas of over 150.000m² per year were progressively allotted.

Despite the volume of stock released, the constant postponement of some projects has allowed to maintain a balance between the reported supply and the demand levels. This balance may be difficult to keep during 2009, which is expected to become very demanding for all companies and during which it is natural that there will be pressure to decrease the already occupied areas.

In 2008, more than 10.000m² of offices were placed in "Lagoas Park", having achieved an excellent occupancy rate of 93%. Despite the unfavourable context, the recognised quality of this product and of the services associated to it shall allow to maintain in 2009 the high occupancy rates reported in previous years. In this undertaking, a new restaurant, "Treinta y Tres", started operating and the construction of another 20.000m² of offices commenced, thus maintaining the level of stock required to satisfy large clients.



99 Real Estate Development "Lagoas Park" / Porto Salvo

In the abovementioned "Villa Park" undertaking, in Amadora, we wish to highlight that more than 40% of the almost

9.500m² of construction above ground level dedicated to services have already been allocated.

In the Metropolitan Area of Porto and in a market context with a very different maturity level, the commercial performance of the "Tower Plaza" building in Vila Nova de Gaia was good. Here, the idea of "Concept Offices" was applied, where the spaces are arranged in individual cubicles – workstations – leading to the definition of a metric system suited to space optimisation.

In the "Villa Park" undertaking, the construction of buildings in lots 28 and 29 will be completed, while in "Oeiras Prime" – an undertaking laid out close to "Parque dos Poetas", in Oeiras – the licensing process for the buildings comprised in it is expected to end, highlighting the fact that a space has already been allotted for a "Virgin Active" health club.

For 2009, the construction of buildings 14 and 15 in "Lagoas Park" is expected to be completed and the high occupancy rate reported in the real estate undertaking maintained, considering that building 15 is already partially allocated.

In the Logistics sector:

The proximity to the city of Lisbon and respective access routes continue to be success factors in a market characterised by the carriage of goods by road. Factors such as the new international airport of Lisbon and the expansion of logistics platforms, will not significantly affect the demand for the traditional locations of this market, among which are the Alverca-Azambuja and Sintra-Cascais axis.

In 2008, the logistics undertakings "Abrunheira Park", in Sintra, and "Lezíria Park", in Alverca, recorded an occupancy rate of 88% and 100%, respectively.

For 2009, the licensing process for the logistics and industrial project of Montijo, where the new central construction yards of Teixeira Duarte Group will be installed, shall end.

"Fundo de Investimento Imobiliário Fechado TDF", managed by "TDF – Sociedade Gestora de Fundos de

Investimento Imobiliário, S.A.” is a capitalisation fund especially dedicated to real estate promotion that reported, at the end of 2008, assets amounting to EUR 97,537 thousand and, throughout the financial year, sold fixed assets amounting to EUR 12,302 thousand, obtaining an added value of EUR 1,998 thousand.

IV.4.2. - EXTERNAL MARKET

- ANGOLA

In a market where the relationship between supply and demand is unbalanced, favouring the first, great expectations are focused on the real estate market, with general sales being contracted simultaneously with construction, increasing the pressure in the price rise.

In the city of Luanda there are no predominantly residential sites, and the good quality constructions are arranged along the areas adjacent to the marginal road and to the major roads.

In the Talatona area, some of the major housing projects are being developed. Here there is a wider variety of typologies and condominiums with integrated security systems, self-sufficiency in power and water, green spaces and social area solutions prevail.

As with the housing sector, the offices area also felt the need for available spaces, and the office park in Luanda is estimated to amount to 600.000m².

The conjuncture has allowed Teixeira Duarte to achieve full occupancy of its qualified fixed assets portfolio dedicated to housing and offices, which totals 20.000m² of construction above ground level.

Furthermore, the permanent presence of the Group in Angola for over thirty years has allowed it to currently have a considerable land portfolio that will enable the development of new projects. Therefore, for 2009, the sale of the 43 fractions of the “Coqueiros Luanda Living” housing undertaking is expected to commence.

- BRAZIL

The political and social stability environment that the country is going through and the good performance of the Brazilian economy are factors that enhance the sustained growth in the purchasing power of an increasingly emergent middle class that places the country in the first places of the consumer market ranking. This situation was perceived by national and international investors and by the financial market, which gave the country an investment grade rating during 2008.

The real estate market of São Paulo, where the Group develops most of its activities in this country, was strongly capitalised in the past years for the fact that a significant number of companies operating in the sector starting to be listed. The liquidity increase deriving from it promoted the growth and diversification of real estate products in the different segments, turning it into a very dynamic and competitive market.

Despite the strong expectations of the investors in the market, the global recession was particularly felt in the housing sector, which consequently suffered a drop in the number of launches, and the current conjuncture is expected to lead to the slowdown of a market that grew so much in the previous two years.

The total portfolio of the Group comprises six projects in the city of São Paulo, in different development stages corresponding to approximately 350.000m² of construction above ground level.

The Group is currently selling three housing undertakings in the city of São Paulo, the “Family Santana”, in Santana, with 400 dwellings, the “Verdi”, in Alto dos Pinheiros, with 16 dwellings and the “Crystal”, in Campo Belo, with 76 dwellings.

Overall, the undertakings saw greater difficulty in selling the products from September 2008 onwards, which did not prevent the allocation of almost 50% of the 492 available dwellings.

In Northeast Brazil, more specifically in Porto de Galinhas, in the State of Pernambuco, Teixeira Duarte signed an offer to purchase contract, in March 2008, for a plot of land of approximately 70 hectares and 1.600m of beach front. This contract arises from a public tender launched in 2006, in which the Company was the successful bidder.

This is an important step for the beginning of the development of a large tourist and residential undertaking, for which a team, exclusively dedicated to this Project, was sent to the city of Recife to carry out all the required actions to obtain licensing.

Porto de Galinhas is one of the most sought tourist destinations in Brazil, having been voted several times as “the best beach in Brazil” according to the readers of the Brazilian magazine “Viagens & Turismo”. This internal recognition, combined with the excellent location of the site and with the fact that it is a Government initiative project, are factors of distinction in a market which is expected to become very competitive.

- SPAIN

The strong crisis in the Spanish real estate market, probably one of the most affected among its European partners, imposes a stricter risk control in the analysis and study of potential business opportunities, making good use of the Group's synergies.

In the housing area, a plot of urban land was purchased at the end of 2008 for the construction of a residential building, located in Calle Amalia, close to Paseo de la Castellana and Plaza Castilla, in Madrid.

This Project is at the preparation and licensing stage, and a total construction area of approximately 1,800m² is foreseen, evenly divided above and below ground level. It will comprise 12 flats arranged in 4 floors and 13 store rooms and it will also have 19 parking spaces distributed on 2 underground floors.

Within the respective concession contract, also in the Madrid area, it continued with the commercialisation of the right of

using parking space for residents, parking space management for rotation and the renting of commercial areas of the underground parking lot called “Parking Europa”, located at Avenida da Europa, in San Sebastian de los Reyes.

This modern and functional underground parking lot, built in 2007, has a total of 742 parking spaces, distributed on three underground floors and also approximately 1.600m² of commercial areas.

Within its management scope, it started a contract, under a consortium arrangement, to collect badly parked cars, for which a fleet of three tow trucks is used.

- MOZAMBIQUE

In Mozambique, “Polana Shopping Center” remains a benchmark for all shopping centres in Maputo, with all the retail units tenanted. Thanks to the heavy demand for outlets in the Centre, the Company has been in a position to select its tenants rigorously.

- VENEZUELA

During the first semester of 2008, it was possible to sell three more flats of the “Edifício Lisboa” building, at Urbanisation La Castellana, in Caracas, with just one left rented.

IV.5. - HOTEL INDUSTRY

Teixeira Duarte Group's operations in this sector comprises a wide range of companies, which together generated an overall operating profit of EUR 84,718 thousand in 2008, representing a 12.4% increase compared to 2007.

The Group currently operates eleven units in Portugal, Angola, Mozambique and Sao Tome and Principe. Nine of these units are owned by investee companies and the other two are run under operating contracts, totalling 1464 rooms and 2915 beds.

IV.5.1. - INTERNAL MARKET

In Portugal, the various companies operating in this sector offer a total of 647 rooms and 1507 beds distributed across the five hotels shown below:

- LAGOAS PARK HOTEL	Oeiras	182 rooms
- SINERAMA	Sines	105 rooms
- HOTEL ORIENTAL	Praia da Rocha	86 rooms
- STELLA MARIS	Albufeira	140 rooms
- HOTEL EVA	Faro	134 rooms

In 2008, the tourism activity in Portugal was negatively affected by the economic crisis, with some of the main national operational indicators of the sector, in particular the Algarve region, reported a decrease compared to the same period in the previous year, especially in the passenger movement indicators in the airports and in the occupancy rate per room, while the average price had a slight increase.

As a consequence of the occupancy rate drop, the hotels in general and particularly the five star units, show an increasing tendency to practice very competitive prices, making it more difficult not only to capture new customers, but also to increase the turnover.

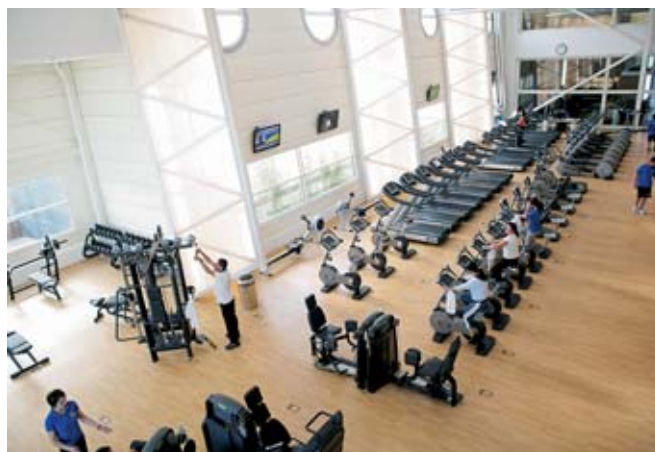
In order to overcome this conjuncture, in 2008 investments were made in the Group's units in Portugal, for an overall amount of approximately EUR 1,950 thousand, among which we highlight the remodelling of rooms and expansion of the Health Club of "Hotel Eva", the improvement works of "Hotel Apartamento Sinerama", as well as the opening of the restaurant "Treinta Y Tres", close to Lagoas Park Hotel.



100 Bedrooms Remodelling and Expansion of the Health Club of "Hotel Eva" / Faro

The Group units operating in Portugal reported total operating profits of EUR 13,345 thousand, which represent a 13% increase compared to the same period in the previous year. This growth is explained by the increase in both the occupancy rate and the average price practices in the Group's hotels.

The Sports and Leisure area - "Health Clubs"-, reported an increase in its activity, with a total operating profit of EUR 2,192 thousand, which corresponds to a 63% increase compared to 2007, due to the significant number of members of "Club L - Lagoas Park" and the beginning, in November 2008, of "Club L - Arena" operations, in Torres Vedras, with approximately 2.200 m².



102 "Club L - Arena" / Torres Vedras

With regard to other related activities and besides the already mentioned opening of the restaurant "Treinta y Trés", the Company continued the operation of two other restaurants integrated in Lagoas Park, "L Café" and "Bom Prato".



102 Restaurant "Treinta Y Trés" / Lagoas Park / Porto Salvo

IV.5.2. - EXTERNAL MARKET

- ANGOLA

The two Teixeira Duarte Group hotels, “TRÓPICO” and “ALVALADE”, both in Luanda and with 280 and 202 rooms, respectively, maintained excellent occupancy rates, having reinforced the professional training actions for their staff, mainly within the scope of foreign languages, public reception, and food hygiene and safety.

To strengthen its already strong presence in the hotel market, Teixeira Duarte Group continued the construction of a new 140 room four-star hotel, located in South Luanda, which is expected to be completed in the last quarter of 2010.

With regard to the other related activities, the pastry shop “Nilo” and the restaurant “Pinto’s”, continue to be benchmarks in the city of Luanda, for the high quality and excellent service they provide.

- MOZAMBIQUE

2008 was the best year ever for the Hotel Industry in Mozambique, with the Group units generating a total operating profit of EUR 6,319 thousand, which represents a 16.8% increase compared to the previous year.

“Hotel Avenida” was rated as one of the best units in the five-star segment of the market, having reported an increase of the profits in all its sectors. Within this scope, we highlight that the lodging profits increased most significantly by 30.2%, which was essentially due to two factors: occupancy rate growth and average price increase.

“Hotel Tivoli Maputo” reported the best performance ever, having achieved a 26.3% increase in profits, due to the average price increase and to a 6.7% increase in occupancy rate.

“Hotel Tivoli Beira” continues to be a benchmark among the hotels in Beira and, despite the fact that its occupancy rate

decreased approximately 2.6%, compared to the same period in 2007, it maintained a good operating profit due to the average price increase.

- SAO TOME AND PRINCIPE

Through the local company PROMOTUR, Lda., Teixeira Duarte Group runs *Club Santana*, in São Tome Island.

It is a benchmark Resort in this country, for which the Company has a project underway to expand and improve it, implying the acquisition of surrounding land through operations that have been progressing at a good pace

IV.6. - FOOD TRADE

Teixeira Duarte Group operates in this sector through “MAXI - Comércio Geral, Importação e Exportação, Lda.”, a company incorporated under the Angolan law. The operating profit in 2008 was EUR 102,717 thousand, 9.3% more than last year.

Focused on Cash & Carry core operations, in gross sales, this investee company has been increasingly consolidating its position in the market contributing to increase its supply capacity to meet the existing demand.



103 MAXI / Cash and Carry of Morro Bento (Luanda)

The company currently has outlets in Viana, Lobito, Sumbe, Porto Amboim and Luanda city, where it has three other smaller units.

With the opening, last October, of the new “Distribution Logistics Centre”, on Morro Bento, “MAXI” increased its intervention capacity, mainly because these installations will allow the renewal of the stocks of the shops under improved logistic conditions, and will also support the opening of a new Cash & Carry, foreseen for the cities of Soyo, Lubango, Huambo, Malange and Luanda (Morro Bento).



104 MAXI / Logistics Distribution Centre / Morro Bento / Luanda



105 MAXI / Logistics Distribution Centre / Morro Bento / Luanda

With the strategic agreement signed in 2006 between the investee company “PTG – SGPS, S.A.” and “ARCOLGESTE - SGPS, S.A.” – a holding of DIGAL Group –, still in force, the different companies operating in the Liquid Fuel and Lubricants areas, as well as in the Gas and Solar Energy were gradually incorporated into “TDARCOL – SGPS, S.A.”, a company 50% owned by each Group.

- Liquid Fuel and Lubricants:

At the international level, 2008 was, until June, characterised by sharp price rises per barrel of Brent, followed also by a very strong decrease in prices, which continued until the end of that year, reaching prices that were the average prices in 2005. Overall, there was a 34% price increase compared to last year.

In the meantime, the financial and economical crisis started in the USA and rapidly spread to the rest of the world, causing a sharp drop in the demand for oil products, with the consequent reduction of prices, and despite this action, it had no effect at all on the recovery of the demand levels.

In Portugal, the overall consumption of road fuels reported a 2.6% decrease compared to 2007. This trend was not regular, with -6.9% in gasoline and -1.2% in diesel. With regard to LPG auto-gas consumption, which grew more than 13% during the year, is still expected to increase.

As to the public sales price, the trend was a stronger rise until the third quarter, followed by a significant slowdown.

There was a clearer need to reduce the Country's energy dependence, resorting to the production of alternative energies and the containment of consumption.

At present, the Group operates directly or through concessions, 74 gas stations, representing AVIA brand.

The amount of product sold decreased 3%, in line with the national drop and maintaining the market share, while

IV.7. - FUEL SALES

IV.7.1. - INTERNAL MARKET

Teixeira Duarte Group's operations in this sector covers an large number of companies that reported a total operating profit of EUR 251,326 thousand in 2008, representing a 7.2% increase.

operating profit amounted to EUR 215,485 thousand, which corresponds to a 12% increase.

Good results are still recorded for lubricants, with a slight increase in sales, which consolidated the sharp increase over the previous year.

Two important factors that characterised the Company's performance in this area deserve highlighting: on one hand, the implementation of a strong cash discount campaign in the network and, on the other hand, pursuing great efforts to obtain the settlement of customer current accounts.



106 AVIA / Fuel Supply Station Vale Figueira

As to investments in this field, we highlight the restructuring of the Arco de Baúlhe station, amounting to EUR 170 thousand - handed over in 2008 and since then under direct operation - and EUR 110 thousand for the remodelling of the Guisande station.

- Gas:

With the entry of the already mentioned companies of the DIGAL Group into the consolidation perimeter, the Group has at its disposal 500 tanks available for local supplies and a piped gas distribution network more than 350 km long that supply approximately 65,000 dwellings, besides the representation of the *Campingaz* brand and a structure with resources to distribute bottled gas.

In relation to the activity during the year under review, there was an increase in operating profit, which reached EUR 33,382 thousand, representing a 14.1% increase.

EUR 340 thousand were invested in this area in the new warehouse in Granja and approximately EUR 460 thousand in the gas network requalification.

- Solar Energy:

The Group continues to operate also in the solar thermal energy area, representing the international brands *SOLAHART* and *SONNENKRAFT*, in Portugal, where its investee companies are market leaders.

In 2008, there was a slight decrease of 2.7% in profits, which reached EUR 2,018 thousand.

Besides the three abovementioned areas, noteworthy is the development of the Tanking Project in Aveiro, as well as the changes made in the Logistics and Transports sector, with the sale of that segment and resorting to outsourcing.

IV.7.2. - EXTERNAL MARKET

Through the investee company "EMPA, S/A – Serviços de Engenharia", with head office in Belo Horizonte, State of Minas Gerais, in Brazil, Teixeira Duarte went on, following the subscription to increase the capital, to hold 33.3% of the company "ALVORADA PETRÓLEO S/A", with head office in Belo Horizonte, State of Minas Gerais, also with offices in the city of São Salvador da Baía and the operations base of Pojua, in Recôncavo Baiano.

ALVORADA, S/A is the holder of three mature fields, located in Aracaju, in the State of Sergipe, Bom Lugar, in Reconcâvo Baiano and Jiribatuba, in the Island of Itaparica in front of the city of Salvador, which were subject, during 2008, to "Trade Capacity Declaration" issued by ANP- Agência Nacional do Petróleo, Gás Natural e Biocombustíveis.

The total production of those fields was 26,000 barrels, below the expected quantities due to difficulties in the delivery of oil

to “Petróleo Brasileiro, S/A – Petrobrás” and UNIVEM and to delays in the rehabilitation of a number of producing wells.



107 Alvorada Petróleo / “Campo de Bom Lugar-Recôncavo Baiano” / Brazil

In March 2008, a concession contract of eleven on-shore exploration blocks located in the promising sedimentary basin of Recôncavo Baiano, was signed with ANP, within the scope of the tender called “9ª Rodada” (9th Round).

With the signing of this concession, a new organisational structure was implemented and the follow-up of the preliminary studies continued for the definition of the exploratory drilling sites, approximately 2.500/3.000 m deep. The potential and striped reserves are estimated to be 96 and 25 million barrels, respectively.

ALVORADA, S/A was in this period rated by ANP as Operator “B”, suitable for exploratory works and oil production in on-shore areas and shallow waters (up to 150 m seawater strip).

The beginning of production of the future fields of “9ª Rodada” is foreseen for the first semester of 2010.

IV.8. - VEHICLE SALES

Teixeira Duarte Group’s activity in this sector comprises a group of companies that operate in Angola and which, in 2008, produced a total operating profit of EUR 270,585 thousand.

The generalised interventions started in the previous years regarding the rehabilitation of Road Networks in Angola, many of them already completed, restored the connection between the main capitals of the Province, which allowed regaining the importance of road transport in the circulation of people and goods across the country.

This new situation has created development opportunities for the vehicle sector, which grew 30% compared to the previous year, concerning the sale of new vehicles.

The companies of the Group represent NISSAN, CHEVROLET, RENAULT, HONDA, PEUGEOT and DACIA brands, which increasingly continue to assert its position in the market, with overall sales reaching approximately 6,800 vehicles during 2008, which corresponds to a 41.6% increase compared to last year, with particular emphasis on the high percentage increase of heavy-duty goods vehicles “RENAULT TRUCKS” and “NISSAN DIESEL”, also favoured by the abovementioned in the road network.



108 Pólo Automóvel / Nissan Car Stand



109 Pólo Automóvel / Renault Car Stand / Dacia

The represented brands, RENAULT and PEUGEOT, from the euro area, continue to have some marketing difficulties due to the unfavourable Euro/USD trend, which continued throughout the year.



110 Motor Vehicle Major Centre / Peugeot Car Stand

“AUTOCOMPETIÇÃO, Lda.” Representative of the HONDA brand, resented the reduced number of models made available to the Angolan market, so its growth was quite short of the expectations. However, with reference to HONDA motorcycles, sales were good.



111 Motor Vehicle Major Centre / Honda Car Stand

The commencement of operations of the new “Pólo Automóvel” (“Motor Vehicle Centre”) premises in South Luanda created the conditions for the optimisation of the technical level of the after-sales assistance services and



112 Motor Vehicle Major Centre / Outside View

increased the availability of spare parts of the abovementioned represented brands.

Such perspectives, together with the constant effort to provide technical training to its workers, aiming at the progressive improvement of the services supplied to customers, allow the Company to continue to foresee good performances in this sector.

V. - QUALIFIED SHARES IN LISTED COMPANIES

V.1. - CIMPOR - Cimentos de Portugal - SGPS, S.A.

The Teixeira Duarte Group kept its strategic interest in the stake held in “CIMPOR - Cimentos de Portugal - SGPS, S.A.” and materialised its purpose to increase the amount of shares in the latter’s capital stock. On 31st December 2008, it held 22.17%, that is 11,857,299 shares more compared to the amount held at the end of 2007, which represented 20.41% of this company’s capital stock.

Regarding this situation, it is important to mention that, according to what has been done in the last years, by means of successive stock exchange transactions, according to the market’s conditions, “TEIXEIRA DUARTE - Engenharia e Construções, S.A.” has, individually, sold the capital percentage of 5.36%, whilst the company “TDCIM - SGPS, S.A.”, which was incorporated specifically for this purpose, continued to increase its portfolio from 5.05% to 12.17%. The remaining 10% belong to the other investee company of the Group, called “TEDAL - SGPS, S.A.”

The book value, expressed in IFRS, of the identified global stake at 31st December 2008 was EUR 815,774 thousand, which, compared to the value of the Group's stake at the end of 2007 (EUR 813,939 thousand), represents an increase of EUR 1,835 thousand.

Taking into account the market value of the shares and the quantities held by the companies of Teixeira Duarte Group at that time, the value of these stakes was, respectively, EUR 518,430 thousand at the end of 2008 and EUR 822,702 thousand at the end of 2007, which represents a decrease of EUR 304,272 thousand.

The stakes in question contributed directly to the consolidated profit, with EUR 48,639 thousand.

V.2. - BANCO COMERCIAL PORTUGUÊS, S.A.

With regard to “Banco Comercial Português, S.A.”, it is important to mention that not only within the scope of the Vank's capital increase process, which ended on 30th April, but also due to the stock exchange transactions carried out along this first semester, the companies dominated by “Teixeira Duarte - Engenharia e Construções, S.A.” reinforced the strategic stake held in this institution since its incorporation, therefore, on 31st December 2008, the companies integrated in the “TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A.” and “C+P.A. - Cimento e Produtos Associados, S.A.” consolidation perimeter, held 202,505,992 and 102,483,872 shares, respectively, corresponding to 4.31% and 2.18% of the capital stock.

Therefore, at the end of the financial year, the total shares held by the abovementioned companies was 304,989,864, corresponding to 6.49% of the capital stock and the voting rights of “Banco Comercial Português, S.A.”, which reflects an increase of 78,489,864 shares regarding the stake held by Teixeira Duarte Group at the end of 2007, representing 6.27% of the Bank's capital stock. Such an increase involved an investment of EUR 104,235 thousand.

Taking into account the market value of the shares held at 31st December 2008 and at 31st December 2007, corresponding to

EUR 248,567 thousand and EUR 661,380 thousand, respectively, there was a decrease of EUR 412,813 thousand, resulting from the devaluation of the investments made by the investee companies.

V.3. BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

In this chapter, it is important to highlight that, during the financial year under review, the Group continued to reinforce its stake in Banco Bilbao Vizcaya Argentaria, S.A., which is considered a strategic investment of Teixeira Duarte Group in Spain. On 31st December 2008, the company that integrates the consolidation perimeter, GSC, S.A., held 2,100,000 shares, which reflects an increase of 1,100,000 shares compared to the stake it held at the end of 2007 and implied an investment of EUR 14,929 thousand.

Taking into account the market value of the shares held at 31st December 2008 and at 31st December 2007, corresponding to EUR 18,186 thousand and EUR 16,670 thousand, respectively, we realise that, owing to the devaluation of investments, the increase was just EUR 1,426 thousand.

VI. - EVENTS OCCURRING AFTER YEAR END

After the signing of the concession contract between the Portuguese State and “EP – Estradas de Portugal, S.A.”, on 24th January 2009, the Baixo Tejo sub-concession contract was signed between “EP – Estradas de Portugal, S.A.” and the company under sub-concession “VBT – Vias do Baixo Tejo, S.A.”, in which “TEIXEIRA DUARTE - Engenharia e Construções, S.A.” holds 9% of its capital stock.

The abovementioned sub-concession contract will last for a period of 30 years and envisages the design, project, construction, increase of the number of roads, financing, operation and preservation of the highway links, roads and associated road links to the District of Setúbal, called “subconcessão Baixo Tejo” (Baixo Tejo sub-concession), along a total of 68 Km, of which 17Km include toll-gates and an investment foreseen to reach approximately EUR 278 million.

Furthermore, a Complementary Grouping of Companies, 20% owned by “TEIXEIRA DUARTE - Engenharia e Construções, S.A.”, was incorporated for the purpose of executing the contract jobs related to the abovementioned Baixo Tejo sub-concession, for and overall sum of approximately EUR 259 million.

VII. - CONCLUSIONS / OUTLOOK FOR 2009

The deep economic and financial crisis experienced in 2008, around the World and across the Country, significantly affected the balance sheet and results of Teixeira Duarte, mainly due to exposure of high strategic investments to the stock exchange market.

The Group's financial structure and the good operating performance of the different sectors and in the numerous geographical markets in which it operates, allowed the maintenance and reinforcement of the qualified and strategic stakes, of intrinsic value, held in “CIMPOR – Cimentos de Portugal – SGPS, S.A.” and in “Banco Comercial Português, S.A.”, the latter successively reinforced since its incorporation in 1985.

It will be with the activity results that Teixeira Duarte will overcome the current conjuncture, being prepared to face the difficulties all agents are encountering due to the deep economic and financial crisis felt worldwide and as always, counts upon all its workers to do it.

For 2009, a particularly cautious and vigilant approach to cost containment will be reinforced and efforts will be focused on prudently participating in major national tenders, while growth will continue by expanding activities in foreign markets.

The development of operations in other sectors will also be pursued, giving priority, whenever possible, to external markets.

Therefore, the main goal for 2009 is to achieve an operating profit of EUR 1,500 million for the Group.

VIII. - PROPOSAL FOR THE ALLOCATION OF PROFIT

The Board of Directors proposes that the individual negative net profit of “TEIXEIRA DUARTE - Engenharia e Construções, S.A.” for the financial year 2008, amounting to EUR 196,358,032.52, be carried forward to the next year.

Lagoas Park, 20th April 2009

The Board of Directors,

Mr. Pedro Maria Calainho Teixeira Duarte

Mr. João Salvador dos Santos Matias

Mr. Manuel Maria Calainho de Azevedo Teixeira Duarte

Mr. Joel Vaz Viana de Lemos

Mr. Jorge Ricardo de Figueiredo Catarino

Mr. Carlos Gomes Baptista

Mr. João José de Gouveia Capelão

Mr. João José do Carmo Delgado

In compliance with the information duties to which it is bound through the different normatives in force, particularly article 447 of the Commercial Companies Code and article 9, nr. 1, paragraph a) of the CMVM Regulation Nr. 5/2008, "TEIXEIRA DUARTE - Engenharia e Construções, S.A." submits below, the list of securities issued by the Company and by the companies with which it has a dominant relation or of Group, held by members of the Board of Directors and of the Supervisory Board, as well as all the acquisitions, taxation or assignments during 2008, specifying the amount, the date of the occurrence and the counterpart paid or received.

I - Number of shares held directly and indirectly by members of the Board as at 31st December 2007:

Name	Company	No of shares
Pedro Pereira Coutinho Teixeira Duarte	Teixeira Duarte - Engenharia e Construções, S.A.	(a) 10,015,000
Pedro Maria Calainho Teixeira Duarte	Teixeira Duarte - Engenharia e Construções, S.A.	(b) 742,000
Manuel Maria Calainho de Azevedo Teixeira Duarte	Teixeira Duarte - Engenharia e Construções, S.A.	5,149,575
Joel Vaz Viana de Lemos	Teixeira Duarte - Engenharia e Construções, S.A.	433,862
Jorge Ricardo de Figueiredo Catarino	Teixeira Duarte - Engenharia e Construções, S.A.	170,670
Carlos Gomes Baptista	Teixeira Duarte - Engenharia e Construções, S.A.	25,634
João José Gouveia Capelão	Teixeira Duarte - Engenharia e Construções, S.A.	10,387
João José do Carmo Delgado	Teixeira Duarte - Engenharia e Construções, S.A.	28,660

(a) 848,020 shares are jointly owned and without any determination of part or right, with his wife.

(b) 700,000 shares are, indirectly, held, through a company where the former is the dominant partner, "PASIM - Sociedade Imobiliária, S.A."

II - Operations related to shares held directly and indirectly by members of the Board between 1st January and 31st December 2008:

Name	Company	Operations	Date	No of shares	Price per share
Pedro Pereira Coutinho Teixeira Duarte	Teixeira Duarte - Engenharia e Construções, S.A.	Acquisition	18-Jul-08	20,000	0.81 €
Pedro Pereira Coutinho Teixeira Duarte	Teixeira Duarte - Engenharia e Construções, S.A.	Acquisition	1-Aug-08	65,000	1.08 €
Pedro Pereira Coutinho Teixeira Duarte	Teixeira Duarte - Engenharia e Construções, S.A.	Acquisition	8-Aug-08	100,000	1.10 €
Jorge Ricardo de Figueiredo Catarino	Teixeira Duarte - Engenharia e Construções, S.A.	Acquisition	16-Jan-08	1,976	1.42 €
Jorge Ricardo de Figueiredo Catarino	Teixeira Duarte - Engenharia e Construções, S.A.	Acquisition	16-Jan-08	24	1.43 €
Jorge Ricardo de Figueiredo Catarino	Teixeira Duarte - Engenharia e Construções, S.A.	Acquisition	22-Oct-08	7,330	0.78 €

III - Number of shares held by members of the Board as at 31st December 2008:

Name	Company	No of shares
Pedro Pereira Coutinho Teixeira Duarte	Teixeira Duarte - Engenharia e Construções, S.A.	(a) 10,200,000
Pedro Maria Calainho Teixeira Duarte	Teixeira Duarte - Engenharia e Construções, S.A.	(b) 7,942,000
Manuel Maria Calainho de Azevedo Teixeira Duarte	Teixeira Duarte - Engenharia e Construções, S.A.	5,149,575
Joel Vaz Viana de Lemos	Teixeira Duarte - Engenharia e Construções, S.A.	433,862
Jorge Ricardo de Figueiredo Catarino	Teixeira Duarte - Engenharia e Construções, S.A.	180,000
Carlos Gomes Baptista	Teixeira Duarte - Engenharia e Construções, S.A.	25,634
João José Gouveia Capelão	Teixeira Duarte - Engenharia e Construções, S.A.	10,387
João José do Carmo Delgado	Teixeira Duarte - Engenharia e Construções, S.A.	28,660

(a) 848,020 shares are jointly owned and without any determination of part or right, with his wife.

(b) 700,000 shares are, indirectly, held, through a company where the former is the dominant partner, "PASIM - Sociedade Imobiliária, S.A" and 7,200,000 shares are, indirectly, held through the company that the former became major partner, "PACIM - SGPS, S.A.".

IV - Number of shares held by the Members of the General Meeting and of the Governing Bodies.

Furthermore, in accordance and for the applicable normative purposes we inform that none of the members of the General Meeting, or the Chartered Accountants Company, or its representative, hold any shares of "TEIXEIRA DUARTE - Engenharia e Construções, S.A.", or of any other entity which is in a dominating position in relation to it or in the Group. In relation to the Supervisory Board, only its Member, Mr. Miguel Carmo Pereira Coutinho, currently holds 10,000 shares of "TEIXEIRA DUARTE - Engenharia e Construções, S.A.", in communal state regime with his wife, which were purchased through the following operation:

Name	Company	Operations	Date	No of shares	Price per share
Miguel Carmo Pereira Coutinho	Teixeira Duarte - Engenharia e Construções, S.A.	Acquisition	28-Aug-08	10,000	1.00€

In compliance with requirements to publish information under existing regulations, namely as set out under No.4 of Article 448 of the Companies Act, Teixeira Duarte - Engenharia e Construções, S.A., reflects below the list of shareholders who at accounting year end and in terms of company registries and information provided, are the holders of at least one tenth of equity capital.

Company	No of shares at 31.12.2008	% Capital
TEIXEIRA DUARTE - Sociedade Gestora de Participações Sociais, S.A.	42,000,000	10 %
TDG - Sociedade Gestora de Participações Sociais S.A.	160,341,364	38.18%

In compliance with the applicable legal and regulatory provisions, namely with the established in paragraph b), of nr. 1 of article 8 of the CMVM Regulation nr. 5/2008, it is based on the Company's registrations and in the data received that "TEIXEIRA DUARTE - Engenharia e Construções, S.A." disseminates here the list of holders of the qualifying holding of its capital stock on 31st December 2008, with the indication of the number of shares held and the percentage of the corresponding voting rights, calculated in accordance with the established in article 20 of the Portuguese Securities Market Code.

1. In terms of that set out under Article 20 of the Stock Exchange Act (CVM) the Stock Exchange Committee takes the view, contested by us in respect of paragraph f) infra, that "**TEIXEIRA DUARTE - SGPS, S.A.**", holds a qualified investment of 235,152,069 shares, equivalent to 55.99% of capital and voting rights, as a result of:
 - a) 42,000,000 **directly** held shares, equivalent to **10%** of equity capital and voting rights;
 - b) 160,341,364 shares held by "**TDG - SGPS, S.A.**", equivalent to **38.18%** of equity capital and voting rights;
 - c) 3,500,000 shares held by "NGDI - Gestão e Investimento Imobiliário, S.A.", equivalent to 0.83% of equity capital and voting rights;
 - d) 10,200,000 shares held by the chairman of the Board of "TEIXEIRA DUARTE - SGPS, S.A.", **Pedro Pereira Coutinho Teixeira Duarte**, the equivalent of **2.43%** of equity capital and voting rights;
 - e) 9,676,071 shares are held by the remaining members of the board of "TEIXEIRA DUARTE - SGPS, S.A.", equivalent to 2.30% of voting rights, (none of these individually attain the rank of qualified interest);
 - f) 9,434,634 shares held by members of the board of "TDG - SGPS, S.A.", who are not members of the board of the company set out in paragraph a) above, equivalent to 2.25% of voting rights, (none of these individually attain the rank of qualified interest) which in the view of the Stock Exchange Committee, which in turn disagrees.
2. In terms of that set out under Article 20 of the CVM, the Stock Exchange Committee takes the view that "**Banco Comercial Português, S.A.**" holds a qualified investment of 42,021,718 shares, equivalent to **10.00%** of equity capital and voting, as a result of:
 - a) 22,002 shares held by "Banco Millennium BCP Investimentos, S.A.", equivalent to 0.005% of equity capital and voting rights;
 - b) "**Grupo Banco Comercial Português Pension Fund**" is considered as holding a qualified investment of 41,999,716 shares, equivalent to 9.99% of equity capital and voting rights.*
3. "**CIMILE - Sociedade Gestora de Participações Sociais, S.G.P.S., Lda.**" is assigned, in accordance with the established in Article 20 of the Portuguese Securities Market Code the qualifying holding of 13,450,656 shares, corresponding to **3.2%** of the voting rights, due to:
 - a) 13,402,756 shares **directly** held by it, corresponding to **3.19%** of the capital stock and of the voting rights;
 - b) 47,900 shares assigned to the Managers of "CIMILE - Sociedade Gestora de Participações Sociais, S.G.P.S., Lda.", corresponding to 0.01% of the capital stock and of the voting Rights.

* Through Communications received from "Banco Comercial Português, S.A." on 8th February 2007, it was indicated that the managing company of the BCP Group Pension Fund exercises in an independent way the respective voting rights.

** Through Communications received on 12th March 2009, the Company was informed that, on that date, CIMILE, S.G.P.S., Lda. held already 16,783,952 shares, corresponding to 4.00% of the capital stock and of the voting rights, which are assigned to Eng. Miguel Maria Calainho Teixeira Duarte, according to the established in article 20 of the Portuguese Securities Market Code.



Corporate
Governance Report
2008



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CORPORATE GOVERNANCE REPORT

In compliance with the legal applicable standards and regulations, namely article 245-A of the Portuguese Securities Market Code, Regulation nr. 1/2007 of CMVM, currently in force, "TEIXEIRA DUARTE - Engenharia e Construções, S.A." (Teixeira Duarte) hereby presents its Corporate Governance Report regarding the financial year of 2008, complying with all the requirements of the model attached to the referred Regulation. Comments and considerations shall be made on the procedures followed by the company, always when deemed necessary and appropriate.

For many years Teixeira Duarte has been concerned with the subject of "Corporate Governance" and has embraced practices reflecting values which are currently safeguarded by regulations on that matter. It is always attentive to the development of standards and regulations and to the national and international recommendations.

The Company complies with all its corporate obligations as a listed company with issued shares, traded in a regulated market and takes due responsibility of striking a balance between the recommendations of the various entities and the reality of the Company, its structure, history, markets and operating sectors.

Teixeira Duarte organized this Report in accordance with the model indicated in the Annex to the CMVM Regulation Nr. 1/2007, having, as suggested by the Portuguese Securities Market Committee, included in its *Chapter 0* a table with the description of all 43 Recommendations that integrate the Corporate Governance Code issued by this regulating entity, stating which were adopted by the Company and which were not. It also includes a remission to the points in this text containing these issues or in which the reason for non-adoption is explained.

These structure options and the inclusion of that table right at the beginning of the text has the objective of rigorous compliance with the new norms and regulations applicable from this year on and also of monitoring the intention of the Portuguese Securities Market Committee to make these Reports uniform and easier to analyze and consult by the Market.

CHAPTER 0

Declaration of Compliance

0.1. Indication of the location where the corporate governance code texts are made available to the public, to which the issuer is subject to and, that being the case, those they have voluntarily chosen to be subject to.

In addition to the applicable legal and regulatory standards, namely the Commercial Companies Code, the Securities Code and the CMVM Regulations, especially Regulation Nr. 1/2007, Teixeira Duarte opted not to be governed by any other Corporate Governance Code except the one issued by CMVM in September 2007, which can be consulted at www.cmvm.pt.

0.2. Detailed indication of the adopted and non-adopted recommendations contained in the CMVM Corporate Governance Code. Recommendations which are not entirely followed are considered, for the purpose herein, as not having been adopted.

0.3. When corporate governance structures or practices deviate from CMVM recommendations or from any other codes the company is subject to or has voluntarily adhered to, the parts of each code that were not complied with must be distinctly stated, as well as the reasons for that divergence.

Items 0.2. and 0.3. are object of simultaneous development, due to their interconnection.

From the 43 Recommendations that comprise the above referred CMVM Corporate Governance Code, only 14 are not adopted by the Company, some of them only partially.

Those Recommendations are fully transcribed in the following table, along with the numbering included in the aforementioned Corporate Governance Code, followed by the indication of its adoption or non-adoption and the remission to the item of this Report where such matter is developed or in which, complying with the "comply or explain" principle, its eventual non-adoption is justifiable.

	Recommendation	Adoption	Remission
I.1.1	The Chairman of the General Meeting should have human resources and logistical support which are adequate to his/her requirements, considering the economic situation of the company.	Yes	CHAPTER I
I.1.2	The remuneration of the Chairman of the General Meeting should be disclosed in the Annual Report on Corporate Governance.	Yes	I.3
I.2.1	The advance period for deposit or blocking of shares for the participation in the General Meeting imposed by the by-laws should not be superior to 5 working days.	Yes	I.4
I.2.2.	If the General Meeting is suspended, the company should not impose the blocking of shares for the whole period until the session is resumed; the common advance period required for the first session should be sufficient.	Yes	I.5
I.3.1	Companies should not establish any statutory restriction on voting by post.	Yes	I.8
I.3.2	The statutory advance period for receiving the explanation of vote sent by post should not be of more than 3 working days.	Yes	I.10
I.3.3	Companies should establish in their by-laws that a vote corresponds to one share.	Yes	I.6
I.4.1	Companies should not establish a constitutive or deliberative quorum superior to that established by law.	No	I.7
I.5.1	The minutes of the General Meetings should be made available to shareholders at the Company's Website, within 5 days, even if they are not considered privileged information under the law; the site should also have the historic list of attendances and the agenda of meetings and deliberations made regarding meetings which took place, at least, in the 3 previous years.	No	CHAPTER I
I.6.1	Any measures adopted with the purpose of preventing the success of public take-over bids should respect the interests of the company and shareholders.	Yes	I.7
I.6.2	Corporation By-laws which, in compliance with the principle of the previous paragraph, foresee the limitation of the number of votes that can be held or cast by a single shareholder, individually or in coordination with other shareholders, should equally establish the consignment that, at least every five years, the General Meeting should deliberate whether or not that statutory provision should be maintained – without any requirements of aggravated quorum in relation to the legally established – and that in this deliberation all casted votes are counted without that limitation being in force.	Yes	I.7
I.6.3	No defensive measures should be adopted with the purpose of automatically causing serious erosion to company assets, in case of control transition or any change in the managing board composition, thus prejudicing the free transmissivity of shares and the shareholders' free assessment of the managing board members' performance.	Yes	I.13
II.1.1.1	The Report of the Managing Board should have an evaluation of the adopted model, identifying any eventual constraints to its operation and proposing action measures which they think are appropriate to overcome those constraints.	Yes	II.1
II.1.1.2	Companies should create internal control systems, for an effective detection of risks connected to the company's activities, safeguarding its assets and for the benefit of the transparency of its corporate governance.	Yes	II.4
II.1.1.3	The managing and supervisory boards should have operation regulations, which should be disclosed in the company's Website.	No	II.6

	Recommendation	Adoption	Remission
II.1.2.1	The Board of Directors should include a number of non-executive members who ensure the effective capacity of supervision, inspection and assessment of the executive members' activity. (in a circular dated 15 th January 2009, CMVM determined that it only considers that this recommendation is fulfilled when the managing board includes, at least, one third of non-executive members).	No	II.9
II.1.2.2	Among the non-executive directors, there should be an adequate number of independent directors, taking the company size and its shareholding structure into consideration, which cannot be in any case less than one quarter of the total number of directors.	No	II.9
II.1.3.1	According to the applicable model, the Chairman of the Supervisory Board, of the Audit Committee or of the Financial Issues Committee should be independent and have the adequate powers to carry out the respective functions.	Yes	II.12 II.13
II.1.4.1	The company should adopt a policy for communicating any irregularities which allegedly occur within the company, with the following elements: i) indication of the means through which the communication of irregular practices can internally take place, including the people with a legitimate right to receive such communications; ii) indication of the treatment to be given to communications, including the confidential treatment, if required by the sender.	Yes	II.22
II.1.4.2	The general guidelines of this policy should be disclosed in the Report on Corporate Governance.	Yes	II.22
II.1.5.1	The remuneration of the managing board members should be structured so as to allow the alignment of the interests of the latter with the interests of the company. In this context: i) the remuneration of directors performing executive functions should integrate a performance-based component and should, therefore, take in consideration the job performance assessment carried out periodically by the competent body or Committee; ii) the variable component should be consistent with the long term performance maximization of the company and dependent on the sustainability of the adopted performance variables; iii) when that does not result directly from a legal requirement, the remuneration of non-executive members of the managing board should be exclusively composed of a fixed amount.	No	II.20
II.1.5.2	The Remuneration Committee and the managing board should submit to the Annual Shareholders' General Meeting for appreciation a statement on the remuneration policy of the managing and supervisory boards, respectively, and of the remaining top management, according to nr. 3 of article 248-B of the Securities Market Code. Within this context the criteria and main parameters proposed for Job performance appraisal should be explained to the shareholders, in order to ascertain the variable component, such as awards in shares, share acquisition options, annual bonus or any other components.	No	I.12 II.18
II.1.5.3	At least one representative of the Remuneration Committee should be present at the Annual Shareholders' General Meeting.	Yes	II.19

	Recommendation	Adoption	Remission
II.1.5.4	The proposal regarding the approval of share allocation plans, and/or share acquisition options or based on share price variations, should be submitted to the Annual General Meeting, for the members of the managing and supervisory boards and the remaining top management, according to nr. 3 of article 248-B of the Securities Market Code. The proposal should contain all the required elements for a correct assessment of the plan. The proposal should have attached the plan regulation or, if it has not been prepared yet, the general conditions it should fulfil. The General Meeting should also approve the main characteristics of the pension benefit system for members of the management, supervisory boards and the remaining top management, according to nr. 3 of article 248-B of the Securities Market Code.	Not applicable	III.10
II.1.5.5	The remuneration of management and supervisory board members should be individually disclosed on a yearly basis, differentiating, when applicable, the different components received in terms of fixed remuneration and variable remuneration, as well as the remuneration received in other companies of the group or in companies controlled by shareholders with qualified participations (shares).	No	II.12 II.20 b)
II.2.1	Within the limits established by law for each management and supervisory structure and unless due to the reduced size of the company, the Board of Directors should delegate the company's daily management and the delegated competences should be identified in the Annual Report on the Corporate Governance.	No	II.3.
II.2.2	The Board of Directors should ensure that the company acts in a consentaneous manner with its objectives and should not delegate its powers, namely regarding: i) defining the company's general strategies and policies; ii) defining the corporate structure of the group; iii) decisions that should be considered strategic due to its amount, risk or special characteristics.	Yes	II.3
II.2.3.	Should the Chairman of the Board of Directors perform executive functions, the Board of Directors must find efficient mechanisms to coordinate the works of non-executive members, which ensure that these can decide in an independent and informed manner. These mechanisms should be duly explained to the shareholders within the scope of the Report on Corporate Governance.	Not applicable	II.9
II.2.4	The Annual Management Report should include a description of the activity developed by non-executive directors, namely referring eventually found constraints.	Yes	II.3
II.2.5	The Management Board should promote a rotation of the member in charge of the financial sector, at least at the end of two successive mandates.	No	II.10
II.3.1.	Any executive directors with executive functions should provide, when so requested by other members of those governing bodies, in useful time and in an adequate manner, in accordance to the request, the information requested by the latter.	Yes	II.1
II.3.2.	The Chairman of the Executive Committee should send the summons and the minutes of the respective meetings to the Chairman of the Board of Directors and, when applicable, to the Chairman of the Supervisory Board or of the Audit Committee.	Not applicable	II.2

	Recommendation	Adoption	Remission
II.3.3	The Chairman of the Executive Board of Directors should send the summons and the minutes of respective meetings to Chairman of the General and Supervisory Council and to the Chairman of the Financial Issues Committee.	Not applicable	II.1
II.4.1	The General and Supervisory Council, in addition to fulfilling the allocated supervision competences, should also carry out the counselling, monitoring and continuous assessment of the company's management by the Executive Management Council. The issues on which the General and Supervisory Council should give their opinion include: i) define the company's general strategy and policies; ii) the group's corporate structure; and iii) decisions that should be considered strategic due to the amount, risk and special characteristics.	Not applicable	II.1
II.4.2	The Annual reports on the activity developed by the General and Supervisory Council, the Financial Issues Committee, the Audit Committee and the Supervisory Board should be the object of disclosure in the company's Website, together with the documents of account submitted.	Yes	CHAPTER III
II.4.3	The Annual Reports on the activity developed by the General and Supervisory Council, the Financial Issues Committee, the Audit Committee and the Supervisory Board should include the description of the developed supervisory activity, namely, eventually, any constraints found.	Yes	CHAPTER III
II.4.4	The Financial Issues Committee, the Audit Committee and the Supervisory Board, according to the applicable model, should represent the company, for all purposes, before the external auditor, being responsible, namely, for proposing the supplier of those services and respective remuneration, making sure that the adequate conditions for the supply of those services are provided within the company, as well as being the company's interlocutor and the first addressee of the respective reports.	No	
II.4.5	The Financial Issues Committee, the Audit Committee and the Supervisory Board, according to the applicable model, should assess the external auditor, on an annual basis and propose his/her compulsory resignation to the General Meeting always when there is justified reason.	No	
II.5.1.	Unless due to the reduced size of the company, the Board of Directors and the General and Supervisory Council, according to the model adopted, must create the Committees deemed necessary in order to: i) ensure a competent and independent appraisal of the executive directors' performance and the appraisal of their own global performance, as well as of the different existing Committees; ii) reflect upon the adopted governance system, verify its effectiveness and propose execution measures to the competent bodies, with the purpose of improving it.	No	II.2 CHAPTER II
II.5.2	The members of the Remunerations Committee or its equivalent should be independent in relation to the members of the managing board.	No	II.19
II.5.3	All commissions should prepare minutes of any held meetings.	Yes	II.19
III.1.2	The companies should ensure a permanent contact with the market, observing the shareholders' equality principle and preventing asymmetries in the access to the information on the part of the investors. For that purpose, the company should keep an Investor Support Office.	Yes	CHAPTER III

	Recommendation	Adoption	Remission
III.1.3	<p>The following available information at the company's Website should be disclosed in English:</p> <p>a) The company, its quality as listed company, the registered head office and the remaining elements mentioned in article 171 of the Commercial Companies Code;</p> <p>b) By-laws;</p> <p>c) Identity of the members of the governing bodies and of the representative for the market relations;</p> <p>d) Investor's Supporting Office, respective functions and means of access;</p> <p>e) Documents of account;</p> <p>f) Biannual company events schedule;</p> <p>g) Proposals submitted for discussion and voting at the General Meeting;</p> <p>h) Summons for the realization of the General Meeting.</p>	Yes	CHAPTER III

0.4. The governing body or commission in question should assess the independence of each of its members at every instant and justify its appreciation before shareholders, by statement included in the report on corporate governance, either at the designation moment, or whenever a supervening circumstance occurs which determines loss of independence.

Every year Teixeira Duarte has been promoting an inquiry to the members of the General Meeting Board, the Supervisory Board and the representative of the Chartered Accountants Company, through which – following a model prepared by the Portuguese Securities Market Committee at the time of the elections which took place after the alterations to the Commercial Companies Code in 2006 – it establishes facts which allow to ascertain their respective independence and the inexistence of incompatibilities, as foreseen in article 414.^o and 414.^o-A of the Commercial Companies Code.

These inquiries aimed at an eventual inclusion of a new item in the Annual General Meeting agenda to make up for these irregularities, have been answered in time with the indicated members observing the aforementioned legal criteria, each of them declaring also that *“they are not aware of any other fact which, somehow, affects or may affect their independence in carrying out the functions for the job they were elected for”*.

The answers obtained before the 2008 General Meeting, as well as for the one already in 2009 were along those lines.

Notwithstanding what is referred above, three statements were issued, subscribed by members of the above mentioned governing bodies, by which they certify their independence and provide the basis for that appreciation, an issue developed further below in Items I.1., II.1. and II.12.

In relation to members of the Board of Directors and of the Remuneration Committee, this same theme is developed below, respectively in items II.9 and II.19 of this Report.

CHAPTER I

General Meeting

The General Meeting of the company represents the universe of shareholders. Their deliberations are binding for all of them when made under the terms of the By-laws and of the Law, even if absent, discordant or unfit.

The General Meeting is composed by shareholders entitled to vote and, additionally, by individuals who, with or without that right, work as permanent members of the Governing bodies and as Company Secretary.

The General Meeting Board shall be composed of a Chairman, a Vice-Chairman and a Secretary.

It is the Chairman's responsibility to summon the General Meetings and conduct its works, as well as to carry out the other functions imposed by the Law, By-Laws or by delegation from the General Meeting itself, being the responsibility of the Vice-Chairman the replacement of the Chairman whenever absent or prevented from attending, as well as, whenever requested by the Chairman, to assist in the exercise of his/her functions, while the Secretary has the task of aiding the Chairman in office and ensure all the work connected to the Meeting.

Additionally and with the support of the Company's Secretary and the remaining services of the Company, the adequate supporting human resources and logistical services are placed at the Chairman's disposal to help carry out his/her job, namely for the preparation and disclosure of the summoning notices and other preparatory information elements, as well as the reception, processing and filing of share ownership certifications, representation letters, proposals for submission and lists of attendance to shareholders and also for the organisation of the Annual General Meeting.

The minutes regarding the last General Meeting, held on 14th May 2008, was made available at the Company's Website, according to the applicable recommendatory provisions, although it was not possible to do it in the five subsequent days.

The historical lists of attendance, the meetings' agenda and the deliberations made related to the meetings held on 2006, 2007 and 2008 are also available.

I.1. Identification of the General Meeting Board members.

At present, the General Meeting Board is composed by the following members:

Chairman: Dr. Rogério Paulo Castanho Alves, lawyer, with business address at Av. Conselheiro

Fernando de Sousa, 19 - 18.º, 1070-072 Lisbon, Portugal

Vice-Chairman: Dr. João Torres Ágoas Martinho Lopes, lawyer, with business address at Estrada da Luz, n.º 90 - 6.º-E, 1600-160 Lisbon, Portugal

Secretary: Dr. José Gonçalo Pereira de Sousa Guerra Costenla, lawyer, with business address at Av. Conselheiro Fernando de Sousa, 19 - 18.º, 1070-072 Lisbon, Portugal

The members of the General Meeting board are in full compliance with the independence requirements, with further evidence of the inexistence of an incompatibility situation for the exercise of those functions by each member, in the strict fulfilment of the applicable normative provisions (article 414 and 414-A of the Commercial Companies Code).

I.2. Indication of the start and finishing date of the respective mandates.

All the identified members of the General Meeting Board were elected in the Annual General Meeting of 2nd May 2007, to work in that body during the quadriennium of 2007/2010.

I.3. Indication of the remuneration of the Chairman of the General Meeting board.

The members of the General Meeting Board, under the current scheme established in the Commercial Companies Code, namely the established in article 422-A, by remission of number 3 of article 374-A, earn a fixed remuneration for carrying out functions inherent to their respective offices, determined by a Remuneration Committee foreseen in article eleventh of the By-Laws, without any of them receiving any other retribution from Teixeira Duarte or from any other company in a dominant or group position regarding the latter.

Under the terms and for the purposes established in the applicable regulatory and recommendatory provisions, we wish to inform that the remuneration of the Chairman of the General Meeting Board, during the financial year of 2008, was €5,000.00 (five thousand euros), similar to what he has earned since he was elected in 2007.

I.4. Indication of the required advance period for share deposit or blocking for participation in the General Meeting.

In accordance to what is provided in the Company By-Laws (article 13.º), shareholders have the right to vote if, within five calendar days before the set date for respective General Meeting, they have shares entered in scriptural securities accounts opened with institutions qualified for that purpose, with those shares being certified by means of documents from those institutions which are received in the Company within the same aforementioned established deadline and which identify the holder and the shares in question, as well as inform about respective blockings until the end of that General Meeting.

I.5. Indication of the applicable rules for blocking of shares in case of suspension of the General Meeting.

Should the General Meeting be suspended, the blocking of shares is not required during the whole period until the session is resumed. It is necessary, however, that the shareholders prove that requirement up to five calendar days before the date set for the new session, through the issue of new certificates by the institutions qualified for that purpose and that those documents are received in the Company within that same deadline.

I.6. Number of shares corresponding to one vote.

Under the terms and according to the established in article 13 of the By-Laws, each share corresponds to one vote.

I.7. Existence of statutory rules for the exercise of the right to vote, including constitutive and deliberative quorums or highlighting systems for economic rights.

In accordance with the contents of article 13 of the By-laws, the shareholders who, up to five calendar days before the date chosen for the respective General Meeting, have shares entered in scriptural securities accounts open with institutions qualified for this purpose, have voting rights. However, the entering of those shares must be certified by means of documents from those institutions received by the Company within the same abovementioned period and must identify the owner and the respective shares, as well as provide information on the respective blockings until the closing of that General Meeting.

In the case of joint ownership of shares, only one of the joint owners with powers to represent the others may attend General Meetings.

Individual Shareholders, with a right to vote, may be represented in the General Meeting by means of a document issued under the terms of the Law.

Shareholders who are unfit or the corporate bodies with voting rights shall be represented by people with legal powers to do so.

Within this scope, the Company provides a power-of attorney form at its website and registered head office, in compliance with the established in article 23 of the Portuguese Securities Market Code, which can be used by the shareholders that want to be represented at the General Meeting.

All the aforementioned representations shall have to be communicated to the Chairman of the General Meeting board by a duly signed letter that has to be received at the company's registered head office up to five calendar days before the chosen date for respective General Meeting.

General Meeting deliberations are made by majority of the issued votes, notwithstanding the legal provisions that, in certain cases, may require qualified majorities or establish other winning standards for the proposals.

There are no restrictions whatsoever regarding the right to vote, namely limitations to the voting exercise depending on the ownership of a number or percentage of shares, deadlines imposed for exercising the right to vote – with the exception of what shall be described in relation to postal vote – or highlighting systems for economic rights.

The General Meeting may deliberate in a valid way, at first summons, whenever there are shareholders present or represented who hold shares corresponding to more than half of the capital stock and, at second summons, whichever the number of present or represented shareholders and their respective percentage of capital stock, safeguarding the exceptions established by mandatory law.

We would like to mention, regarding this matter, that this is a tradition deriving from the By-laws approved in 1987, when the company was changed into a joint stock company and it was decided not to change it when remodelling the social contract (memorandum and articles of association) in 2007.

In fact, shareholders have always understood the constitutive quorum requirement, in order to enable the General Meeting to deliberate at first summons as a supplementary guarantee of their representation in this governing body, and we should add that such rule never prevented the realization of those shareholders' meetings at first summons, or that Teixeira Duarte's General Meeting register high attendance levels, usually higher than 75% of the capital stock.

Also in line with this option of not altering the By-Laws is the fact that, since opening its capital to public investment in 1998, TEIXEIRA DUARTE – Sociedade Gestora de Participações Sociais, S.A. (company held by the Teixeira Duarte family) have been allocated more than half the capital stock and the corresponding rights to vote, thus ensuring with its representation the minimum quorum required, so that the General Meeting is held at first summons.

There are no measures for preventing the success of eventual public take-over bids, as the By-Laws do not foresee any limitation to the number of votes that can be held or exercised by a single shareholder, individually or jointly with other shareholders.

I.8. Existence of statutory rules for the exercise of the right to vote by post.

By-Laws foresee that shareholders with the right to vote may do so by post; in addition to fulfilling all the abovementioned conditions and deadlines to prove that capacity, they should send a letter addressed to the Chairman of the General Meeting Board to the company headquarters, within the timeframe determined in the summons, expressing their wish to exercise that right and stating their identification, address and number of shares they own. Their statements shall be verified and compared with the certificate issued by the institution where the shares have been entered, and the latter shall prevail.

Such a letter shall include the shareholder's certified signature or, in the case of natural persons, it shall be accompanied by a legible photocopy of the Identification Card or a document which can replace it.

Along with the mentioned letter, shareholders shall include, in closed envelopes, the explanation of their votes regarding each item of the Agenda, in a specified and unequivocal manner, followed by their signatures, which shall be identical to the one included in the mentioned letter. Those envelopes should show the following notice: "Contains explanation of vote on item number (stating the respective number) of the Agenda".

The envelopes with the explanations of the votes issued according to the above mentioned terms shall be opened and taken into consideration by the Chairman of the General Meeting Board at the moment of the voting of the respective item of the Agenda. Votes included in non accepted explanations shall be considered as not issued.

Votes by post are considered as negative votes, regarding deliberation proposals submitted after they have been issued.

When the shareholder, who has exercised his voting right by post, as well as his representative, attends the General Meeting, the vote expressed in such a way is revoked.

The authenticity of the vote by post, its confidentiality up to the moment of the voting and its processing shall be ensured by the Chairman of the General Meeting Board.

Irrespective of the means chosen for that purpose, either in the texts of the respective summons for the General Meetings or in the previous information rendered available for that purpose, all terms and conditions to exercise the voting right, including the voting by post, are always clearly expressed.

I.9. Availability of a model to exercise the right to vote by post.

For the implementation of the above mentioned procedures, the Company renders available models of the letter and the ballot paper, as well as the instructions for filling them up, on its webpage and at its headquarters.

I.10. Time period required between the reception of the explanation of the vote by post and the realization date of the General Meeting.

The By-laws establish that shareholders with the right to vote who want to exercise their right by post should send their letter addressed to the Chairman of the General Meeting Board in the company's registered head office, within the period established in the summons. The period established between the explanation of the vote by post and the realization date of the 2008 Annual General Meeting was one day.

I.11. Exercise of the voting right by electronic means.

Teixeira Duarte understands that the specific security requirements inherent to the voting procedure are very high, namely with regards, on the one hand, to the technical means necessary to check the authenticity of the corresponding explanations of vote, as well as to guarantee the integrity and confidentiality of the respective contents. It also recognizes the

required high operational security and reliability level at the reception of the mentioned explanations of vote.

Weighting the above mentioned facts and also the fact that Teixeira Duarte General Meetings usually has a very high representation of the capital stock, has led the Company to not implement the possibility of exercising the voting right by electronic means.

I.12. Information on the General Meeting intervention concerning the company's remuneration policy and job performance appraisal of the governing body.

The General Meeting intervention regarding the company's remuneration policy and the job performance appraisal of the members of the governing body takes place firstly by analyzing and approving the documents of accounts at the Annual General Meeting and through the general appreciation of the governance, under the terms and with the purposes foreseen in the joint provisions of articles 376 and 455 of the Commercial Companies Code, done every year at the shareholders meeting, as well as through the election of its members and also, through the selection and appointment of members of the Remuneration Committee, in accordance with their job performance appraisal and other criteria described further down, establishes the remuneration for each member of the governing bodies, including the Board of Directors.

Furthermore, the General Meeting has the main role of approving the remunerations policy statement that has been followed and disclosed, annually, in the Corporate Governance Report, submitted for the shareholders' appreciation.

In 2008, the remuneration policy statement submitted for appreciation was presented by the Board of Directors, within the scope of its corporate governance report and not jointly by the Remuneration Committee.

However, such statement was articulated with the principles and rules applied by the Remuneration Committee to this issue, namely taking in consideration the criteria and main parameters for the job performance appraisal, in order to

ascertain the variable component, including eventual annual bonus or other components.

Likewise, in 2008, the referred remuneration policy statement has not included the supervisory bodies and the remaining top management, in accordance with nr. 3 of article 248-B of the Portuguese Securities Market Code, although that is already foreseen to be discussed in the Annual General Meeting to be held on the 13th May 2009, the respective Agenda foreseeing, autonomously the approval with a consulting nature, of a statement with that scope.

I.13. Indication of defensive measures which have the purpose of automatically causing serious erosion to the company's assets in case of change of control or any change in the composition of the Governing Bodies.

There are no measures with these characteristics.

I.14. Significant agreements in which the company takes part and which shall be in force, altered or terminated in case of change of the company's control, as well as the respective effects, unless if, due to their nature, the disclosure of those effects is seriously harmful for the company, except if the company is specifically obligated to diffuse that information due to other legal imperatives.

There are no agreements with these characteristics.

I.15. Agreements between the company and the members of the governing bodies and management, in accordance with nr. 3 of article 248B of the Portuguese Securities Market Code, which foresee any compensations in case of resignation, wrongful dismissal or work severance following a change in the company's control.

There are no agreements with these characteristics.

CHAPTER II

Administration and Supervisory Boards

II.1. Identification and composition of the governing bodies.

In 2007, the Company adopted a model of Corporate Governance known as 'monista latino' (Latin unitary board structure), under which it started to have, in addition to the General Meeting, a Board of Directors and two autonomous Surveillance Boards: a Supervisory Board and the Chartered Accountants Company, taking in consideration their new competences and compatibility and independence requirements.

We believe it is important to mention here the collaboration between all these Group structures, as well as the advantages resulting from these synergies, translated in the privileged and efficient way of achieving objectives assumed by all as a collective body.

Within this scope and in compliance with recommendation nr II.1.1.1. of the Corporate Governance Code of CMVM, the Board of Directors informs that the adopted corporate model fully complies with the objectives in it was based, that is, to keep the Company with good operational levels and efficient performance of the functions by each governing body autonomously and in the interconnection between them.

In fact, the composition of a Board of Directors integrating an almost total number of executive members results in an effective operational capacity and proximity of the issues they are faced with, at the same time that the total independence and compatibility of the Supervisory Board members allow an exempt and useful intervention in the supervision of the Company's activity, not only from the accounting point of view – where it has the regular intervention of the Chartered Accountants Company – but also in the political perspective, in this case with the limits and range adequate to the fundamental safeguarding of compliance with the legal and regulatory normatives in force, all with the purpose of achieving a constant transparency and the appropriate information disclosure levels to the market in general and to the shareholders, especially in the General Meeting.

We should also like to emphasise the good interconnection between all governing bodies, not only between the Chartered Accountants Company and the Supervisory Board, that meet periodically, but also between them and the Board of Directors and every executive director, especially those with executive functions, having provided all the information requested by other members of the governing bodies in useful time and in an adequate manner.

This model is not only closer to the one that the Company has been following since it changed into a joint stock company in 1987, but has also revealed to be more adequate to the Company's *modus operandi*, its structures and to the members who comprise the governing bodies, namely those from the Board of Directors.

Teixeira Duarte has not only been growing in a sustained way throughout the years, with a strong increase in its turnover, a significant increase in the number of countries where it operates and the diversification of the sectors where it works, but has also had a regular operation of all its governing bodies, with recognized satisfaction of its shareholders, who have reiterated their trust in the model voted by them in the General Meeting held on 2nd May 2007.

According to the established in number 1 of article 17 of the By-Laws, **the Board of Directors** is comprised by a minimum number of five and a maximum of eleven members elected at the General Meeting, which shall mandatorily appoint, among them, the member who shall be the Chairman.

During the financial year of 2008, the Board of Directors was comprised by nine members. Currently, this Governing Body is only comprised by eight members, due to the resignation of the Chairman of the Board of Directors, by letter dated 27th November 2008, invoking personal reasons, namely due to having completed 90 years of age, sixty two of them at the service of the Company. This resignation became in force on the 31st December 2008 and his replacement has been postponed to the next General Meeting to be held on the 13th May 2009.

Of nine members, the Board of Directors had one Chairman and a Chief Executive Officer, the first with non-executive

functions and the second with the specific attributions foreseen in the By-Laws.

With the exception of all the rest of the Board's members, only its Chairman had non-executive functions in 2008.

The Board of Directors composition until the end of the financial year of 2008 was the following:

Chairman:

Eng. Pedro Pereira Coutinho Teixeira Duarte

Chief Executive Officer:

Dr. Pedro Maria Calainho Teixeira Duarte

Executive Directors:

Dr. João Salvador dos Santos Matias

Dr. Manuel Maria Calainho de Azevedo Teixeira Duarte

Eng. Joel Vaz Viana de Lemos

Eng. Jorge Ricardo Figueiredo Catarino

Eng. Carlos Gomes Baptista

Eng. João José de Gouveia Capelão

Eng. João José do Carmo Delgado

The Supervisory Board is comprised by three effective members - one Chairman and two members - and one deputy member, in full compliance with the requirements of independence and without any incompatibility to carry out their duties, according to the established in the Commercial Companies Code.

The composition of the Supervisory Board, since 2nd May 2007 and until the end of the financial year of 2008, was the following

Chairman: Dr. António Gonçalves Monteiro

Members: Dr. Mateus Moreira

Mr. Miguel Carmo Pereira Coutinho

Deputy: Dr. Horácio Lisboa Afonso

The Chartered Accountants Company elected at a General Meeting for the quadriennium of 2007/2010, "MARIQUITO, CORREIA & ASSOCIADOS, SROC", is represented by Dr. António Francisco Escameia Mariquito, being responsible for carrying out all the required examinations and verifications necessary for the review and legal certification of the Company's accounts and also acting in the capacity of External Auditor registered at CMVM under nr. 2,235, in full compliance with all the requirements of independence and without incompatibility to perform his respective duties, under the applicable legal provisions.

II.2. Identification and composition of other constituted committees with competences in matters of management and supervision of the Company

Currently there aren't any specific Committees for management or supervision matters, namely the Executive Committee, in the concrete terms by which it is defined by the Company By-Laws, namely in its article 20, notwithstanding the fact that the members of the Board of Directors with executive functions maintain contact and frequent sector meetings and a jointly meeting on a weekly basis, together with the Management Adviser.

In fact and taking the recently adopted model into account, the creation of specific Committees does not seem necessary, namely for the purpose of carrying out a competent and independent appraisal of the executive directors' job performance and for the appraisal of the Board of Directors' global job performances, as such functions are expressly under the responsibility of the General Meeting, the

Supervisory Board and of the Remuneration Committee.

Likewise, the creation of a specific Committee to reflect upon the adopted governance system, check its effectiveness and propose to the competent governing bodies the measures to be executed with the aim of improving it was considered irrelevant. These attributions are performed and developed by each governing body which is more able to identify eventual constraints and difficulties they may face than any other body created just for this purpose, as they keep cooperating among themselves in the assessment of the adopted governance model, thus informing and overcoming eventual operation and interconnection difficulties.

II.3. Organization flowcharts or operational charts regarding the allocation of competences among the various company governing bodies, committees and/or departments, including information regarding delegation of competences or distribution of sectors amongst members of the governing bodies and the list of matters which cannot be delegated.

It is important to refer here, regarding the performance of Teixeira Duarte in the different sectors and activity markets, the collaboration between all Group structures, better identified in the organization flowchart attached at the beginning of this Report, as well as the added values from these synergies, resulting in the privileged and effective way of achieving the objectives considered by all as collective.

Within this scope, we emphasize the support of the different Central Directorates to the activity carried out throughout the financial year by several Operation Centres and by multiple subsidiaries.

Also on this matter, emphasis goes to the value afforded to Teixeira Duarte for being able to count upon a set of Coordinators/ Consultants comprised by employees who, with many good years of service in the Company and in the Group, provide valuable help, namely in training, counselling and information.

Notwithstanding what we referred above, there is no delegation of competences by any of the governing bodies, namely by the Board of Directors, in any specific Committees, particularly in an Executive Committee.

This situation results essentially from the fact that the Board of Directors is almost exclusively composed by executive members, which, as it was previously referred in the assessment of the corporate model (according to item II.1 above) means an operational effectiveness and proximity to the issues under their responsibility, thus rendering redundant and counterproductive any delegations within this scope.

Nevertheless and despite the collegial exercise of the duties under the Board of Directors' responsibility, each member of the Board was more specifically responsible for certain functional areas or businesses, distributed, in general, as follows:

- Eng. Pedro Pereira Coutinho Teixeira Duarte, Chairman of the Board of Directors, acted within the Company's institutional representation scope and in a counselling and supervision line, while all the other members of this Board with functions of an executive nature, with a direct and daily intervention in the current management of business and activities;

- Dr. Pedro Maria Calainho Teixeira Duarte, with duties of Chief Executive Officer in which he monitors the current businesses of the Company and assures the execution of the business resolutions of the Board, as well as the follow-up of the management of holdings in "CIMPOR – Cimentos de Portugal, S.G.P.S., S.A.", "Banco Comercial Português, S.A." and "Banco Bilbao Vizcaya Argentaria, S.A."

- Dr. João Salvador dos Santos Matias:

supervises the activities carried out by IT and Financial and Accounting Central Directorates;

supervises the actions of Fuel Marketing sector developed in the domestic market.

- Dr. Manuel Maria Calainho de Azevedo Teixeira Duarte:

supervises the actions of Hospitality Industry Real Estate sectors in the domestic market;

supervises the actions regarding Relations with the Market;

supervises the activities of affiliates "TEDAL – Sociedade Gestora de Participações Sociais, S.A." and "TDCIM – S.G.P.S., S.A.";

supervises the activity of TDHOSP – Gestão de Edifício Hospitalar, S.A.

supervises the management of holdings and/or monitors their respective activities, in the companies "E.I.A. – Ensino, Investigação e Administração, S.A.", "JÚPITER – Indústria Hoteleira, S.A.", "LONGAPAR, SGPS, S.A." and "LONGAVIA – Imobiliária, S.A."

supervises the activities developed in Brazil.

- Eng. Joel Vaz Viana de Lemos:

supervises the activities carried out by "TEIXEIRA DUARTE – Engenharia e Construções, S.A." regarding Mechanical Engineering and Formworks and Pre-stress Operation Centres (COC) and the Equipment Directorate;

supervises the activities carried out by the Central Directorates for Security, Quality and Environment, Human Resources and Administrative Services, as well as Procurement;

supervises the activities of affiliates, such as "E.P.O.S. – Empresa Portuguesa de Obras Subterrâneas, Lda.", "SOMAFEL – Engenharia e Obras Ferroviárias, S.A." and "OFM – Obras Públicas, Ferroviárias e Marítimas, S.A."

- Eng. Jorge Ricardo de Figueiredo Catarino:

supervises the activities carried out in Algeria and Venezuela;

supervises the activities carried out by “TEIXEIRA DUARTE – Engenharia e Construções, S.A.” regarding Geotechnique and Foundations Operation Centre;

supervises the activities carried out by “TEIXEIRA DUARTE – Engenharia e Construções, S.A.” regarding Building Operation Centres, headed by Eng. Sampayo Ramos and Eng. Sousa Barros;

follows-up the activities of affiliate “MTS – Metro, Transportes do Sul, S.A.”;

follows-up the activities of affiliate “AEDL – Auto-estradas do Douro Litoral, S.A.”;

- Eng. Carlos Gomes Baptista:

supervises the activities carried out in Spain and Mozambique;

supervises the activities carried out by “TEIXEIRA DUARTE – Engenharia e Construções, S.A.” regarding Building Operation Centres, headed by Eng. Magalhães Gonçalves and Eng. Paulo Araújo;

supervises the activities of affiliates “BEL – ere – Engenharia e Reabilitação de Estruturas, S.A.”, “RECOLTE – Recolha, Tratamento e Eliminação de Resíduos, S.A.”, “INVICTAAMBIENTE – Recolha de Resíduos e Limpeza Pública, S.A.”, “TDGI – Tecnologia de Gestão de Imóveis, S.A.” and “GSC – Companhia General de Servicios y Construcciones, S.A. Sociedad Unipersonal”.

- Eng. João José de Gouveia Capelão:

supervises activities carried out by “TEIXEIRA DUARTE – Engenharia e Construções, S.A.” in the trade area, thus ensuring and coordinating the representation of the Company within the scope of this activity;

supervises the activities carried out by the Central Directorates for Planning and Studies, Electromechanical Installations, Special Studies, Projects and Contracts and Logistics;

supervises the activity of affiliate “SATU OEIRAS - Sistema Automático de Transporte Urbano, E.M.”;

follows up the activities of affiliate “LUSOPONTE – Concessionária para a Travessia do Tejo, S.A.”.

- Eng. João José do Carmo Delgado supervises the activities carried out by Central Directorate for Public Works Studies.

II.4. Description of the internal control and risk management systems implemented in the company, namely regarding the financial information disclosure process.

Internal procedures implemented at the internal control and risk management level are characterized for promoting the autonomy of the Company's senior staff in conduction and monitoring of the issues, instilling an attitude of responsibility and strong incentive to entrepreneurial behaviour.

This constant relation between autonomy and sense of responsibility imposes, in a realistic way, a rigorous and pondered fulfilment of the tasks attributed to each employee, integrating, on its own, a solid, sustained and effective risk control system, with extremely satisfactory practical results.

There is a constant awareness of the importance of weighing control costs against the matters to be controlled. From the assessment made to the Company, the way it is managed, the composition of senior staff and managers and of the fundamental principles and concepts that are applied, it is inferred that the costs of creating eventual control committees would be much higher than the costs to be controlled. The simple creation of committees for that purpose, from a formal point of view, will imply more bureaucratic obstacles which will not be reflected in its practical materialization.

Emphasis goes, however and nevertheless, to the relevant role played on this matter by the Internal Audit Department created during the financial year of 2008, still under development and expansion, as well as the performance of the

Accounts Consolidation and Group Companies' Analysis Department in the financial information disclosure process.

II.5. Powers of the Board of Directors, namely regarding deliberations on capital increase.

In addition to all the attributions and competences bestowed by law, By-Laws, or by delegation of the General Meeting to the Board of Directors, it is their responsibility to:

- a) exercise the most ample administration powers of the Company and practice all the actions and operations leading to the realization of its social object;
- b) negotiate and grant all contracts, whatever their range, shape and nature, in which the Company takes part;
- c) represent the Company, in court and outside, actively and passively, to promote, contest, compromise or forsake any proceedings and to commit itself to all types of arbitration;
- d) acquire, alienate or burden any rights and assets or fixed assets, including vehicles, quotas, shares, bonds or any other securities;
- e) sign renting contracts and to give or take leases on establishments;
- f) provide or obtain financing in any institutions or markets and to provide or receive bonds or guarantees deemed necessary;
- g) deliberate that the Company participates in the incorporation, subscribes for capital, takes on interests or takes part in other companies, complementary groups or associations of any kind and cooperates, collaborates or forms a consortium with any other entities, as well as provides technical administration and management services or support in human or financial resources to holdings or with which it has signed a subordination contract;

h) appoint the people it deems convenient to perform their duties in other companies, groups or any other type of associations;

i) delegate to any of its members the required powers for the execution of certain tasks or actions;

j) appoint Company proxies to carry out certain actions or category of actions with the powers and attributions contained in the respective power of attorney documents for the intended purposes;

m) appoint the Company Secretary and respective Deputy.

Under the established in number 2 of Article 6 of the by-Laws, the Board of Directors is also authorized to increase the capital stock up to three hundred million Euros, one or more times, through cash contribution.

II.6. Indication regarding the existence of operation regulations for the governing bodies or other rules regarding the internally defined incompatibilities, and the maximum number of accumulated offices and the site where the same can be consulted.

Formally, governing bodies do not have regulations for functioning, a code of conduct or even other rules related to the internally defined incompatibilities, or a maximum number of offices liable to be accumulated.

Taking into account the corporate model chosen, the composition of the board of directors (almost all of them executive) and supervisory board (all independent and compatible with the established normatives (standards)) of the Company and the fact that the competences and responsibilities of each of them are very well defined and not liable to be delegated to any other bodies, specialized committees or departments, the operation mode of the Board of Directors, of the Supervisory Board and of the Chartered Accountant is quite simplified.

It should be mentioned on this matter that the number of members integrating those bodies is not large enough to justify

stipulating additional rules of functioning in regulations, in the same way that the interconnection between those entities is to be regularly maintained according to the legally stipulated terms considered sufficient for that purpose.

II.7. Rules applicable to the appointment and replacement of members of the Board of Directors and of the Supervisory Board.

The members of the Board of Directors are elected at the General Meeting, by a list system, for a period of four years, coinciding with the fiscal years. They may be re-appointed one or more times, under the terms and the legally established limits and are considered to be in office as soon as they are elected, without depending on any other formalities.

Under the special election rules foreseen by the Law, the Company adopted the system which allows the election of one of the Executive Directors amongst the individuals proposed in the lists subscribed and submitted by groups of shareholders, provided none of those groups holds shares representing more than twenty percent and less than ten percent of the capital stock. In accordance with such option, the executive director thus elected automatically replaces the one that is last on the list which becomes due in the executive directors election.

The By-Laws do not foresee the existence of any deputy executive director, but establish as five the number of unattended meetings, consecutive or interpolated, by mandate, without justification accepted by the Board, leading to a situation of definitive absence of an Executive Director, with the consequences foreseen by the Law.

In addition to the above referred circumstances, the By-Laws do not foresee any specific rule for replacing members of the Board of Directors and therefore the general scheme established in the Commercial Companies Code on this issue shall be applied, that is, the Board of Directors may proceed to the replacement of the Executive Director who stops functions for any of the reasons foreseen by the Law, namely by resignation or accumulation of absences, thus proceeding, if deemed convenient and under the applicable terms and

conditions, to the corresponding co-option, which should be ratified in the next first General Meeting.

Similarly to other Governing Bodies, the members of the Supervisory Board are elected by the General Meeting, by the list system, for the period of four years coinciding with the fiscal years and may be re-appointed one or more times, in accordance with the terms and with the legally established limits, and are considered to be in office as soon as they are elected, without depending on any other formalities. The General Meeting, when electing this Board, should mandatorily appoint a member to be Chairman of the Supervisory Board.

Although in this case a deputy member of the Supervisory Board was elected by the General Meeting of the 2nd May 2007, the By-Laws do not foresee any specific rule for replacing members of this Board and therefore, the general scheme established in the Commercial Companies Code on this issue shall be applied, that is, the effective members of the Supervisory Board who are temporarily impeded or whose functions have ceased, are replaced by deputies under the terms and conditions established therein.

II.8. Number of meetings of the board of directors and supervisory board and other committees constituted with competences in administration and supervision matters during the financial year in question.

During the financial year of 2008, the Board of Directors met 40 times and the Supervisory Board 7 times.

II.9. Identification of the members of the Board of Directors and of other inside committees, differentiating the executive from the non-executive members and among them, listing the members in compliance with the incompatibility rules established in nr. 1 of article 414-A of the Commercial Companies Code, with the exception foreseen in paragraph b), and the independence criterion established in nr. 5 of article 414, both of the Commercial Companies Code.

Firstly and regarding this matter, we wish to inform that, regarding the independence of its members, the Board of Directors has considered that none of them are in a position liable to affect an exempt analysis or decision.

Due to the corporate model adopted and to the composition and operation mode of its governing bodies, namely the executive nature of the Board of Directors and the independence of the Supervisory Board and of the Chartered Accountants Company, without delegation of competences between them or other committees, Teixeira Duarte has always believed one non-executive Director to be sufficient, in the case of its Chairman of the Board of Directors, who acted mainly within the scope of the Company's institutional representation, along a counselling line and who terminated his functions on the 31st December 2008.

In relation to this non-Executive Director, we inform that the same was not considered to be independent under nr 5 of article 414 of the Commercial Companies Code, because he had already been re-elected for the position of Chairman of the Board of Directors for more than two successive mandates ever since the company changed into joint stock company in 1987, as well as being the holder of a qualified share of 2% of the capital stock and due to the fact of being the Executive Director of the holding company with a qualified share of over 2% of Teixeira Duarte's capital stock;

We further inform that Mr. Pedro Pereira Coutinho Teixeira Duarte (Eng.) would also not comply with the criterion established in paragraph g) of nr 1 of article 414-A of the Commercial Companies Code, because he is a relative in direct line and up to the third degree, inclusive, in the collateral line of people impeded, due to the established in paragraph b) and c) of nr. 1 of the same article.

II.10. Professional qualification of the members of the Board of Directors, indication of the Professional activities exercised by them during, at least, the last five years, the number of company shares they hold, date of the first appointment and date of the end of the mandate.

Chairman of the Board of Directors: Eng. Pedro Pereira Coutinho Teixeira Duarte

Married, with business address at "Lagoas Park", Edifício 2, Porto Salvo.

University degree in Civil Engineering by "Instituto Superior Técnico", in 1946.

Appointed to his post for the first time in 1987, right after the Company became a joint stock company, having ended respective mandate on 31st December 2008, with resignation letter issued on 27th November 2008.

In the past five years his professional activity focused on his duties as Chairman of the Board of Directors of "TEIXEIRA DUARTE - Engenharia e Construções, S.A." and, in addition to that, he has also held the position of Chairman of the Board of Directors of "TEIXEIRA DUARTE – Gestão de Participações e Investimentos Imobiliários, S.A.".

On 31st December 2008 he held 10,200,000 shares representing the equity capital of "TEIXEIRA DUARTE - Engenharia e Construções, S.A.", 848,020 of these shares are held jointly with his spouse and without determination of apportionment or rights.

Deputy Executive Director: Dr. Pedro Maria Calainho Teixeira Duarte

Married, with business address at "Lagoas Park", Edifício 2, Porto Salvo.

University degree in Business Management by "Universidade Católica Portuguesa", in 1977.

Appointed to his post for the first time in 1987, right after the Company became a joint stock company. The ongoing mandate will end in 2010.

In the past five years, within the scope of his professional activity, he has also carried out the following duties:

Chairman of the Board of Directors of "PASIM - Sociedade Imobiliária, S.A.".

Chairman of the Board of Directors of “PASIM – Sociedade Gestora de Participações Sociais, S.A.”

Executive Director of “CIMPOR - Cimentos de Portugal, S.G.P.S., S.A.”.

Executive Director of “TEIXEIRA DUARTE - Engenharia e Construções (Macau), Lda.”.

Executive Director of “TEIXEIRA DUARTE – Gestão de Participações e Investimentos Imobiliários S.A.”.

Manager of “F+P – Imobiliária, Lda.”.

Member of the General Board of “E.I.A. – Ensino, Investigação e Administração, S.A.”

Vice-Chairman of the Higher Board of “BANCO COMERCIAL PORTUGUÊS, S.A.”.

Member of the Remuneration and Welfare Committee of “BANCO COMERCIAL PORTUGUÊS, S.A.”.

Member of the Supervisory Board of “MILLENNIUM BANK, S.A. (Poland)”.

On 31st December 2008 he held 7,942,000 shares, directly and indirectly, representing the equity capital of “TEIXEIRA DUARTE - Engenharia e Construções, S.A.”.

Executive Director: Dr. João Salvador dos Santos Matias

Married, with business address at “Lagoas Park”, Edifício 2, Porto Salvo.

University degree in “Gestão e Organização de Empresas” (Business Management and Organization) by “Instituto Superior de Economia”, in 1978.

He was appointed for the position for the first time in 2004, and his current mandate will end in 2010.

In the past five years, his professional activity focused on his duties as Head of Finance and Accounting and later on as Executive Director of “TEIXEIRA DUARTE - Engenharia e Construções, S.A.”. In addition to the above mentioned duties, he has also been carrying out the following tasks:

Chairman of the Board of Directors of “BONAPARTE – Imóveis Comerciais e Participações, S.A.”.

Chairman of the Board of Directors of “EUROGTD – Sistemas de Informação, S.A.”.

Chairman of the Board of Directors of “IMOC – Empreendimentos Imobiliários, S.A.R.L.”.

Executive Director of “ALTO DA PEÇA – Imobiliária, S.A.”.

Executive Director of “BEL - ere - Engenharia e Reabilitação de Estruturas, S.A.”.

Executive Director of “CERRADO DOS OUTEIROs – Sociedade Imobiliária, S.A.”.

Executive Director of “CIMPOR – Cimentos de Portugal, S.G.P.S., S.A.”.

Executive Director of “CPE – Companhia Portuguesa de Parques de Estacionamento, S.A.”.

Executive Director of “ESTA – Gestão de Hotéis, S.A.”.

Executive Director of “EVA – Sociedade Hoteleira, S.A.”.

Executive Director of “E.P.O.S – Empresa Portuguesa de Obras Subterrâneas, S.A.”.

Executive Director of “GSC – Compañía General de Servicios y Construcción, S.A. (Branch in Portugal)”.

Executive Director of “GSC – Compañía General de Servicios y Construcción, S.A. Sociedad Unipersonal”.

Executive Director of “IMOTD – Sociedade Gestora de Participações Sociais, S.A.”.

Executive Director of “IMOPEDROUÇOS – Sociedade Imobiliária, S.A.”

Executive Director of “LAGOAS HOTEL, S.A.”

Executive Director of “LAGOASFUT – Equipamento Recreativo e Desportivo, S.A.”

Executive Director of “MARINERTES, S.A.”

Executive Director of “MARTINS & ESTEVES, S.A.”

Executive Director of “PTG – Sociedade Gestora de Participações Sociais, S.A.”

Executive Director of “QUINTA DE CRAVEL – Imobiliária, S.A.”

Executive Director of “RECOLTE – Recolha, Tratamento e Eliminação de Resíduos, S.A.”

Executive Director of “ROCHORIENTAL – Sociedade Hoteleira, S.A.”

Executive Director of “SINERAMA – Organizações Turísticas e Hoteleiras, S.A.”

Executive Director of “TDARCOL – Sociedade Gestora de Participações Sociais, S.A.”

Executive Director of “TDCIM – S.G.P.S., S.A.”

Executive Director of “TDE – Empreendimentos Imobiliários, S.A.”

Executive Director of “TDEMPA – Gestão de Participações e Investimentos, S.A.”

Executive Director of “TDGI – Tecnologia de Gestão de Imóveis, S.A.”

Executive Director of “TDH – Sociedade Gestora de Participações Sociais, S.A.”

Executive Director of “TDHC – Instalações para Desporto e Saúde, S.A.”

Executive Director of “TDPG – Empreendimentos Imobiliários e Hoteleiros, S.A.”

Executive Director of “TEDAL – Sociedade Gestora de Participações Sociais, S.A.”

Executive Director of “TEIXEIRA DUARTE – Gestão de Participações e Investimentos Imobiliários, S.A.”

Executive Director of “TEJO VILLAGE – Promoção Imobiliária, S.A.”

Executive Director of “TRANSBRITAL – Transportes e Britas Pio Monteiro & Filhos, S.A.”

Executive Director of “VTD – Veículos Automóveis, S.A.”

Executive Director of “V-8 – Gestão Imobiliária, S.A.”

Executive Director “ALVALADE – Empreendimentos Turísticos e Hoteleiros, Lda.”

Executive Director “ANGOCIME – Cimentos de Angola, Lda.”

Manager of “ANGOÍMO – Empreendimentos e Construções, Lda.”

Manager of “ANGOPREDIAL – Empreendimentos Imobiliários, Lda.”

Manager of “BETANGOLA – Betões e Pré-fabricados de Angola, Lda.”

Manager of “BONAPAPEL – Artigos de Papelaria e Equipamentos Informáticos Unipessoal, Lda.”

Manager of “CASANGOL – Gestão Imobiliária, Lda.”

Manager of “COMÉRCIO DE AUTOMÓVEIS, Lda.”

Manager of “CRAVELGEST – Gestão Imobiliária, Lda.”

Manager of “E.C.T – Empresa de Comércio de Tabacos, Lda.”

Manager of “GFF – Empreendimentos Imobiliários, Lda.”.

Manager of “IMOAFRO – Empreendimentos Imobiliários, Lda.”.

Manager of “TDGI – Tecnologia de Gestão de Imóveis, Lda.”.

Manager of “TEIXEIRA DUARTE – Engenharia e Construções (Angola), Lda.”.

Manager of “URBANGO – Gestão Imobiliária, Lda.”.

Executive Director: Dr. Manuel Maria Calainho de Azevedo Teixeira Duarte

Married, business address at “Lagoas Park”, Edifício 2, Porto Salvo.

Degree in Law by “Faculdade de Direito” (Law Faculty) of the University of Lisbon, in 1989.

Appointed for the first time for the position in 2005, the current mandate to end in 2010.

For the last five years, his professional activity has been focused on his duties as Executive Director of “TDF – Sociedade Gestora de Fundos de Investimento Imobiliário, S.A.” and subsequently as Executive Director of “TEIXEIRA DUARTE – Engenharia e Construções, S.A.”, having also had, in addition to the above mentioned duties, the following duties:

Chairman of the Board of Directors of “ALTO DA PEÇA – Imobiliária, S.A.”.

Chairman of the Board of Directors of “CERRADO DOS OUTEIROS – Sociedade Imobiliária, S.A.”.

Chairman of the Board of Directors of “ESTA – Gestão de Hotéis, S.A.”.

Chairman of the Board of Directors of “EVA – Sociedade Hoteleira, S.A.”.

Chairman of the Board of Directors of “IMOTD – Sociedade Gestora de Participações Sociais, S.A.”.

Chairman of the Board of Directors of “IMOPEDROUÇOS – Sociedade Imobiliária, S.A.”.

Chairman of the Board of Directors of “LAGOAS HOTEL, S.A.”.

Chairman of the Board of Directors of “LAGOASFUT – Equipamento Recreativo e Desportivo, S.A.”.

Chairman of the Board of Directors of “MARTINS & ESTEVES, S.A.”.

Chairman of the Board of Directors of “NGDI – Gestão e Investimentos Imobiliários, S.A.”.

Chairman of the Board of Directors of “PARCAUTO – Sociedade Imobiliária, S.A.”.

Chairman of the Board of Directors of “QUINTA DE CRAVEL – Imobiliária, S.A.”.

Chairman of the Board of Directors of “ROCHORIENTAL – Sociedade Hoteleira, S.A.”.

Chairman of the Board of Directors of “SINERAMA – Organizações Turísticas e Hoteleiras, S.A.”.

Chairman of the Board of Directors of “STELGEST – Gestão Hoteleira, S.A.”.

Chairman of the Board of Directors of “TDVIA – Sociedade Imobiliária, S.A.”.

Chairman of the Board of Directors of “TDCIM – S.G.P.S., S.A.”.

Chairman of the Board of Directors of “TDE – Empreendimentos Imobiliários, S.A.”.

Chairman of the Board of Directors of “TDEMPA – Gestão de Participações e Investimentos, S.A.”.

Chairman of the Board of Directors of “TDH – Sociedade Gestora de Participações, S.A.”.

Chairman of the Board of Directors of “TDHC – Instalações para Desporto e Saúde, S.A.”.

Chairman of the Board of Directors of “TDO – Sociedade Gestora de Participações Sociais, S.A.”.

Chairman of the Board of Directors of “TDPG – Empreendimentos Imobiliários e Hoteleiros, S.A.”.

Chairman of the Board of Directors of “TEDAL – Sociedade Gestora de Participações Sociais, S.A.”.

Chairman of the Board of Directors of “TEIXEIRA DUARTE – Gestão de Participações e Investimentos Imobiliários, S.A.”.

Chairman of the Board of Directors of “TEJO VILLAGE – Promoção Imobiliária, S.A.”.

Chairman of the Board of Directors of “TRANSBRITAL – Britas e Empreendimentos Imobiliários, S.A.”.

Chairman of the Board of Directors of “V-8 – Gestão Imobiliária, S.A.”.

Executive Director of “ALPINUS – Sociedade Hoteleira, S.A.”.

Executive Director of “BONAPARTE – Imóveis Comerciais e Participações, S.A.”.

Executive Director of “EMPA, S.A. Serviços de Engenharia”.

Executive Director of “EUROGTD – Sistemas de Informação, S.A.”.

Executive Director of “GRATAC – Sociedade Gestora de Participações, S.A.”.

Executive Director of “ILTA – Urbanizadora da Ilha de Tavira, S.A.”.

Executive Director of “PTG – Sociedade Gestora de Participações Sociais, S.A.”.

Executive Director of “TDG – Sociedade Gestora de Participações, S.A.”.

Executive Director of “TDHOSP – Gestão de Edifício Hospitalar, S.A.”.

Executive Director of “TEIXEIRA DUARTE – Sociedade Gestora de Participações Sociais, S.A.”.

Manager of “BONAPAPEL – Artigos de Papelaria e Equipamentos Informáticos Unipessoal, Lda.”.

Manager of “Cravelgest – Gestão Imobiliária, S.A.”.

Manager of “GFF – Empreendimentos Imobiliários, Lda.”.

Manager of “TEIXEIRA DUARTE – Engenharia e Construções (Macau), Limitada”.

Member of the Remuneration Committee of “BONAPARTE – Imóveis Comerciais e Participações, S.A.”.

Member of the Remuneration Committee of “E.P.O.S – Empresa Portuguesa de Obras Subterrâneas, S.A.”.

Member of the Remuneration Committee of “TDF – Sociedade Gestora de Fundos de Investimento Imobiliário, S.A.”.

Secretary of the General Assembly of “HAB – Cooperativa de Construção e Habitação C.R.L.”.

On 31st December 2008 he held 5,149,575 shares, representing the capital stock of “TEIXEIRA DUARTE – Engenharia e Construções, S.A.”.

Executive Director: Eng.º Joel Vaz Viana de Lemos

Married, with business address at “Lagoas Park”, Edifício 2, Porto Salvo.

Degree in Civil Engineering by “Faculdade de Engenharia da Universidade do Porto”, in 1977.

Appointed for this position for the first time in 2005, the current mandate to end in 2010.

For the last five years his Professional activity has focused on the duties as Director of Operating Centre and later on, as Executive Director of “TEIXEIRA DUARTE – Engenharia e Construções, S.A.”, and has had also other positions detailed below:

Chairman of the Board of Directors of “G.E.TRA.BE – Groupement d’Entreprises de Travaux de Béjaia”.

Chairman of the Board of Directors of “G.E.TRA.M – Groupement d’Entreprises de Travaux Maritimes de Bejaia”

Chairman of the Board of Directors of “MARINERTES, S.A.”.

Chairman of the Board of Directors of “OFM – Obras Públicas, Ferroviárias e Marítimas, S.A.”.

Chairman of the Board of Directors of “SOMAFEL – Engenharia e Obras Ferroviárias, S.A.”.

Vice- Chairman of the Board of Directors of “NOVAPONTE – Agrupamento para a Construção da Segunda Travessia do Tejo, ACE”.

Executive Director of “E.P.O.S. – Empresa Portuguesa de Obras Subterrâneas, S.A.”.

Executive Director of “FERDOURO – Construções de Pontes e Ferrovias, ACE”.

Executive Director of “FERPONTE - Agrupamento para Execução de Obras na Ponte sobre o Tejo em Lisboa, ACE”.

Executive Director of “GMP-GROUPEMENT MARITIME PORTUGAIS-ORAN”.

Executive Director of “SOMAFEL and FERROVIAS, ACE”.

Executive Director of “TDEMPA – Gestão de Participações e Investimentos, S.A.”.

Executive Director of “TECNOCEANO – Grupo de Empresas de Construção Civil, ACE”.

Executive Director of “TEISOMAR - Obras Marítimas, ACE”.

Member of the Remuneration Committee of “BONAPARTE – Imóveis Comerciais e Participações, S.A.”

Member of the Remuneration Committee of “.E.P.O.S. – Empresa Portuguesa de Obras Subterrâneas, S.A.”

Member of the Remuneration Committee of “TDF – Sociedade Gestora de Fundos de Investimento Imobiliário, S.A.”

On 31st December 2008, he held 433,862 shares, representing the capital stock of “TEIXEIRA DUARTE – Engenharia e Construções, S.A.”.

Executive Director: Eng.º Jorge Ricardo Figueiredo Catarino:

Married, with business address in “Lagoas Park”, Edifício 2, Porto Salvo.

Degree in Civil Engineering by “Faculdade de Engenharia da Universidade do Porto” in 1974.

Appointed for the position for the first time in 2005, the current mandate will end in 2010.

For the last five years, his professional activity focused on the duties as Director of Operation Centre and later Executive Director of “TEIXEIRA DUARTE – Engenharia e Construções, S.A.”, and has had several other positions:

Executive Director of “CONBATE, ACE”.

Executive Director of “DOURO LITORAL, ACE”.

Executive Director of “GCF - Grupo Construtor da Feira, ACE”.

Executive Director of “GPCC - Grupo Português de Construção de Infra-Estruturas de Gás Natural, ACE”.

Executive Director of “Groupement ETRHB Haddad/Teixeira Duarte Harrach Douera”.

Executive Director of “Groupement TEIXEIRA DUARTE, S.A./Kanaghaz, SPA - Lagunes de Souf”.

Executive Director of “Lote Seis Infra-Estruturas de Gás Natural, ACE”.

Executive Director of “MOLINORTE - Linha do Norte - Construção Civil, ACE”.

Executive Director of “MTS – Metro Transportes do Sul, S.A.”.

Executive Director of “TEIX.CO, SPA”.

Executive Director of “TEIXEIRA DUARTE ALGÉRIE, SPA”.

On 31st December 2008, he held 180,000 shares representing the capital stock of “TEIXEIRA DUARTE – Engenharia e Construções, S.A.”.

Executive Director: Eng.º Carlos Gomes Baptista

Married, with business address at “Lagoas Park”, Edifício 2, Porto Salvo.

Bachelor of Engineering by “Instituto Industrial de Lisboa”, in 1973.

Appointed for his position for the first time in 2005, the current mandate to end in 2010.

For the last five years his professional activity focused on the exercise of the duties of Director of Operation Centre and later Executive Director of “TEIXEIRA DUARTE - Engenharia e Construções, S.A.”, having had also the following duties:

Chairman of the Board of Directors of “BEL – ere – Engenharia e Reabilitação de Estruturas, S.A.”.

Chairman of the Board of Directors of “TDGI – Tecnologia de Gestão de imóveis, S.A.”.

Executive Director of “GSC – Compañía General de Servicios y Construcción, S.A. – Sucursal em Portugal”.

Executive Director of “GSC – Compañía General de Servicios y Construcción, S.A. – Sociedad Unipersonal”.

Executive Director of “TEIXEIRA DUARTE/OPCA – Fungere – Land Plot 1.18 of Parque da Nações in Lisbon 3rd Phase – Empreitada de Acabamentos e Instalações Especiais dos Edifícios para o Hotel e Escritórios, ACE”.

On 31st December 2008 he held 25,634 shares, representing the capital stock of “TEIXEIRA DUARTE – Engenharia e Construções, S.A.”.

Executive Director: Eng.º João José de Gouveia Capelão

Married, with business address at “Lagoas Park”, Edifício 2, Porto Salvo.

Degree in Civil Engineering by “Faculdade de Engenharia da Universidade do Porto”, on 1979.

Appointed for the position for the first time in 2005, the current mandate to end in 2010.

For the last five years, his professional activity focused on the exercise of his duties as Director of Services and later as Executive Director of “TEIXEIRA DUARTE - Engenharia e Construções, S.A.”.

On 31st December 2008 he held 10,387 shares, representing the capital stock of “TEIXEIRA DUARTE – Engenharia e Construções, S.A.”.

Executive Director: Eng. João José do Carmo Delgado

Married, with business address at “Lagoas Park”, Edifício 2, Porto Salvo.

Degree in Civil Engineering by “Instituto Superior Técnico”, in 1978.

Appointed for the position for the first time in 2007, the mandate to end in 2010.

For the last five years, his professional activity focused on the exercise of his duties as Director of Services and later as Executive Director of “TEIXEIRA DUARTE – Engenharia e Construções, S.A.”.

On 31st December 2008 he held 28,660 shares, representing the capital stock of “TEIXEIRA DUARTE – Engenharia e Construções, S.A.”.

II.11. Duties carried out by members of the executive board in other companies, differentiating those carried out in other companies of the same group.

Chairman of the Board of Directors: Eng. Pedro Pereira Coutinho Teixeira Duarte

On 31st December 2008, he had the sole position of Chairman of the Board of Directors of “TEIXEIRA DUARTE - Sociedade Gestora de Participações Sociais, S.A.”, outside TEIXEIRA DUARTE Group.

Chief Executive Officer: Dr. Pedro Maria Calainho Teixeira Duarte

On 31st December 2008, he had the following positions in other companies all outside TEIXEIRA DUARTE Group.

Chairman of the Board of Directors of “PASIM - Sociedade Imobiliária, S.A.”.

Chairman of the Board of Directors of “PACIM – Sociedade Gestora de Participações Sociais, S.A.”

Executive Director of “CIMPOR - Cimentos de Portugal, S.G.P.S., S.A.”.

Executive Director: Dr. João Salvador dos Santos Matias

On 31st December 2008, he had the following positions in other companies, all within the TEIXEIRA DUARTE Group:

Chairman of the Board of Directors of “BONAPARTE – Imóveis Comerciais e Participações, S.A.”.

Chairman of the Board of Directors of “IMOC – Empreendimentos Imobiliários, S.A.R.L.”.

Executive Director of “BEL – ere – Engenharia e Reabilitação de Estruturas, S.A.”.

Executive Director of “ESTA – Gestão de Hotéis, S.A.”.

Executive Director of “EVA – Sociedade Hoteleira, S.A.”.

Executive Director of “E.P.O.S – Empresa Portuguesa de Obras Subterrâneas, S.A.”.

Executive Director of “GSC - Compañía General de Servicios y Construcción, S.A. (Sucursal em Portugal)”.

Executive Director of “GSC - Compañía General de Servicios y Construcción, S.A. Sociedad Unipersonal”.

Executive Director of “IMOTD – Sociedade Gestora de Participações Sociais, S.A.”.

Executive Director of “IMOPEDROUÇOS – Sociedade Imobiliária, S.A.”.

Executive Director of “LAGOAS HOTEL, S.A.”.

Executive Director of “LAGOASFUT - Equipamento Recreativo e Desportivo, S.A.”.

Executive Director of “MARINERTES, S.A.”.

Executive Director of “MARTINS & ESTEVES, S.A.”.

Executive Director of “PTG – Sociedade Gestora de Participações Sociais, S.A.”.

Executive Director of “QUINTA DE CRAVEL – Imobiliária, S.A.”.

Executive Director of “RECOLTE – Recolha, Tratamento e Eliminação de Resíduos, S.A.”.

Executive Director of “ROCHORIENTAL – Sociedade Hoteleira, S.A.”.

Executive Director of “SINERAMA – Organizações Turísticas e Hoteleiras, S.A.”.

Executive Director of “TDARCOL – Sociedade Gestora de Participações Sociais, S.A.”.

Executive Director of “TDCIM – S.G.P.S., S.A.”.

Executive Director of “TDE – Empreendimentos Imobiliários, S.A.”.

Executive Director of “TDEMPA – Gestão de Participações e Investimentos, S.A.”.

Executive Director of “TDGI – Tecnologia de Gestão de Imóveis, S.A.”.

Executive Director of “TDH – Sociedade Gestora de Participações Sociais, S.A.”.

Executive Director of “TDHC – Instalações para Desporto e Saúde, S.A.”.

Executive Director of “TDPG – Empreendimentos Imobiliários e Hoteleiros, S.A.”.

Executive Director of “TEIXEIRA DUARTE – Gestão de Participações e Investimentos Imobiliários, S.A.”.

Executive Director of “TRANSBRITAL – Transportes e Britas Pío Monteiro & Filhos, S.A.”.

Executive Director of “VTD – Veículos Automóveis, S.A.”.

Executive Director of “V-8 – Gestão Imobiliária, S.A.”.

Manager of “ALVALADE – Empreendimentos Turísticos e Hoteleiros, Lda.”.

Manager of “ANGOCIME – Cimentos de Angola, Lda.”.

Manager of “ANGOÍMO – Empreendimentos e Construções, Lda.”.

Manager of “ANGOPREDIAL – Empreendimentos Imobiliários, Lda.”.

Manager of “BETANGOLA – Betões e Pré-fabricados de Angola, Lda.”.

Manager of “BONAPAPEL – Artigos de Papelaria e Equipamentos Informáticos Unipessoal, Lda.”.

Manager of “CASANGOL – Gestão Imobiliária, Lda.”.

Manager of “COMÉRCIO DE AUTOMÓVEIS, Lda.”.

Manager of “GFF – Empreendimentos Imobiliários, Lda.”.

Manager of “IMOAFRO – Empreendimentos Imobiliários, Lda.”.

Manager of “TDGI – Tecnologia de Gestão de Imóveis, Lda.”.

Manager of “TEIXEIRA DUARTE – Engenharia e Construções (Angola), Lda.”.

Manager of “URBANGO – Gestão Imobiliária, Lda.”.

Director: Dr. Manuel Maria Calainho de Azevedo Teixeira Duarte

On 31st December 2008, he had the following functions in other companies:

in companies of the TEIXEIRA DUARTE Group:

Chairman of the Board of Directors of “ESTA – Gestão de Hotéis, S.A.”.

Chairman of the Board of Directors of “EVA – Sociedade Hoteleira, S.A.”.

Chairman of the Board of Directors of “IMOTD – Sociedade Gestora de Participações Sociais, S.A.”.

Chairman of the Board of Directors of “IMOPEDROUÇOS – Sociedade Imobiliária, S.A.”.

Chairman of the Board of Directors of “LAGOAS HOTEL, S.A.”.

Chairman of the Board of Directors of “LAGOASFUT – Equipamento Recreativo e Desportivo, S.A.”.

Chairman of the Board of Directors of “MARTINS & ESTEVES, S.A.”.

Chairman of the Board of Directors of “PARCAUTO – Sociedade Imobiliária, S.A.”.

Chairman of the Board of Directors of “QUINTA DE CRAVEL – Imobiliária, S.A.”.

Chairman of the Board of Directors of “ROCHORIENTAL – Sociedade Hoteleira, S.A.”.

Chairman of the Board of Directors of “SINERAMA – Organizações Turísticas e Hoteleiras, S.A.”.

Chairman of the Board of Directors of “STELGEST – Gestão Hoteleira, S.A.”.

Chairman of the Board of Directors of “TDVIA – Sociedade Imobiliária, S.A.”.

Chairman of the Board of Directors of “TDCIM – S.G.P.S., S.A.”.

Chairman of the Board of Directors of “TDE – Empreendimentos Imobiliários, S.A.”.

Chairman of the Board of Directors of “TDEMPA – Gestão de Participações e Investimentos, S.A.”.

Chairman of the Board of Directors of “TDH – Sociedade Gestora de Participações, S.A.”.

Chairman of the Board of Directors of “TDHC – Instalações para Desporto e Saúde, S.A.”.

Chairman of the Board of Directors of “TDO – Sociedade Gestora de Participações Sociais, S.A.”.

Chairman of the Board of Directors of “TDPG – Empreendimentos Imobiliários e Hoteleiros, S.A.”.

Chairman of the Board of Directors of “TEDAL – Sociedade Gestora de Participações Sociais, S.A.”.

Chairman of the Board of Directors of “TEIXEIRA DUARTE – Gestão de Participações e Investimentos Imobiliários, S.A.”.

Chairman of the Board of Directors of “TRANSBRITAL – Britas e Empreendimentos Imobiliários, S.A.”.

Chairman of the Board of Directors of “V-8 – Gestão Imobiliária, S.A.”.

Executive Director of “BONAPARTE – Imóveis Comerciais e Participações, S.A.”.

Executive Director of “EMPA, S.A. Serviços de Engenharia”.

Executive Director of “PTG – Sociedade Gestora de Participações Sociais, S.A.”.

Executive Director of “TDHOSP – Gestão de Edifício Hospitalar, S.A.”.

Manager of “BONAPAPEL – Artigos de Papelaria e Equipamentos Informáticos Unipessoal, Lda.”.

Manager of “GFF – Empreendimentos Imobiliários, Lda.”.

Manager of “TEIXEIRA DUARTE - Engenharia e Construções (Macau), Limitada”.

Manager of the Remuneration Committee of “BONAPARTE – Imóveis Comerciais e Participações, S.A.”

Member of the Remuneration Committee of “E.P.O.S – Empresa Portuguesa de Obras Subterrâneas, S.A.”

Member of the Remuneration Committee of “TDF – Sociedade Gestora de Fundos de Investimento Imobiliário, S.A.”

- In companies outside TEIXEIRA DUARTE Group:

Chairman of the Board of Directors of “NGDI – Gestão e Investimentos Imobiliários, S.A.”

Executive Director of “GRATAC – Sociedade Gestora de Participações, S.A.”.

Executive Director of “ILTA – Urbanizadora da Ilha de Tavira, S.A.”.

Executive Director of “TDG – Sociedade Gestora de Participações, S.A.”.

Executive Director of “TEIXEIRA DUARTE – Sociedade Gestora de Participações Sociais, S.A.”.

Secretary of the General Meeting of “HAB – Cooperativa de Construção e Habitação C.R.L.”.

Executive Director: Eng.º Joel Vaz Viana de Lemos

On 31st December 2008, he had the following social duties, all within the scope of the TEIXEIRA DUARTE Group:

Chairman of the Board of Directors of “G.E.TRA.BE – Groupement d’Entreprises de Travaux de Béjaia”.

Chairman of the Board of Directors of “G.E.TRA.M – Groupement d’Entreprises de Travaux Maritimes de Bejaia”.

Chairman of the Board of Directors of “MARINERTES, S.A.”.

Chairman of the Board of Directors of “OFM – Obras Públicas, Ferroviárias e Marítimas, S.A.”.

Chairman of the Board of Directors of “SOMAFEL – Engenharia e Obras Ferroviárias, S.A.”.

Vice-Chairman of the Board of Directors of “NOVAPONTE – Agrupamento para a Construção da Segunda Travessia do Tejo, ACE”.

Executive Director of “GMP-GROUPEMENT MARITIME PORTUGAIS-ORAN”.

Executive Director of “TDEMPA – Gestão de Participações e Investimentos, S.A.”.

Executive Director of “E.P.O.S. – Empresa Portuguesa de Obras Subterrâneas, S.A.”.

Executive Director of “SOMAFEL e FERROVIAS, ACE”.

Executive Director of “TEISOMAR - Obras Marítimas, ACE”.

Member of the Remuneration Committee of “BONAPARTE – Imóveis Comerciais e Participações, S.A.”

Member of the Remuneration Committee of “E.P.O.S. – Empresa Portuguesa de Obras Subterrâneas, S.A.”.

Member of the Remuneration Committee of “TDF – Sociedade Gestora de Fundos de Investimento Imobiliário, S.A.”.

Executive Director Eng.º Jorge Ricardo Figueiredo Catarino

On 31st December 2008, he had the following duties:

In companies of TEIXEIRA DUARTE Group:

Executive Director of “Groupement ETRHB Haddad/Teixeira Duarte Harrach Douera”.

Executive Director of "Groupement "TEIXEIRA DUARTE, S.A./Kanaghaz, SPA - Lagunes de Souf".

Executive Director of "TEIX.CO, SPA".

Executive Director of "TEIXEIRA DUARTE ALGÉRIE, SPA".

Executive Director of "GPCC – Grupo Português de Construção de Infra-Estruturas de Gás Natural, ACE".

Executive Director of "DOURO LITORAL, ACE"

Executive Director of "CONBATE, ACE"

In companies outside TEIXEIRA DUARTE Group:

Executive Director of "DOURO LITORAL, ACE".

Executive Director of "MTS – Metro Transportes do Sul, S.A.".

Executive Director: Eng.º Carlos Gomes Baptista

On 31st December 2008 he had the following duties, all within the scope of TEIXEIRA DUARTE Group:

Chairman of the Board of Directors of "BEL – ere – Engenharia e Reabilitação de Estruturas, S.A.".

Chairman of the Board of Directors of "TDGI – Tecnologia de Gestão de Imóveis, S.A.".

Executive Director of "GSC – Compañía General de Servicios y Construcción, S.A. – Branch in Portugal"

Executive Director of "GSC – Compañía General de Servicios y Construcción, S.A. – Sociedad Unipersonal"

Executive Director of "TEIXEIRA DUARTE/OPCA – Fungere – Land Plot 1.18 of Parque da Nações in Lisbon 3rd Phase – Empreitada de Acabamentos e Instalações Especiais dos Edifícios para o Hotel e Escritórios, ACE"

Executive Director: Eng.º João José de Gouveia Capelão

On 31st December 2008 he did not have any other duties.

Executive Director: Eng.º João José do Carmo Delgado

On 31st December 2008 he did not have any other duties.

II.12. Identification of members of the Supervisory Board, listing the members who comply with incompatibility rules provided for in nr. 1 of article 414-A and criterion of independence provided for in nr. 5 of article 414, both in the Commercial Companies Code.

The Supervisory Board comprises three effective members – one Chairman and two members – and one deputy member, who fully comply with the independence requirements and who show no incompatibility for the exercise of the respective position, under the provisions of the Commercial Companies Code.

The referred members, elected in the General Meeting on 2nd May 2007, are the following:

Chairman: Dr. António Gonçalves Monteiro

Members of the Board: Dr. Mateus Moreira

Mr. Miguel Carmo Pereira Coutinho

Deputy member: Dr. Horácio Lisboa Afonso

During the year of 2008, the members of the Supervisory Board have received, for duties carried out under their respective positions, the global amount of 33,000.00€, and no other amount under any other pretence (On the option for the disclosure of this information in global terms according to II20b)).

II.13. Professional qualifications of the members of the Supervisory Board, stating their professional activities carried out at least during the last five years, the number of company shares held, the date of first appointment and the date of mandate termination.

Dr. António Gonçalves Monteiro (Chairman of the Supervisory Board)

Academic Qualifications:

Degree in Finance by “Instituto Superior” de Economia and diploma in Accounting and Administration from ISCAL.

Professional Activities carried out during the last five years:

He has been carrying out his professional activity in the fields of auditing, statutory audit, management consultancy and tax consultancy.

He is a partner and Chairman of the Board of Directors of Moore Stephens & Associados, SROC, S.A.

In his quality as partner and executive director of the chartered accountants company, he has been carrying out the duties of single supervisor, or integrating supervisory boards of dozens of commercial and industrial companies of different sizes and different sectors of activity.

He is currently the President of the Chartered Accountants Association and Chairman of the Governing Board, having previously carried out the duties of member of the Governing Board, as well as of Chairman of the Quality Control Committee.

He is a member of the National Council for Audit Supervision.

He is a member of the “International Tax Association”, Portuguese Tax Association, Portuguese Association of Tax Consultants and the Association of Economists.

He is Chairman of the Supervisory Board of the French-Portuguese Chamber of Commerce and Industry and Member of the Supervisory Board of the Spanish-Portuguese Chamber

of Commerce and Industry, the Portuguese-South African Chamber of Commerce and Industry, the Mexican-Portuguese Chamber of Commerce and Industry and the Portugal-Namibia Chamber of Commerce and Industry.

He was chairman of the Portuguese Association of Tax Consultants.

He has never carried out any professional duties at TEIXEIRA DUARTE – Engenharia e Construções, S.A., although he has been a representative of the Chartered Accountants company which carried out the duties of supervision of the companies integrated in TEIXEIRA DUARTE SOMAFEL – Engenharia e Obras Ferroviárias, S.A group and OFM – Obras Públicas, Ferroviárias e Marítimas, S.A., as well as in Fundo de Investimento Imobiliário Fechado TDF.

Number of Company shares:

He holds no shares of TEIXEIRA DUARTE – Engenharia e Construções, S.A.

Date of first appointment and date of mandate termination:

He was elected on 2nd May 2007 to carry out his duties during the period 2007/2010.

Dr. Mateus Moreira (Member of the Supervisory Board):

Academic Qualifications:

Degree in Finance by ISCEF (1972).

Professional Activities carried out during the past five years:

Retired on 30.09.2003 from Millennium BCP bank, where he was Central Deputy Director.

Number of Company shares:

He holds no shares of TEIXEIRA DUARTE – Engenharia e Construções, S.A.

Date of first appointment and date of mandate termination:

He was elected on 2nd May 2007 to carry out his duties during the 2007/2010 period.

Mr. Miguel Pereira Coutinho (Member of the Supervisory Board):

Academic Qualifications:

Attendance of 2nd year of Instituto Superior de Agronomia (1952).

Entrepreneur.

Professional Activities carried out in the past five years:

Retired.

Number of Company shares:

He holds, as a co-owner, 10,000 shares of “TEIXEIRA DUARTE - Engenharia e Construções, S.A.”.

Date of first appointment and date of mandate termination:

He was elected on 2nd May 2007 to carry out his duties during the 2007/2010 period.

Dr. Horácio Lisboa Afonso (Alternate member of the Supervisory Board)

Occupational Qualifications:

Degree in Finance by “Instituto Superior de Ciências Económicas e Financeiras”.

Attendance of several training courses, organized by Price Waterhouse, Spicer & Oppenheim International and other entities, in Portugal and other countries (Germany, Belgium, Spain, USA, France, the Netherlands, United Kingdom), covering: -

accounting., financial, management, financial audit, computer audit, “time management”, “personal skills” and other specific subjects relevant for business organization and management.

A seven months training course at the Audit Department of Price Waterhouse, in London, between October 1978 and April 1979.

Chartered Accountant

Certified Public Accountant.

Member of Chartered Accountant’s Association (and member of its Governing Board).

Member of the Association of Economists.

Member of the Chamber of Certified Public Accountants.

Professional Activities carried out in the past five years:

Founder partner of Camacho Palma & Lisboa Afonso – SROC, representative in Portugal of Nexia International, carries out the duties of Chartered Accountant in various companies, taking on the responsibility for Auditing and Legal Certification of the respective accounts.

As a partner of Nexia, he is the person responsible for auditing international companies established in Portugal and their “International Contact Partner”.

Number of the company shares:

He holds no shares of TEIXEIRA DUARTE – Engenharia e Construções, S.A.

Date of first appointment and date of mandate termination:

He was elected on 2nd May 2007 to carry out his duties during the period of 2007/2010.

II.14. Duties carried out by members of the Supervisory Board in other companies, listing those carried out in

companies of the same group

Dr. António Gonçalves Monteiro (Chairman of the Supervisory Board)

He does not carry out duties in other companies of TEIXEIRA DUARTE group.

As for companies outside Teixeira Duarte Group, he is Chairman of the Board of Directors of MOORE STEPHENS & ASSOCIADOS, SROC, S.A.

Dr. Mateus Moreira (Member of the Supervisory Board):

He does not carry out duties in other companies inside or outside TEIXEIRA DUARTE group.

Mr. Miguel Pereira Coutinho (Member of the Supervisory Board):

He does not carry out duties in other companies inside or outside TEIXEIRA DUARTE group.

Dr. Horácio Lisboa Afonso (Deputy member of the Supervisory Board)

He does not carry out any duties in any other companies of TEIXEIRA DUARTE Group.

In companies outside Teixeira Duarte group, he is founder partner of Camacho Palma & Lisboa Afonso – SROC and Partner of Nexia, of which he is a representative in Portugal.

Points II.15, II.16 and II.17 do not apply to “TEIXEIRA DUARTE - Engenharia e Construções, S.A.” as they provide on a specific subject of the General and Supervisory Council, a body which does not exist in the corporate model adopted by the Company.

II.18. Description of the remuneration policy, including, namely, means of alignment of the interests of the executive directors with those of the Company and job performance evaluation, differentiating executive directors from non executive directors, and a summary and explanation of the company policy regarding the terms for compensations negotiated by contract or transaction in case of dismissal and other payments related to the early termination of contracts.

In addition to the obligations inherent to the exercise of the duty itself, the remuneration of Executive Directors is also in compliance with the alignment of their interests with those of the Company. In fact, the remuneration is established by a Committee elected in General Meeting, which stipulates these amounts according to guidelines connecting them with the results of the Company, as a whole, as well as with the activity of the management board in its entirety, against the established objectives, taking into consideration the conditions and amounts of the remunerations of the other employees of the Company. Thus, it is also reported that no Executive Director has a right to the variable component of his remuneration until a specific allotment is granted by the mentioned Remuneration Committee, under the stated terms and grounds.

Therefore, the remunerations policy that has been complied with consists on the Remuneration Committee establishing, specifically, the exact amounts, according to personal discretion of its members, expressed in deliberation drawn up in minutes and the contents of which is then reported to the Board of Directors for implementation, under the terms and with the established basis.

It is also policy of the company not to pay any amounts related to the early termination of the duties carried out by the

Executive Directors, as well as not engaging in any agreements regarding these matters.

II.19. Indication of the composition of the Remuneration Committee or equivalent body, when existing, identifying the respective members who are also members of the managing body, as well as their spouses, relatives and similar relatives in direct line up to 3rd degree, including.

Currently, the Remuneration Committee comprises the following individuals, elected in the Annual General Meeting of 2nd May 2007, to carry out duties throughout the 2007/2010 mandate:

Eng. Pedro Pereira Coutinho Teixeira Duarte (father of Chief Executive Officer Dr. Pedro Maria Calainho Teixeira Duarte and Chairman of the Board of Directors of the Company until 31st December 2008)

Eng. Manuel Pereira Coutinho Teixeira Duarte

Eng. António Carlos Calainho de Azevedo Teixeira Duarte

Although one of the members of the Remunerations Committee does not possess an independent status according to its legal definition, it is true that, because the Company is controlled by companies held by members of Teixeira Duarte families, it is not natural and recommendable for any of them to integrate the Remuneration Committee. Traditionally and for decades, this has been the followed practice and always in line with the current rules and recommendations for remunerations of members of the Managing Bodies established by CMVM and therefore there is no reason to change it. We reiterate that this is a Company with its own peculiar way of acting, distinct entrepreneurial nature, which for many years has shaped a very particular way of making business, a sound management policy which has been recognized as such by the public and the market.

Whenever there is a meeting of the Remuneration Committee, minutes are drawn up and written down on the Book and filed in the Company's safes.

All identified three members of the Remuneration Committee attended the Annual General Meeting of 14th May 2008.

II.20. Indication of individual or collective remuneration, understood in *latu sensu*, so as to include, namely, performance awards received by members of the management bodies in the exercise of their duties. This indication should include the following elements:

a) Explanation of the amount regarding the variable and fixed components of the Executive Directors' remunerations, as well as the indication regarding the possible deferred payment of the variable component;

In 2008 the global amount of the variable remunerations came to 45% of the total earned value, no deferred payment of that variable component having occurred in any case.

b) Differentiation of the amount due to Executive Directors from the one due to non Executive Directors;

In the financial year of 2008, remunerations, in *latu sensu*, earned by the whole of the Board of Directors' holders were **2,292,900.23€**, according to what is detailed on the following table:

	Fixed	Variable	Total
Non Executive Director	160,160.00€	153,000.00€	313,160.00€
Executive Directors	1,100,400.00€	879,340.23€	1,979,740.23€
Total	1,260,560.00€	1,032,340.23€	2,292,900.23€

Regarding the annual disclosure of the remuneration of members of the managing body, the CMVM Recommendation on this subject has been taken into consideration, as well as the shareholders' decision to submit the setting of these quantities to a Remuneration Committee, with the inherent reservation and discretion, while the Company chose to differentiate the amounts paid to executive directors from the ones due to the non executive one, as well as the additional diffusion of the amount earned by the member of the Board of Directors, who gets a higher remuneration of 403,600.00€, with the fixed component amounting to 140,000.00€ and the variable one to 263,600.00€.

The possibility of disclosure of the amounts in question in collective terms and not necessarily in individualised terms meets the understanding of Teixeira Duarte on the objective of

this recommendation and it is, as a matter of fact, that which gets the majority of the opinions of the other listed companies in the Country, with the addition that with the detailed above presented differentiation, the Company individualizes the amount paid to the member of the Board of Directors who received the highest remuneration, in this case its Chairman.

As a matter of fact and after evaluating the grounding reasons of the recommendation, as well as the other national and community provisions prior to it, assessing that, as it results from its own contents, the aim is that the remunerations of the Executive Directors are *“(...) structured in such a way as to enable the alignment of their interests with those of the company”*.

In this line, we would like to remind that the Executive Directors of “TEIXEIRA DUARTE”, “have been in the company” for tens of years and their remunerations have been inserted in a general plan comprising all employees. They are not professional managers, who are in the company neither for circumstantial reasons nor because of own interests as shareholders.

In fact, nominally and individually detailing the executive directors’ remunerations does not appear to us as having any relevance nor adding up anything important or necessary for the shareholder or the investor to ponder his decisions. It is obviously demagogic and speculative, encouraging “fait-divers”, to which our Company clearly and totally rejects.

Moreover, under the provisions of article 11 of the By-Laws and other applicable legislation, the shareholders of the Company have decided to elect a Remunerations Committee with the duty to establish and, at all times, review the remunerations that the members of each of the governing bodies should earn. This way, the shareholders have considered more adequate and more in line with the interests of the Company, to elect a specialized Committee, renouncing their right to establish the remunerations of the members of the company bodies in the General Meeting and take on the purpose that those remunerations be dealt with in a reserved way. Moreover, the Board of Directors has no right to act against this position, namely carrying out, individually, the public disclosure of the mentioned remunerations.

Regarding what has been stated and having pondered the multiple mentioned aspects, we conclude that if this recommendation was to be adopted, not only would it not be beneficial for our Company, but it could also become a factor of division and hindrance of the proposed goals.

All members of the Supervisory Board, under the current system established in the Commercial Companies Code, earned a fixed remuneration for carrying out duties inherent to their positions, established by the above mentioned Remunerations Committee, and none of them have received any other payment from Teixeira Duarte or any other company in the group, especially for any other services provided to these entities.

Regarding what was said above, Teixeira Duarte discloses only the global amount of remunerations earned by the members of the Supervisory Board (according to *Supra II.12*).

c) Sufficient information on the criteria where any right to shares, options on shares or variable components of the remuneration are based on;

There are no rights to shares or options on shares.

The variable remunerations have nothing to do with the evolution prices of the Company’s shares, they depend on the results of the financial year and the evolution of business, and even so no Executive Director has any right to the variable component of his remuneration until there is a specific attribution, by the Remunerations Committee under the terms and grounds established by the Committee.

d) Sufficient information on the connection between remuneration and performance;

Remuneration is established by a Committee elected in General Assembly, which establishes these amounts according to guidelines, connecting them with performance and the results of the Company as a whole, as well as the activity of the management board in his entirety, in face of the objectives, taking into account the remunerations’ conditions and amounts of the other employees of the Company.

e) Identification of the main parameters and justification for any system of annual prizes and other non-pecuniary benefits;

As mentioned in the previous sub-paragraph, the Remuneration Committee shall take into consideration, in addition to the Executive Directors' performance, the Company's results as a whole, as well as the activity of the management board in its entirety, against the established objectives, taking into account the conditions and amounts of the other employees' of the Company.

f) Allocation of shares and/or rights to purchase options on shares and/or any other incentive scheme with shares system;

There is no scheme to allocate shares and/or rights to purchase options on shares and/or any other incentive with shares system.

g) Remuneration paid as profit sharing and/or payment of prizes and the reasons why those premiums or profit sharing were not granted;

In the global remuneration of the members of the Board of Directors, no amount is paid as profit sharing.

The members of the Board of Directors are paid an amount as a production, performance and appropriation of profits premium.

h) Compensation paid or due to ex-executive directors regarding the termination of their duties during the financial year;

No compensation was paid or is due to any ex-executive directors regarding the termination of their duties during the financial year. Moreover, the only executive director who terminated his duties in 2008 was a non-Executive Director, who did not receive any compensation and none was due to him.

i) Amounts paid, on any ground, by other controlling companies or group related to the latter;

Executive Directors of "TEIXEIRA DUARTE - Engenharia e

Construções, S.A." do not receive any remuneration, on any grounds, paid by controlling companies or group related to the latter.

j) Description of the main characteristics of complementary schemes of pensions or early retirement pensions for the Executive Directors;

With regard to any retired ex-executive directors, it is incumbent on the mentioned Remuneration Committee to establish all amounts paid within that scope, on any grounds.

With regard to the granting of complementary pension systems, the By-Laws (Memorandum and Articles of Association) establish, in article 22 transcribed below, the terms and criteria according to which the Remuneration Committee should establish those amounts:

ARTICLE TWENTY TWO

ONE - When persons who have worked as Executive Directors cease to do so, the Company may attribute a retirement pension for life, provided they meet one of the following requirements:

a) Have held the position for more than ten years;

b) Have given, even with a shorter period holding the position, more than twenty five years of service to the company;

TWO - The amount of the pension will be determined by taking into consideration the time or the importance of the services provided, together with the situation of the beneficiary. It should be annually reviewed, but can never be more than the highest remuneration attributed at that stage to the existing executive directors.

THREE - By delegation of the General Meeting, the Remuneration Committee mentioned in Article Eleven, when so convened, shall review cases placed before it, establishing amounts and other aspects related to pension allocation.

l) Estimate of the amounts of the relevant non-pecuniary benefits considered as remuneration not covered by the previous situations.

Therefore, there are no other relevant non-pecuniary benefits in addition to those established by that Committee, which have already been listed.

II.21. Indication of individual amounts which are to be paid, irrespective of their nature, in case of duties terminating during the mandate, when these exceed the double of the fixed monthly remuneration.

No amounts are to be paid, irrespective of their nature, in case of duties terminating during the mandate, when these exceed the double of the fixed monthly remuneration.

II.22. Information on irregularities report policy adopted in the company.

As for the irregularities report policy allegedly occurred, the Company motivates the employees to report, by any means deemed suitable – direct contact, written document, email or by phone – the respective hierarchies of any detected irregularities. People qualified to receive those reports are their respective superiors (directors and people in charge of operating centres and central directorates).

Whenever deemed necessary and suitable for the correct finding (clearance) of facts and respective practice responsibilities, the corresponding proceedings or investigation shall be started, complying also with the necessary report confidentiality when this is required by the respondent or as such deemed necessary by the receiver party, notwithstanding the non alignment with persecution practices of no value for the organization.

The proceedings are followed up by the person in charge for the department where the irregularity took place, turning to the people not involved in those situations and, if deemed necessary, to the judicial services and central directorate of human resources and administrative services.

The proceedings are subject to a decision by the involved hierarchies and are reported to the Board of Directors and any other entities to which this report is to be made in a compulsory way.

In addition to the mentioned rules and especially from the other stakeholders' point of view, there is an Investor's Support Office available also for possible reports of irregularities, as well as to the company's other supervisory bodies, such as the Supervisory Board and the Chartered Accountants Company.

CHAPTER III

Information

Always within a philosophy of sobriety, accuracy, honesty and sensationalism-free, the Company publishes in a complete, true, current, clear, objective and licit manner, within the timeframes and using the established disclosure means, not only all the facts legally considered to be likely to be reported, namely the ones integrated in the concept of "privileged information", established in article 248 of the Portuguese Securities Market Code, but also the financial information and the one regarding the activity, provided for by the rules in force, both individual, and consolidated.

In addition to the below mentioned Investor Support Office, all shareholders have at their disposal, within the legal terms and timeframes, the business report, the accounts and other elements of preparatory information which enable them to attend, dully entitled, the works of the General Meetings of the Company.

The Annual Reports on the activity developed by the Supervisory Board, including the description of its supervision activity mentioning occasional faced constraints, are the object of disclosure on the Company's website, together with the documents of accounts settlement, always complying with the rules and timeframes established by the law and other regulations which apply.

In the fulfilment of the provisions of article nr. 4 of Regulation nr. 1/2007 of CMVM, Teixeira Duarte made accessible, as of 1st April 2004, a specific website **www.teixeiraduarte.pt**, with all information included in that Regulation, such as:

- The firm, the quality of open Company, the headquarters, the Trade Registry Office where the Company is registered and its identification number as a corporate body;
- By-Laws;
- Identity of the holders of the Governing Bodies and the Representative for the Relations with the Market;
- Investor Support Office, respective duties and means of access;
- Accounts reporting documents;
- Half-yearly calendar of the company events, disclosed at the beginning of each period of six months, including, among others, General Meetings, disclosure of annual, half-yearly and quarterly accounts;
- Proposals submitted for discussion and voting in General Meeting, within 15 days before the assembly takes place.
- Summons for the General Meeting, during at least 30 days prior to its occurrence.

For the purposes of the applicable recommendatory provisions, the above mentioned elements are also available in English.

III.1. Capital structure, including the indication of not listed shares, different categories of shares rights and duties regarding the latter and the percentage of capital represented by each category.

Shares representing the capital stock have the nominal value of 0.50 Euros, are all entered in the books, registered and

listed in an official market. The shares belong to a single category and no shares have any special rights and duties.

III.2. Qualifying holdings in the issuer's share capital, calculated under the provisions of article 20 of the Securities Market Code.

We inform that on 31st December 2008, qualifying holdings, calculated under the provisions of article 20 of the Securities Market Code:

- A global holding of 235,152,069 shares, corresponding to 55.99% of the capital and voting rights, was ascribable to TEIXEIRA DUARTE – Sociedade Gestora de Participações Sociais, S.A., which includes other qualifying holdings of Teixeira Duarte – Sociedade Gestora de Participações Sociais, S.A. (10%) itself, the company it dominates TDG – Sociedade Gestora de Participações Sociais, S.A. (38.33%) and the Chairman of its Board of Directors Engineer Pedro Pereira Coutinho Teixeira Duarte (2.43%).
- a global holding of 42,021,718 shares, corresponding to 10.00% of the capital stock and voting rights, including the qualified holding held by “Fundo de Pensões do grupo Banco Comercial Português” (9.99%) was ascribable to Banco Comercial Português, S.A.;
- a global holding of 13,450,656 shares, corresponding to 3.2% of the capital stock and voting rights was ascribable to CIMILE - Sociedade Gestora de Participações Sociais, S.G.P.S., Lda., which in turn, and according to a communication received in the meantime, is ascribable to Eng. Miguel Calainho de Azevedo Teixeira Duarte.

III.3 Identification of shareholders with special rights and description of those rights.

There are no shareholders with special rights.

III.4. Possible restrictions to shares' transferability, such as consent clauses for disposal or limitations to ownership of shares.

There are no restrictions to shares' transferability, such as consent clauses for disposal or limitations to ownership of shares.

III.5. Shareholders Agreements known to the company and that may lead to restrictions as far as the transfers of securities or voting rights are concerned.

The Company is not aware of any shareholders' agreements, namely those which may lead to restrictions, as far as the transfers of securities or voting rights are concerned.

III.6. Rules applying to the changes of By-Laws.

There are no applicable specific rules for the eventual changes of the Company's By-Laws. The general system provided for in the Commercial Companies Code especially applies to the provisions included in its articles 85, 383, nr. 2 and 386.

III.7. Control mechanisms provided for in a possible system where the employees have a holding on the capital in so far as the voting rights are not exercised directly by them.

There is no system in place where the employees have a holding in the company's capital, therefore there is no reason for any control mechanisms in so far as the voting rights are not exercised directly by them.

III.8. Description of the evolution of the issuer's shares' prices, taking into consideration, namely:

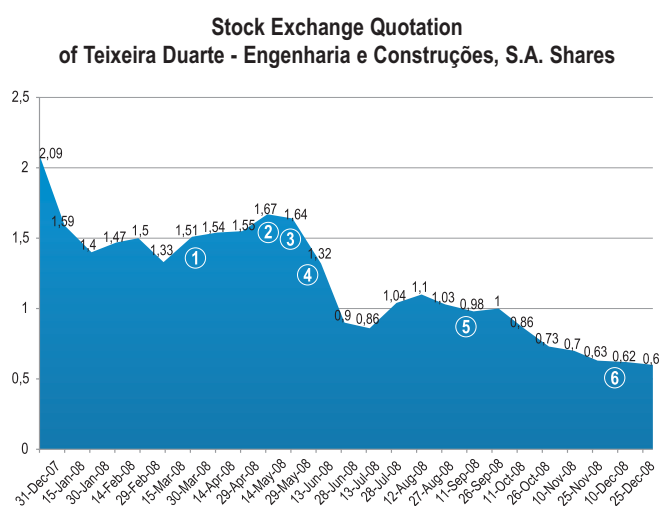
a) Issue of shares or other securities producing the right to subscribe or purchase shares;

b) Results disclosing;

c) Dividend distribution according to category of shares indicating the net value per share.

"TEIXEIRA DUARTE - Engenharia e Construções, S.A." securities reported a 71.4% devaluation dropping from 2.09€ on 31st December 2007 to 0.60€ at the end of 2008. Although they have reached the minimum of 0.58€ in November 2008, they have followed-up the market trend, reaching the price of 0.70€ at the date of signature of this report.

The graph below shows the evolution of the shares' prices throughout the year, pointing out the dates when the results were disclosed, as well as the moment from when the dividends regarding the fiscal year of 2007, amounting to the net value of 0.018€ per share, were paid.



1 - Disclosure of Results Regarding the Financial Year of 2007.

2 - Activity, Results and Economic and Financial Situation in the 1st Quarter of 2008.

3 - Approval of the Annual Report and Accounts for the Financial Year of 2007.

4 - Payment of Dividends for the Financial Year of 2007.

5 - Results Regarding the 1st Quarter of 2008 and Perspectives for the End of the Financial Year.

6 - Activity, Results and Economic and Financial Situation in the 3rd Quarter of 2008.

As for liquidity, 43% more shares were traded during the year against 2007, amounting to 455,658,778, corresponding to a global of 553,987,567 Euro, representing a 37% reduction of its value against the same period the previous year.

III.9. Description of dividends distribution policy adopted by the company, identifying, namely, the value of the dividend per share distributed in the last three fiscal years.

The Company's policy, which has always been adopted, is to consider as a priority the reinforcement of own funds, simultaneously ensuring an ongoing and balanced distribution of dividends and a supplement for the employees' remuneration.

In the last three financial years, the gross value of the dividend per share was the following:

2005: 0.015 Euros

2006: 0.017 Euros

2007: 0.018 Euros

There's no proposal for dividends' distribution for this financial year, as the results were negative.

III.10. Description of the main characteristics of the plans for the attribution of shares and of the plans for the attribution of purchase options on shares adopted or in force during the fiscal year in question, namely a justification to adopt the plan, category and number of recipients of the plan, conditions of attribution, shares' inalienability clauses, criteria regarding the shares' prices and the price of the exercise of the options, the period during which the options may be exercised, characteristics of the shares to be attributed, incentives for the purchase of shares and/or the exercise of options and the competence of the management board to implement and/or change the plan.

Indication:

a) Of the number of shares required to face the exercise of attributed options and of the number of shares required to face the exercise of exercisable options, regarding the beginning and the end of the year;

b) Of the number of attributed options, exercisable and terminated during the year:

c) Of the appreciation in general meeting of the characteristics of the plans adopted or in force during the exercise in question.

There is no plan to attribute any shares or any options for the purchase of shares. Several years ago, depending on the circumstances and the economic situation, there were reference shareholders who have made a certain number of shares available to be granted to the Company's Staff within established time frames and specific prices. None of these transactions have occurred in the year in question.

III.11. Description of the main elements of businesses and operations carried out between, on the one side, the company and on the other side, the members of its management and supervision bodies, holders of qualified holdings or controlling companies or group related, provided they are economically significant for any of the involved parties, except in what concerns businesses or operations which are cumulatively carried out in normal market conditions for similar operations and are part of the company's current activity.

No businesses or operations with the above mentioned characteristics were carried out.

III.12. Reference to an Investor Support Office or other similar service, mentioning:

a) Duties of the Office;

b) Type of information provided by the Office;

c) Ways of Access to the Office;

d) Company's website;

e) Identification of the representative for the market relations.

Reinforcing the above mentioned information disclosure policy, aiming at ensuring the strict compliance with the rule of equality among shareholders and trying to prevent possible asymmetries with the access to information on the part of the Investors, the Company has an Investor Support Office, led by Dr. Manuel Maria Calainho de Azevedo Teixeira Duarte, Executive Director with that department, integrating also Dr. José Pedro Cobra Ferreira, Representative for Market relations, duly registered with CMVM.

All information the investors may need and which are available under the standards, regulations and other applicable directives, is provided by this Office, and can be accessed using the following means of communication:

Address: Lagoas Park, Edifício Dois, 2740-265, Porto Salvo, Oeiras

Telephone: + 351 217 912 415

Fax.: + 351 217 912 421

e-mail: representantemercado@tduarte.pt

subparagraphs c) and d), a description of the auditor's independence safeguard should be made.

(For the purposes of this information, the network concept is the one resulting from the European Committee Recommendation nr. C (2002) 1873, dated 16th May.)

The remuneration of the Chartered Accountants Company is established according to the volume and quality of the services provided within the scope of the attributions conferred to them by the Law and the By-laws (Statutes).

For the specific purposes of the applicable standards we inform that, during the fiscal year which has just ended, the amount of 234,900 Euros was paid to auditor "MARIQUITO, CORREIA & ASSOCIADOS, SROC" and other legal persons or corporate bodies belonging to the same network supported by the Company and/or legal persons and/or corporate bodies in domination or group relation, regarding the only services provided by the latter, what means Statutory Accounting and Auditing services.

III.13. Indication of the amount of the annual remuneration paid to the auditor and other legal person or corporate bodies belonging to the same network supported by the company and/or corporate bodies in domination or group relation, as well as the detailing of the percentage regarding the following services:

a) Statutory auditing service;

b) Other reliability assurance services;

c) Tax consultancy services;

d) Other services rather than statutory auditing.

If the auditor provides any of the services described in



Individual Financial
Statements
2008



		2008			2007
	Notes	Gross Assets	Depreciation and adjustments	Net Assets	Net Assets
ASSETS					
FIXED ASSETS:					
Intangible Fixed Assets:					
Start-up costs	10	2	(2)	-	1
Goodwill	10	-	-	-	107,084
		2	(2)	-	107,085
Tangible Fixed Assets:					
Buildings and other constructions	10 and 13	23,815	(6,034)	17,781	18,734
Plant and machinery	10 and 15	92,844	(61,361)	31,483	22,019
Transport equipment	10	26,271	(14,329)	11,942	7,788
Fixtures and fittings	10	26,846	(23,225)	3,621	2,731
Office equipment	10	13,167	(11,569)	1,598	1,779
Other tangible fixed assets	10	178	(178)	-	-
Fixed assets in progress	10	5,899	-	5,899	14,345
		189,020	(116,696)	72,324	67,396
Financial Investments:					
Capital shares in Group companies	10 and 16	183,986	-	183,986	224,963
Loans to Group companies	10 and 16	60,000	-	60,000	7,600
Capital shares in associated companies	10 and 16	-	-	-	-
Loans to associated companies	10 and 16	20,955	-	20,955	20,955
Securities and other financial instruments	10 and 16	4,559	(12)	4,547	78,161
Other loans	10 and 16	849	-	849	979
Prepayments for financial investments		440	-	440	440
		270,789	(12)	270,777	333,098
CURRENT ASSETS:					
Inventory:					
Raw materials and consumables	21 and 41	15,046	(796)	14,250	10,236
Work in progress	42	50,300	-	50,300	21,288
Finished and partly finished goods	42	1,242	-	1,242	1,263
		66,588	(796)	65,792	32,787
Accounts receivable – Medium- and long-term:					
Group companies	16	7,724	-	7,724	485
Investee and investing companies	16	3,881	-	3,881	3,681
Other receivables		647	-	647	611
		12,252	-	12,252	4,777
Accounts receivable – Short-term:					
Customers, current account		230,825	-	230,825	194,759
Customers, bills receivable		578	-	578	178
Customers, bad debt	21 and 23	16,890	(16,435)	455	1,461
Group companies	16	330,456	-	330,456	309,578
Investee and investing companies	16	696	-	696	1,666
Prepayments to suppliers		14,255	-	14,255	12,629
State and other public entities	49	9,384	-	9,384	811
Other receivables	21 and 23	19,063	(1,750)	17,313	10,282
		622,147	(18,185)	603,962	531,364
Marketable securities:					
Other marketable securities		-	-	-	59,002
Bank deposits and cash:					
Bank deposits	51	19,206		19,206	19,680
Cash	51	1,483		1,483	1,492
		20,689		20,689	21,172
Accruals and Deferrals:					
Income accruals	50	14,700		14,700	17,437
Deferred costs	50	18,251		18,251	10,259
Deferred tax assets	6	4,473		4,473	4,449
		37,424		37,424	32,145
Total depreciation			(116,710)		
Total adjustments			(18,981)		
Total assets		1,218,911	(135,691)	1,083,220	1,188,826

(thousands of Euros)

		2008	2007
EQUITY AND LIABILITIES	Notes		
EQUITY:			
Capital	36 and 40	210,000	210,000
Adjustments to capital shares in subsidiaries and associated companies	40	135,972	137,229
Revaluation reserves	6, 13, 39 and 40	10,587	10,712
Legal reserve	40	18,100	15,100
Other reserves	40	197,561	155,991
Profit/(loss) carried forward	40	(168,943)	(203,071)
Net profit/(loss) for the financial year	40	(196,358)	56,935
Total equity		206,919	382,896
LIABILITIES:			
Provisions	34	5,522	4,197
Accounts payable - Medium- and long-term:			
Debtenture loans:			
Non-convertible		-	200,000
Accounts payable to credit institutions	48	171,750	237,500
Prepayments from customers		6,947	36,631
Group companies	16	52,329	21,348
Fixed asset suppliers, current account	15	6,351	5,480
		237,377	500,959
Accounts payable – Short-term:			
Non-convertible	48	200,000	-
Accounts payable to credit institutions	48	51,602	39,239
Suppliers, current account		175,688	121,942
Group companies	16	31,213	10,345
Prepayments from customers		48,826	37,440
Fixed asset suppliers, current account	15	1,869	803
State and other public entities	49	17,518	6,649
Other payables		30,455	3,240
		557,171	219,658
Accruals and Deferrals:			
Cost accruals	50	23,922	18,878
Deferred income	50	48,484	57,891
Deferred tax liabilities	6	3,825	4,347
		76,231	81,116
TOTAL LIABILITIES		876,301	805,930
TOTAL EQUITY AND LIABILITIES		1,083,220	1,188,826

(thousands of Euros)

These notes form an integral part of the balance sheet for the year ended 31st December 2008.

	Notes	2008	2007
COSTS AND LOSSES			
Cost of materials consumed	41	184,886	102,406
Supplies and outsourcing		280,071	250,230
Staff costs:			
Salaries and wages		93,523	76,319
Social charges:		22,326	19,393
		115,849	95,712
Depreciation of tangible and intangible fixed assets		18,602	13,527
Adjustments	21	2,480	2,856
		21,082	16,383
Taxes		11,794	11,899
Other operating costs and losses		2,111	1,774
(A)		615,793	478,404
Financial costs and losses	45	403,879	59,402
(C)		1,019,672	537,806
Extraordinary costs and losses	46	8,239	6,376
(E)		1,027,911	544,182
Income tax for the financial year	6 and 49	8,722	2,040
(G)		1,036,633	546,222
Net profit/(loss) for the financial year		(196,358)	56,935
		840,275	603,157
PROFITS AND GAINS			
Sales	44	539,775	285,766
Services rendered	44	53,155	167,257
		592,930	453,023
Variation in production	42	29,002	(242)
In-house works		262	1,393
Operation subsidies		11	-
Supplementary profits		16,458	28,263
Adjustment reversions	21	2,178	769
(B)		640,841	483,206
Financial profits and gains	45	66,273	71,653
(D)		707,114	554,859
Extraordinary profits and gains	46	133,161	48,298
(F)		840,275	603,157
(thousands of Euros)			
Operating profit/(loss): (B) - (A) =			
		25,048	4,802
Financial profit/(loss): (D-B) - (C-A) =			
		(337,606)	12,251
Profit/(loss) on ordinary activities: (D) - (C) =			
		(312,558)	17,053
Profit/(loss) before tax: (F) - (E) =			
		(187,636)	58,975
Net profit/(loss) for the financial year: (F) - (G) =			
		(196,358)	56,935
(thousands of Euros)			

These notes form an integral part of the profit and loss account by nature for the year ended 31st December 2008.

		2008	2007
	Notes		
Sales and services rendered	44	592,930	453,023
Cost of sales and services rendered	52	(539,126)	(449,478)
Gross profit/(loss)		53,804	3,545
Other operating profits and gains		21,373	32,144
Distribution costs		(7,834)	(6,466)
Administrative costs		(27,964)	(6,543)
Other operating costs and losses		(22,029)	(23,921)
Operating profit/(loss)		17,350	(1,241)
Net finance cost	52	(22,563)	4,372
Gains and losses of subsidiaries and associated companies, net	52	(345,471)	8,338
Gains on other investments, net		163,048	47,506
Profit/(loss) on ordinary activities		(187,636)	58,975
Tax on profit/(loss) on ordinary activities	6	(8,722)	(2,040)
Net profit/(loss)		(196,358)	56,935
			(thousands of Euros)
Profit/(loss) per per share (Euros)		(0.468)	0.136

These notes form an integral part of the profit and loss account by functions for the year ended 31st December 2008.

		2008	2007
	Notes		
OPERATING ACTIVITIES:			
Cash receipts from customers		637.913	560.265
Cash payments to suppliers		(468.608)	(403.804)
Cash payments to employees		(81.856)	(69.509)
Cash flows from operations		87.449	86.952
Income tax paid		(11.997)	(11.015)
Other cash payments from operating activities		(52.508)	(36.939)
Cash flows before extraordinary items		22.944	38.998
Cash receipts relating to extraordinary items		38	68
Cash payments relating to extraordinary items		(404)	(173)
Cash flows from operating activities (1)		28.578	38.893
INVESTING ACTIVITIES:			
Cash receipts from:			
Financial investments	51	444.890	95.246
Tangible fixed assets		157	439
Interest and similar income		17.034	7.654
Dividends	51	13.228	14.109
		475.309	117.448
Cash payments relating to:			
Financial investments	51	(315.487)	(8.541)
Tangible fixed assets		(9.136)	(9.536)
Intangible fixed assets		-	-
		(324.623)	(18.077)
Cash flows from investing activities (2)		150.686	99.371
FINANCING ACTIVITIES:			
Cash receipts from:			
Loans obtained		120.223	410.994
Associated companies		635.381	43.846
		755.604	454.840
Cash payments relating to:			
Loans obtained		(145.521)	(284.842)
Redemption of finance leases		(2.181)	(1.370)
Interest and similar charges		(40.726)	(42.251)
Associated companies		(733.721)	(243.650)
Dividends		(7.558)	(7.140)
		(929.707)	(579.253)
Cash flows from financing activities (3)		(174.103)	(124.413)
Increase/(Decrease) in cash and cash equivalents (4) = (1) + (2) + (3)		(839)	13.851
Effect of exchange rate movements		356	(551)
Effect of change in the subsidiaries' integration method		-	5.120
Cash and cash equivalents at the beginning of the financial year		21.172	2.752
Cash and cash equivalents at the end of the financial year		20.689	21.172

(thousands of Euros)

These notes form an integral part of the cash flow statement for the year ended 31st December 2008.

TEIXEIRA DUARTE - ENGENHARIA E CONSTRUÇÕES, S.A.
**NOTES TO THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2008
(AMOUNTS IN THOUSANDS OF EUROS)**
1 - INTRODUCTORY NOTE

Teixeira Duarte - Engenharia e Construções, S.A. ("Teixeira Duarte" or "Company"), a public company with registered head office in Porto Salvo, was incorporated on 4th January 1934 and its core business is Civil Construction and Public Works.

The attached financial statements refer to the Company on an individual basis, with financial investments having been accounted for using the equity method, as explained in note 3 c), herein.

The Company shall prepare and present the consolidated financial statements separately, comprising the financial statements of the companies managed by the former.

The notes below follow the sequential order defined in the Official Accounting Plan for the presentation of individual financial statements. The notes that are not numbered herein are not applicable to the Company, or their presentation is not relevant for interpreting the attached financial statements.

3 - BASIS OF PRESENTATION AND MAIN VALUATION CRITERIA

The attached financial statements have been prepared on a going concern basis, from the Company's accounting books and records, kept in accordance with the Portuguese generally accepted accounting principles.

These financial statements reflect the Company's individual accounts, prepared under the legal terms to be approved at a General Meeting of Shareholders. Although financial investments were accounted for using the equity method, which is in line with the generally accepted accounting principles, these financial statements only include the effect of the consolidation of investee companies' results and equity capital, but do not include the effect of the full consolidation in terms of assets, liabilities, revenues and expenses.

As established in the Accounting Guideline No. 23/98, the company integrates all subsidiaries' movements eliminating internal operations and, if any, the results derived from them.

Note 16 displays the financial information regarding the companies of the Group and the associated companies.

The main valuation criteria used in the preparation of the attached financial statements were the following:

a) Intangible fixed assets

The intangible fixed assets refer to start-up costs associated with the incorporation of the Branch in Angola.

b) Tangible fixed assets

Depreciation is calculated on the historic or revaluated cost, from the year in which the assets were commissioned or the time they started being used, in accordance with the straight-line method. The depreciation rates used correspond to the following estimated useful life:

	Years of useful life
Buildings and other constructions	10
Plant and machinery	4 to 8
Transport equipment	4 to 7
Fixtures and fittings	4 to 7
Office equipment	3 to 10
Other tangible fixed assets	1

c) Financial investments

Financial investments in Group companies and associated companies are recorded using the equity method, whereby the shares are initially recognised at their acquisition cost, reduced or increased by the difference between that acquisition cost and the amount proportional to the interest held in the equity capital of those companies, on the date of acquisition or of the first application of the abovementioned equity method. The differences between the acquisition cost of investments in those companies and the amount proportional to the Company's interest in their equity capital, on the date of acquisition or of the first application of the abovementioned method, were recorded under the item "Adjustments to capital shares", included in the equity capital.

According to the equity method, financial shares are adjusted by the amount corresponding to the share in the net profit of the Group companies and associated companies, as counterpart of the financial gains or losses for the financial year, and by other variations in their equity capital, as a counterpart of the item "Adjustments to capital shares". Furthermore, the dividends received from these companies are entered as a reduction in the amount of financial investments.

Financial investments in other investee companies, other financial instruments and the loans granted to investee companies are recorded at their acquisition cost or nominal value, which is lower than their market or recovery value.

Income from financial investments in other investee companies and in securities and financial instruments (dividends) is recorded in the profit and loss account for the financial year in which their distribution is decided and announced.

d) Inventory

Raw materials and consumables are valued at their acquisition cost, which is lower than their market value, using the weighted average cost method. An adjustment is recorded for inventory depreciation in cases where the value of raw materials lower than the lowest average cost of acquisition or of realisation.

Work in progress is valued at production cost, which includes the cost of materials consumed, direct labour and overhead expenses.

e) Recognition of earnings and costs associated with work in progress

For the recognition of earnings and costs associated with work in progress, the percentage-of-completion method was used. According to this method, at the end of each financial year, the earnings and costs associated with work in progress are recognised in the profit and loss account for the financial year in terms of the percentage of completion of works, which is ascertained by comparing and applying the lowest ratio obtained between the costs so far incurred and the total estimated costs and the earnings so far achieved and the total estimated earnings.

The earnings from the works are deferred in accordance with the applicable legislation, and are intended to cover any costs that may arise during the waiting period of the works, as well as eventual losses estimated in work in progress.

f) Adjustments to accounts receivable

The adjustment to accounts receivable was calculated based on the evaluation of estimated losses for the non-collection of accounts receivable from customers and other receivables (Notes 21 and 23).

g) Provisions

Provisions are intended to cover liabilities resulting from losses in investee companies with negative equity (Note 34).

h) In-house works

In-house works basically correspond to the costs associated with the execution and repair of the company's own equipment and include cost of materials consumed, direct labour and overhead expenses.

i) Year-end accruals

Revenues and expenses are recorded on an accruals basis, whereby they are recognised as they are generated, regardless of the moment they are received or paid. The differences between the amounts received and paid and those corresponding to generated revenues and expenses are recorded under the item "Accruals and Deferrals" (Note 50).

j) Profit/(loss) in Complementary Groupings of Companies (ACE's)

In order to provide better financial information on the operations in which the Company is involved, the earnings and costs of ACE's for the financial year were integrated into the Company's financial statements, in proportion to the share held.

k) Balances and transactions expressed in foreign currency

All the assets and liabilities expressed in foreign currency were converted into Euros at the exchange rate in force at 31st December 2008 (Note 4). The favourable and unfavourable exchange rate movements, caused by the differences between the exchange rates in force at the date of transactions and those in force at the date of collections and payments, or at the balance sheet date, were recorded as earnings and costs in the profit and loss account for the financial year.

l) Deferred tax

Deferred tax is recognised on temporary differences between the amounts of assets and liabilities for accounts reporting purposes and the corresponding amounts for taxation purposes.

Deferred tax assets and liabilities are calculated and periodically evaluated using the tax rates that are expected to be in force at the reversion date of the temporary differences.

Deferred tax assets are recorded only when there are reasonable expectations of sufficient tax returns to be used. At each balance sheet date a reappraisal of the temporary differences underlying deferred tax assets is performed in order to recognise or adjust them, according to the current expectation of their future recovery.

4 - FOREIGN CURRENCY PRICES

As at 31st December 2008, the following exchange rates were used to convert the main assets and liabilities expressed in foreign currencies into Euros:

Venezuelan Bolívar (VEB)	2,9884
Algerian Dinar (DZD)	98,2937
American Dollar (USD)	1,3917
Angolan Kwanza (AON)	106,1945
Mozambican Metical (MZN)	35,2500
Macao Pataca (MOP)	11,1094

As at 31st December 2008, the following average exchange rates were used to convert subsidiaries' integrated costs and profits into Euros:

Algerian Dinar (DZD)	95,59321
Angolan Kwanza (AON)	110,76723
Mozambican Metical (MZN)	35,65538
Macao Pataca (MOP)	11,80552

6 - TAXES

The Company is subject to Corporate Income Tax (IRC) at a rate of 25% and to a municipal surcharge (Derrama) of 1.5% on the taxable profit ascertained in the financial year.

The Company (being the dominant company) and a number of its investee companies (located in Portugal and where the shareholding percentage is equal to or higher than 90%) are subject, by choice, to the Special Taxation Scheme for Groups of Companies, foreseen in Article 63 of the Portuguese Corporate Income Tax Code.

In accordance with the legislation in force, tax statements are subject to review and correction by tax authorities during a period of four years (ten years for Social Security up to 2000, included, and five years as of 2001), except when there have been tax losses, tax benefits have been granted, or inspections, claims or disputes are underway, cases in which, depending on the circumstances, the deadlines are extended or suspended. Therefore, the Company's tax statements of 2005 to 2008 may still be reviewed. The Board of Directors believes that eventual corrections resulting from reviews and inspections performed by tax authorities to those tax statements will not have a significant effect on the financial statements for the year ended 31st December 2008.

According to Article 81 of the Portuguese Corporate Income Tax Code, the Company is additionally subject to autonomous taxation on a set of charges at the rates established in the abovementioned article.

The tax charge recorded for the year ended 31st December 2008 basically corresponds to:

	Tax Base	Tax
Profit/(loss) before tax	(187,636)	
Permanent differences	218,272	
Temporary differences	-	
	30,636	
Normal tax charge		8,119
Autonomous taxation		804
Tax charge for the period (Note 49)		8,923
Current tax		8,923
Deferred tax		(201)
Tax charge of the period		8,722

Permanent differences include, essentially, the annulment of the equity effects.

All the situations that might significantly affect future taxes are excused by applying deferred tax provisions.

The movements occurred in the financial year, as a result of adopting this provision, as to their nature and impact are as follows:

	Opening balance	Constitution in the F.Y.	Effect on the F.Y.	Adjustment (Note 40)	Closing balance
Deferred tax assets:					
Reportable tax losses	4,449	-	-	-	4,449
Financial instruments	-	24	-	-	24
	4,449	24	-	-	4,473
Deferred tax liabilities:					
Revaluations of tangible fixed assets (note 40)	4,331	-	(169)	(345)	3,817
Tax benefits with deferred taxation	16	-	(8)	-	8
	4,347	-	(177)	(345)	3,825

7 - AVERAGE NUMBER OF EMPLOYEES

During the year ended 31st December 2008, the average number of employees working for the Company was 1816. The average number of employees directly hired by the subsidiaries abroad was 4629.

10 - MOVEMENT IN FIXED ASSETS

During the year ended 31st December 2008, the movement in the value of intangible fixed assets, tangible fixed assets and financial investments, as well as in their respective accumulated depreciation was the following:

Gross assets

Items	Opening balance	Increases	Sales	Equity	Transfers/ write-offs	Closing balance
Intangible fixed assets:						
Start-up costs	5	-	-	-	(3)	2
Goodwill	164,316	-	(163,519)	-	(797)	-
	164,321	-	(163,519)	-	(800)	2
Tangible fixed assets:						
Buildings and other constructions	23,797	102	(10)	-	(74)	23,815
Plant and machinery	76,369	4,900	(1,391)	-	12,966	92,844
Transport equipment	18,523	351	(622)	-	8,019	26,271
Fixtures and fittings	24,929	2,096	(5)	-	(174)	26,846
Office equipment	12,411	787	(4)	-	(27)	13,167
Other tangible fixed assets	178	-	-	-	-	178
Fixed assets in progress	14,345	16,554	-	-	(25,000)	5,899
	170,552	24,790	(2,032)	-	(4,290)	189,020
Financial investments:						
Capital shares in Group companies	224,963	300,487	(30,883)	(309,983)	(598)	183,986
Loans to Group companies	7,600	60,000	(7,600)	-	-	60,000
Loans to associated companies	20,955	-	-	-	-	20,955
Securities and other financial instruments	78,171	12	(65,232)	(8,392)	-	4,559
Other loans	979	-	-	-	(130)	849
Prepayments for financial investments	440	-	-	-	-	440
	333,108	360,499	(103,715)	(318,375)	(728)	270,789

Depreciation

Items	Opening balance	Increases	Sales	Transfers/ write-offs	Closing balance
Intangible fixed assets:					
Start-up costs	4	-	-	(2)	2
Goodwill	57,232	-	(57,232)	-	-
	57,236	-	(57,232)	(2)	2
Tangible fixed assets:					
Buildings and other constructions	5,063	999	(10)	(18)	6,034
Plant and machinery	54,350	10,207	(1,388)	(1,808)	61,361
Transport equipment	10,735	4,957	(561)	(802)	14,329
Fixtures and fittings	22,198	1,376	(5)	(344)	23,225
Office equipment	10,632	1,051	(1)	(113)	11,569
Other tangible fixed assets	178	-	-	-	178
	103,156	18,590	(1,965)	(3,085)	116,696
Financial investments:					
Securities and other financial instruments	10	2	-	-	12

The write-off occurred during the year ended 31st December 2008 in the item "Goodwill" results from the regularisation of the goodwill recognised on the acquisition of interest in Marinertes, S.A., because it was considered that, due to the prospective financial information elements available, the net value entered in the goodwill did not reflect an anticipation of future economic profits.

The decrease occurred during the year ended 31st December 2008, in the "Intangible Fixed Assets" item, results from:

- Goodwill:

Sale of interest in Cimpor - Cimentos de Portugal, SGPS, S.A.	163,519
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The increase occurred during the year ended 31st December 2008, in the "Financial investments" item, results from:

- Capital shares in Group companies:

Capital increase in Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A.	300,000
Incorporation of TDHOSP - Gestão de Edifício Hospitalar, S.A.	327
Capital increase in TDHOSP - Gestão de Edifício Hospitalar, S.A.	160
	300,487

- Loans to Group companies:

Conversion of supplies into supplementary capital contributions to Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A.	60,000
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The decrease occurred during the year ended 31st December 2008, in the "Financial Investments" item, results from:

- Capital shares in Group companies:

Sale of interest in Somafel - Engenharia e Obras Ferroviárias, S.A.	16,121
Sale of interest in G.S.C. - Compañía General de Servicios y Construcción, S.A.	7,970
Sale of interest in BEL-ere - Engenharia e Reabilitação de Estruturas, S.A.	3,436
Sale of interest in E.P.O.S. - Empresa Portuguesa de Obras Subterrâneas, S.A.	3,143
Sale of interest in TDF - Sociedade Gestora de Fundos de Investimento Imobiliário, S.A.	213
	30.883

- Loans to Group companies:

Reimbursement of supplementary capital contributions in G.S.C. - Compañía General de Servicios y Construcción, S.A.	7,600
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- Securities and other financial instruments:

Sale of interest in Cimpor - Cimentos de Portugal, SGPS, S.A.	63.336
Sale of interest in Longavia - Imobiliária, S.A.	1.006
Sale of interest in Longapar - SGPS, S.A.	670
Transfer of quota in TDO - Investimento e Gestão, Lda.	220
	65,232

Transfers occurred during the year ended 31st December 2008, in the "Financial Investments" item, result from:

- Capital shares in Group companies:

Reduction of capital of TDF - Sociedade Gestora de Fundos de Investimento Imobiliário, S.A.	598
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- Other loans:

Reimbursement of supplementary capital contributions in Lusoponte - Concessionária para a Travessia do Tejo, S.A.	130
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The adjustments recorded in the financial investments items in the year ended 31st December 2008, as a consequence of the application of the equity method, result from the following situations:

	Gains/ losses	Dividends received	Capital share adjustments	Total
Capital shares in Group companies:				
Teixeira Duarte - Gestão de Participações e Investimento Imobiliários, S.A.	(350,659)	-	34,464	(316,195)
Teixeira Duarte - Engenharia e Construções (Macau), Lda.	11	-	6	17
Epos - Empresa Portuguesa de Obras Subterrâneas, S.A.	-	(1,000)	-	(1,000)
Tegaven - Teixeira Duarte y Asociados, C.A.	204	-	(8)	196
Somafel - Engenharia e Obras Ferroviárias, S.A.	-	(78)	-	(78)
TDF - Sociedade Gestora de Fundos de Investimento Imobiliário, S.A.	-	(14)	-	(14)
Teixeira Duarte - Engenharia e Construções (Moçambique), Lda.	976	-	245	1,221
Teixeira Duarte - Engenharia e Construções (Angola), Lda.	4,707	-	1,621	6,328
Avenida - Empreendimentos Turísticos e Hoteleiros, Lda.	791	-	115	906
BEL-ere - Engenharia e Reabilitação de Estruturas, S.A.	-	(1,500)	-	(1,500)
TEIX.CO, SPA	336	-	(6)	330
Teixeira Duarte Algérie, SPA	(166)	-	10	(156)
Marinertes, S.A.	(41)	-	3	(38)
TDHOSP - Gestão de Edifício Hospitalar, S.A.	(1)	-	-	(1)
	(343,842)	(2,592)	36,450	(309,984)
Securities and other financial instruments:				
Cimpor - Cimentos de Portugal, SGPS, S.A.	136	(8,257)	(1,368)	(9,489)
Ferrovial / Teixeira Duarte - Obras Hidráulicas do Alqueva, ACE	335	-	-	335
Três Ponto Dois - Trabalhos Gerais de Const. Civil, Via e Catenária de Mod.da Linha do Norte, ACE	-	-	154	154
Acestradas - Construção de Estradas, ACE	42	-	-	42
Metrotúnel - Trabalhos de Construção em Túnel dos 52º e 53º Troços Parciais da Linha Amarela, ACE	-	(37)	(15)	(52)
Douro Litoral, ACE	619	-	-	619
	1,132	(8,294)	(1,229)	(8,391)
	(342,710)	(10,886)	35,221	(318,375)

13 - REVALUATIONS OF TANGIBLE FIXED ASSETS

During the year ended 31st December 2008, the Company carried out the revaluation of the following tangible fixed assets located abroad (net values):

Items	Historic Costs	Revaluations (Note 39)	Revaluated values
Tangible fixed assets			
Buildings and other constructions	1,319	14,404	15,723

14 - FIXED ASSETS LOCATED ABROAD

During the year ended 31st December 2008, the Company owned the following tangible fixed assets located abroad (net values):

	Net Value
Buildings and other constructions	17,640
Plant and machinery	25,345
Transport equipment	11,574
Fixtures and fittings	1,280
Office equipment	532
	56,371

15 - FIXED ASSETS HELD UNDER FINANCE LEASES

During the year ended 31st December 2008, the Company used the following assets under finance leases:

Items	Acquisition cost	Accumulated depreciation	Net value	Outstanding capital
Tangible fixed assets				
Plant and machinery	11,149	4,948	6,201	8,220

16 - GROUP COMPANIES, ASSOCIATED COMPANIES AND INVESTEE COMPANIES

During the year ended 31st December 2008, the financial investments in Group companies and associated companies, as well as the main financial data regarding them were the following:

Company/Head Office	Equity	Net profit/(loss)	Shareholding percentage	Shareholding value
Capital share in Group companies:				
Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A. (a) Edifício 2, Lagoas Park - Porto Salvo	143,253	(350,659)	100.00%	143,253
Teixeira Duarte - Engenharia e Construções (Macau), Lda. Av. Praia Grande, 693 - Edifício Tai Wha, 8º A - B - Macao	108	14	80.00%	86
Tegaven - Teixeira Duarte y Asociados, C.A. Av. Este, 6 - Edif. Centro Parque Carabobo, Piso 6, Of. 601 - Caracas - Venezuela	2,544	1,200	17.04%	434
Teixeira Duarte - Engenharia e Construções (Moçambique), Lda. Av. Vinte e Quatro de Julho, nº 141 - Maputo - Mozambique	12,853	2,271	43.00%	5,527
Teixeira Duarte - Engenharia e Construções (Angola), Lda. R. Amílcar Cabral, nº 27 C - Luanda - Angola	38,518	5,883	80.00%	30,815
Avenida - Empreendimentos Turísticos e Hoteleiros, Lda. Av. Vinte e Quatro de Julho, nº 141 - Maputo - Mozambique	2,638	989	80.00%	2,110
Teixeira Duarte Algérie, SPA Parc Miremont, Rue A, nº136 - Argel - Algeria	309	(166)	99.94%	309
TEIX.CO, SPA Parc Miremont, Rue A, nº136 - Argel - Algeria	1,270	672	50.00%	635
Marinertes, S.A. Av. 25 de Abril, Edifício Alvorada, nº 672 - Cascais	651	(80)	51.00%	332
TDHOSP - Gestão de Edifício Hospitalar, S.A. Edifício 2, Lagoas Park - Porto Salvo	485	(1)	100.00%	485
				183,986
Capital share in associated companies:				
SATU-Oeiras - Sistema Automático Transporte Urbano, E.M. (a) Edifício Paço de Arcos E.N. 249/3 Paço de Arcos - Oeiras	(11,013)	(3,605)	49.00%	-
				-

(a) When the equity method was applied, the value of the supplementary capital contributions, amounting to EUR 60,000 thousand and EUR 20,955 thousand of T.D.- G.P.I.I., S.A. and SATU-Oeiras, E.M., respectively, was deducted from the equity value.

As at 31st December 2008, the "Securities and other financial instruments" item, comprised the following:

Other financial capital shares:	
Lusoponte - Concessionária para a Travessia do Tejo, S.A.	1,875
MTS - Metro, Transportes do Sul, S.A.	456
AEDL - Auto-Estradas do Douro Litoral, S.A.	9
	2,340
Complementary Groupings of Companies:	
Acestradas - Construção de Estradas, ACE	867
Três Ponto Dois - Trabalhos Gerais de Construção Civil, Via e Catenária de Modernização da Linha do Norte, ACE	154
Ferrovial / Teixeira Duarte - Obras Hidráulicas do Alqueva, ACE	409
Douro Litoral, ACE	619
Novaponte - Agrupamento para a Construção da Segunda Travessia do Tejo, ACE	50
	2,099
Financial investments in real estate	120
	4,559

As at 31st December 2008, the loans granted to Group companies and to other investee companies, corresponded to the supplementary capital contributions granted to the following entities:

Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A.	60,000
Satu-Oeiras - Sistema Automático Transporte Urbano, E.M.	20,955
Lusoponte - Concessionária para a Travessia do Tejo, S.A.	716
MTS - Metro, Transportes do Sul, S.A.	133
	849

Balances and transactions with Group companies

As at 31st December 2008 the balances held in Group companies and related companies, were as follows:

Company	Customers, current account	Accounts receivable Group companies	Other receivables	Customers, Prepayments	Suppliers, current account	Accounts payable to Group companies	Other payables
Alvalade, Lda.	23,512	-	-	-	143	33,652	-
Angoímo, Lda.	20,593	4,668	661	-	11,535	-	-
Angopredial, Lda.	6,923	-	-	-	-	7,763	-
Autocompetição, Lda.	777	1,390	-	-	-	-	-
Avenida, Lda.	1,101	88	-	-	1	-	-
BEL-ere, S.A.	2,181	268	-	-	2,499	7	-
Betangola, Lda.	6,739	10,864	-	-	14,219	-	-
Casangol, Lda.	204	741	-	-	1,916	243	-
Educare, Lda.	11,863	-	-	-	-	511	-
E.P.O.S., S.A.	227	-	-	-	1,110	-	-
G.S.C., S.A.	4,167	-	-	-	805	-	-
Máxi, Lda.	7,816	1,484	-	-	155	-	-
Metroligeiro, ACE	2,207	-	-	-	103	-	-
O.F.M., S.A.	561	-	10	-	118	-	-
SATU-Oeiras, E.M.	64	3,270	-	-	-	-	-
Serafim L.Andrade, Lda.	2,635	-	-	-	310	1,791	-
TDA - Com. Indústria, Lda.	21,676	1,792	-	-	11,168	-	-
TDE, S.A.	-	1,267	-	-	-	35	-
TDGI (Angola), Lda.	6,657	375	-	-	5,364	-	-
TDHOSP, S.A.	999	2,433	-	(4,110)	-	-	-
TDO, Lda.	14	-	-	-	-	-	24,159
TEDAL - SGPS, S.A.	-	13,281	-	-	-	8	-
Tegaven, CA	11	698	-	-	22	-	-
Teix.Co, SPA	244	14	-	-	49	-	500
Teixeira Duarte (Angola), Lda.	1,624	-	-	-	327	11,099	-
Teixeira Duarte (Moçambique), Lda.	1,817	2,901	-	-	189	-	-
T.D.-G.P.I.I., S.A.	3,387	294,425	-	-	(157)	16,481	-
Urbango, Lda.	6,151	-	-	-	246	10,665	-
Vauco, Lda.	4,494	547	-	-	937	-	-
Other	2,601	2,251	555	(5,742)	4,622	1,287	13
	141,245	342,757	1,226	(9,852)	55,681	83,542	24,672

During the year ended 31st December 2008, the transactions with Group companies and related companies were as follows:

Group companies	Fixed Asset Purchases	Cost of goods	Out- sourcing	Financial costs and charges	Sales	Services rendered	Supplement. profits	Financial prof. and gains
Alvalade, Lda.	-	(280)	1,333	57	2,528	5,559	58	186
Angoímo, Lda.	-	(74)	3,600	3,568	5,403	1,172	(34)	1,661
Angopredial, Lda.	-	-	-	-	5,105	21	-	-
BEL-ere, S.A.	-	37	3,091	1	6,551	904	2,027	-
Betangola, Lda.	-	15,784	(697)	125	746	5,895	249	23
Comércio Automóveis, Lda.	1,482	(77)	1	-	-	90	-	7
Educare, Lda.	-	-	-	-	9,933	618	1	-
Epos, S.A.	-	-	3,273	-	563	2,411	1,006	-
Fundo Inv.Imob.Fechado TDF	-	-	115	-	5,361	-	1	-
Máxi, Lda.	-	(276)	(149)	6	12,917	2,507	117	-
Metroligeiro, ACE	-	-	3,461	1	10,138	212	479	228
O.F.M., S.A.	-	-	95	-	1,156	49	115	-
Perforesc, ACE	-	-	4,085	1	4,173	120	-	16
Petrin, S.A.	-	513	1,860	-	36	247	150	-
Quinta do Cravel, S.A.	-	-	-	-	3,013	47	7	-
SATU-Oeiras, E.M.	-	-	-	-	-	-	-	1,634
Serafim L.Andrade, S.A.R.L.	-	(207)	1,440	2	856	5,549	30	10
T.D. / Sopol, ACE	-	-	4,677	1	-	221	12	-
T.D.-G.P.I.I., S.A.	-	-	2,672	-	4,241	686	208	10,696
TDA - Com. Indústria, Lda.	8,848	(7)	188	9	17	12,585	68	204
TDGI (Angola), Lda.	171	-	3,367	-	-	3,977	179	-
TDGI, S.A.	-	-	945	-	5	350	72	-
TDHOSP, S.A.	-	-	-	-	13,341	179	3	88
Teix.Co, SPA	-	-	763	-	41	-	-	-
Teixeira Duarte (Angola), Lda.	-	-	216	869	1,203	145	-	-
Teixeira Duarte (Moçambique), Lda.	-	-	45	-	414	1,112	-	282
Urbango, Lda.	-	-	162	-	4,806	-	-	-
V8, S.A.	-	-	100	-	6,499	220	11	-
Vauco, Lda.	56	(28)	110	14	1,076	354	37	45
Others	-	6,304	2,144	5	1,514	2,520	1,904	1,256
	10,557	21,689	36,897	4,659	101,636	47,750	6,700	16,336

In commercial operations, as well as in financial operations carried out between the Company and any other entity, subject or not to the "IRC" (Corporate Income Tax), with which it has special relations, the terms or conditions signed, accepted and practiced are substantially identical to the terms or conditions which would normally be signed, accepted and practiced between independent entities under comparable operations.

In order to assure the highest level of comparability between the abovementioned operations and those which are practiced in normal market situations or whenever no special relation exists, the Company adopts the following methods:

- Cost sharing;
- Comparable market price; and
- Cost-plus pricing.

21 - ADJUSTMENTS TO CURRENT ASSET ITEMS

During the year ended 31st December 2008, the following movements occurred in the balances of adjustment items:

Items	Opening balance	Reinforcement	Reversion	Write-off	Regularisation	Closing balance
Inventory						
Raw materials and consumables	528	238	-	-	30	796
Accounts receivable						
Bad debt	16,776	2,139	(2,178)	(511)	209	16,435
Other receivables	1,650	103	-	-	(3)	1,750
	18,426	2,242	(2,178)	(511)	206	18,185

The amounts stated in the "Regularisation" column result from the effect of the integration of the Angolan and Algerian subsidiaries.

23 - BAD DEBT

As at 31st December 2008, debts classified as bad debt amounted to EUR 16,890 thousand from customers' bad debt and EUR 1,750 thousand from other receivables. These debts are adjusted based on loss expectations due to the non-collection of those accounts receivable, thus adjustments were made for those debts in the amount of EUR 16,435 thousand and EUR 1,750 thousand, respectively. (Note 21).

31 - FINANCIAL OBLIGATIONS ASSUMED AND NOT INCLUDED IN THE BALANCE SHEET

As at 31st December 2008, non-recourse factoring contracts were in force, which were recorded as a reduction in accounts receivable, amounting to EUR 127,123 thousand. In accordance with the contractual conditions, the Company's responsibility is basically restricted to the assuring that customers accept the invoices subject to factoring.

As at 31st December 2008, the Company had liabilities under discounted and unmatured bills amounting to EUR 130 thousand.

32 - GUARANTEES PROVIDED

At as 31st December 2008, the Company had provided bank guarantees and fidelity guarantee insurance to customers for the purpose of tendering, prepayments already received and as guarantee of good execution of works, amounting to EUR 322,386 thousand and EUR 51,425 thousand, respectively.

To guarantee the financing contract provided by its investee TDHOSP - Gestão de Edifício Hospitalar, S.A., the Company pledged 486,673 shares, representing the capital stock of the abovementioned investee company, with Caixa Geral de Depósitos and Caixa Banco de Investimentos. Within the scope of the same financing contract, the Company, as shareholder, pledged its credit rights over that investee company, emerging from the realisation of already made investments foreseen in the management contract, amounting to EUR 2,433 thousand.

Futhermor, the Company has provided Group companies with bank guarantees for the following amounts:

Beneficiary	Currency	Currency Value	Thousands of Euros
Teixeira Duarte International, Ltd.	USD	120,000,000	86,225
Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A.			72,423
G.S.C. - Compañía General de Servicios y Construcción, S.A.			66,177
Bonaparte - Imóveis Comerciais e Participações, S.A.			30,029
TEDAL - SGPS, S.A.			32,422
Teixeira Duarte - Engenharia e Construções (Moçambique), Lda.	USD	45,000,000	32,335
TDE - Empreendimentos Imobiliários, S.A.			22,446
TDO - Investimento e Gestão, Lda.	USD	25,000,000	17,964
Teixeira Duarte - Engenharia e Construções, S.A. (Sucursal Angola)	USD	19,000,000	13,652
Teixeira Duarte - Engenharia e Construções (Angola), Lda.	USD	16,330,000	11,734
Petrin - Petróleos e Investimentos, S.A./ PTG - SGPS, S.A.			10,000
TDO - Investimento e Gestão, Lda.			10,000
Tegaven - Teixeira Duarte y Asociados, CA	VEF	28,355,279	9,488
TDHOSP - Gestão de Edifício Hospitalar, S.A.			8,050
TD Via - Sociedade Imobiliária, S.A.			7,998
Rochaoriental - Sociedade Hoteleira, S.A.			6,070
Metroligeiro - Construção de Infraestruturas, ACE			5,000
Avenida - Empreendimentos Turísticos e Hoteleiros, S.A.	USD	6,300,000	4,527
EMPA - Serviços de Engenharia, S.A.	BRL	10,000,000	3,083
Somafel - Engenharia e Obras Ferroviárias, S.A./ OFM - Obras Públicas, Ferroviárias e Marítimas, S.A.			3,000
EVA - Sociedade Hoteleira, S.A./Sinerama - Organizações Turísticas e Hoteleiras, S.A.			2,494
Lagoas Hotel, S.A.			1,819
Recolte - Recolha, Tratamento e Eliminação de Resíduos, S.A.			1,515
BEL-ere - Engenharia e Reabilitação de Estruturas, S.A.			1,500
TDF - Sociedade Gestora de Fundos de Investimento Imobiliário, S.A.			1,251
Esta - Gestão de Hóteis, S.A.			998
Petrin - Petróleos e Investimentos, S.A.			748
Angoimo - Empreendimentos e Construções, Lda.	USD	1,000,000	719
Auto Competição Angola, Lda.	USD	1,000,000	719
TDA - Comércio e Indústria, Lda.	USD	1,000,000	719
TDHC - Instalações para Desporto e Saúde, S.A.			704
Teix.Co, SPA	DZD	33,000,000	336
VTD - Veículos Automóveis, S.A.			249
EVA - Sociedade Hoteleira, S.A.			249
Teixeira Duarte International, Ltd.			200
Sociedade Hotel Tivoli, Lda.	USD	200,000	144
Mercapetro - Produtos Petrolíferos, S.A.			100
Teixeira Duarte - Engenharia e Construções (Moçambique), Lda.	MZN	3,000,000	85
			467,172

34 - MOVEMENT IN PROVISIONS

During the year ended 31st December 2008, the following movements occurred in the balances of the provisions items:

Items	Opening balance	Increase (Note 45)	Reduction (Note 46)	Write-off	Closing balance
Other provisions	4,197	1,850	(31)	(494)	5,522

The amount stated in the "Increase" column includes the value of EUR 1,766 thousand relating to provisions for financial instruments.

36 - CAPITAL COMPOSITION

As at 31st December 2008, the Company's capital consisted of fully subscribed and paid-up 420,000,000 shares with a nominal value of fifty Euro cents each.

37 - SHARE OF THE CAPITAL SUBSCRIBED BY EACH CORPORATE BODY HOLDING AT LEAST 20% OF IT

As at 31st December 2008, the shares held in more than 20% of the Company's capital were the following:

Shareholder	No. of shares	Shareholding percentage
TDG - Sociedade Gestora de Participações Sociais, S.A.	160,341,364	38.18%

39 - FIXED ASSET REVALUATION

As at 31st December 2008, the following variations occurred in the revaluation reserves:

	Opening balance	Transfer	Closing balance
Tangible fixed assets:			
Buildings and other constructions (Note 40)	15,043	(639)	14,404

The amount stated in the "Transfer" column corresponds to the realisation of the revaluation reserve ascertained in the financial year.

40 - VARIATION IN THE EQUITY ITEMS

The movement in the equity items during the year ended 31st December 2008 was as follows:

Items	Opening balance	Increases	Decreases	Transfers	Closing balance
Capital	210,000	-	-	-	210,000
Capital shares adjustment in subsidiaries and associated companies:					
Transition adjustments	13,136	-	-	(966)	12,170
Undistributed profits	198,867	-	-	(51,396)	147,471
Other variations of equity	(74,774)	36,463	(4,130)	18,772	(23,669)
Revaluation reserves (Note 6 and 39)	10,712	345	-	(470)	10,587
Legal reserve	15,100			3,000	18,100
Free reserves	155,971			41,575	197,546
Donations	20			(5)	15
Profit/(loss) carried forward:					
Profit/(loss) carried forward	(4,204)	-	(2)	(17,265)	(21,471)
Undistributed profits	(198,867)	-	-	51,395	(147,472)
Net profit/(loss) for the financial year	56,935	(196,358)		(56,935)	(196,358)
	382,896	(159,550)	(4,132)	(12,295)	206,919

Adjustment of capital shares in subsidiaries and associated companies

The variation recorded under this item results from: (i) variations in the equity of the Group companies and associated companies, except those resulting from the profit/(loss) for the financial year; (ii) the difference, amounting to EUR 20,104 thousand, between the profit/(loss) reported by Group companies and associated companies, considered in the application of the equity method, and the profit/(loss) distributed among those companies in the year ended 31st December 2008, which is recorded as a counterpart of the profit/(loss) carried forward, as well as of the regularisation resulting from the sale and payment of financial shares.

Revaluation reserve

The increase observed in this item results from the regularisation of deferred tax liabilities relating to the revaluation reserve.

Legal reserve

The commercial legislation foresees that at least 5% of the annual net income has to be used to reinforce the legal reserve until the latter represents at least 20% of the capital. This reserve is not distributable unless the Company is wound up, but can be used to absorb losses after the other reserves have been exhausted, or incorporated into the capital.

Profit/(loss) carried forward:

The amount recorded under transfers in the profit/(loss) carried forward item basically results from: (i) the payment of the financial shares amounting to EUR 16,186 thousand; and (ii) the application of deferred tax to the revaluation reserve created in the year ended 31st December 2008, amounting to EUR 470 thousand.

Allocation of the profit for 2007

In the General Meeting of Shareholders held on 14th May 2008, the financial statements for the year ended 31st December 2007 were approved, and the following allocation of profit was decided:

	Financial Year 2007
Dividends	7,560
Distribution to employees	4,800
Legal reserve	3,000
Free reserves	41,575
	56,935

41 - COST OF MATERIALS CONSUMED

The cost of materials consumed during the year ended 31st December 2008 was determined as follows:

Opening inventory	10,764
Purchases	189,159
Inventory regularisation	9
Closing inventory	(15,046)
	184,886

42 - VARIATION IN PRODUCTION

The variation in production reported during the year ended 31st December 2008 was as follows:

	Finished goods and partly finished goods	Work in progress
Closing inventory	1,242	50,300
Inventory regularisation	11	-
Opening inventory	(1,263)	(21,288)
Decrease / Increase in the financial year	(10)	29,012

43 - REMUNERATION OF THE MEMBERS OF THE GOVERNING BODIES

The remunerations paid to the members of the Governing Bodies during the year ended 31st December 2008 were, respectively:

	Fixed	Variable	Total
Board of Directors			
Executive Members	1,100	879	1,979
Non-executive Members	160	153	313
Supervisory Board	33	-	33
Statutory Auditor	66	-	66
	1,359	1,032	2,391

44 - SALES AND SERVICES RENDERED BY ACTIVITY AND GEOGRAPHIC MARKETS

The sales and services rendered in the year ended 31st December 2008 are distributed as follows:

	Markets		Total
	Domestic	External	
Civil construction and public works	260,627	279,148	539,775
Services rendered	11,126	42,029	53,155
	271,753	321,177	592,930

45 - FINANCIAL RESULTS STATEMENTS

The financial results for the years ended 31st December 2008 and 2007 are broken down as follows:

Costs and losses	Financial Years		Profits and gains	Financial Years	
	2008	2007		2008	2007
Interest paid	42,943	27,481	Interest earned	22,693	34,610
Losses in Group companies and assoc. companies	350,867	11,537	Gains in Group companies and assoc. companies	7,162	30,953
Depreciation of investments in fixed assets	2	2	Fixed assets revenues	41	32
Provisions for financial instruments (Note 34)	1,766	1,728	Revenues from capital shares	1,277	898
Unfavourable exchange rate movements	1,063	5,205	Favourable exchange rate movements	1,100	3,915
Costs with the issue of bonds	1,415	1,415	Cash discounts obtained	709	644
Other financial costs and losses	5,823	12,034	Earnings in the Alienation of Treasury Applications	31,035	-
	403,879	59,402	Outros proveitos e ganhos financeiros	2,256	601
Financial profit/(loss)	(337,606)	12,251			
	66,273	71,653		66,273	71,653

46 - EXTRAORDINARY RESULTS STATEMENTS

The extraordinary results for the years ended 31st December 2008 and 2007 are broken down as follows:

Costs and losses	Financial Years		Profits and gains	Financial Years	
	2008	2007		2008	2007
Donations	95	187	Taxes return	2	-
Inventory losses	38	15	Inventory gains	47	21
Losses on Fixed Assets	564	157	Gains on fixed assets	130,951	47,007
Fines and penalties	26	30	Contractual benefits and penalties	29	322
Corrections regarding previous financial years	29	43	Provisions reduction (Note 34)	31	42
Insufficiency of the estimation for taxes	2,652	-	Corrections of previous financial years	7	-
Other extraordinary costs and losses	4,835	5,944	Indemnities	579	310
	8,239	6,376	Other extraordinary profits and gains	1,515	596
Extraordinary profit/(loss)	124,922	41,922			
	133,161	48,298		133,161	48,298

48 - LOANS OBTAINED

As at 31st December 2008, the medium/long-term “Accounts payable to credit institutions” item refers to the following loans:

- A loan amounting to EUR 29,250 thousand, signed with Banco Comercial Português, for a rate of interest equal to one-month Euribor. The capital shall be redeemed in two instalments, the first amounting to EUR 13,000 thousand, becoming due on 30th June 2010, and the second to EUR 16,250 thousand on 31st December 2010.

- A global commercial paper programme, by individual subscription, signed on 14th October 2005 with Banco Comercial Português, for the total amount of EUR 150,000 thousand, in which the Company and its associate Teixeira Duarte - Gestão de Participações de Investimentos Imobiliários, S.A. participate in the amounts of EUR 15,000 thousand and EUR 135,000 thousand, respectively. The participation of each company in the programme may vary according to each programme's uses, but all participating companies must hand in at least 10% of the total value. Sixteen half-yearly and subsequent issues are contracted for the total nominal value of the programme, bearing deferred interest every six months at a rate equal to six-month Euribor plus 0.875% and ascertained in accordance with the auction date, with the reimbursement of the last issue taking place on 14th October 2013.

- A global commercial paper programme signed on 14th February 2006 with Banco Comercial Português, for the total amount of EUR 50,000 thousand, in which the Company and its associate Teixeira Duarte - Gestão de Participações de Investimentos Imobiliários, S.A. participate in the amounts of EUR 5,000 thousand and EUR 45,000 thousand, respectively. The participation of each company in the programme may vary according to each programme's uses, but all participating companies must hand in at least 10% of the total value. Sixteen half-yearly and subsequent issues are contracted for the total nominal value of the programme, bearing deferred interest every six months at a rate equal to six-month Euribor plus 0.875% and ascertained in accordance with the auction date, with the reimbursement of the last issue taking place on 14th February 2014.

- A global commercial paper programme, by individual subscription, signed on 6th January 2006 with Banco Comercial Português, for the used amount of EUR 25,000 thousand, in which the Company and its associate Teixeira Duarte - Gestão de Participações de Investimentos Imobiliários, S.A. participate in the amounts of EUR 22,500 thousand and EUR 2,500 thousand, respectively. The participation of each company in the programme may vary according to each programme's uses, but all participating companies must hand in at least 10% of the total value. The programme has a duration of five years starting from the contract signing date, bearing deferred interest every six months, with the intervention rate indexed on Euribor from one to six months by competitive auction or 7 to 180 days by direct placement plus 0.4% and ascertained in accordance with the auction date, with the reimbursement of the last issue taking place on 6th January 2011.

- A global commercial paper programme signed on 27th September 2007 with Caixa - Banco de Investimento and with Caixa Geral de Depósitos, for the used amount of EUR 100,000 thousand, in which the Company and its associate Teixeira Duarte - Gestão de Participações de Investimentos Imobiliários, S.A. participate, all of which is being used by the Company. The participation of each company in the programme may vary according to each of its uses. The programme has a utilisation of five years starting from the contract signing date, and the commercial paper can be issued in periods between 7 and 181 days in accordance with the participants' options. Interest becomes due later at the date of reimbursement of each issue at a rate indexed on Euribor for the respective issue period, in force on the second working day before the subscription date plus 0.45%.

As at 31st December 2008, the short-term “Debenture loans – non-convertible” item refers to the following debenture loans:

- A debenture loan amounting to EUR 120,000 thousand, issued on 29th March 2004, for a period of 5 years, corresponding to 2,400,000 non-convertible debenture bonds with a nominal value of 50 Euros each, bearing deferred interest every six months at a rate equal to six-month Euribor plus 0.875%. Reimbursement is made in one single instalment on 29th March 2009.

- A debenture loan amounting to EUR 80,000 thousand, issued on 12th May 2004, for a period of 5 years, corresponding to 1,600,000 non-convertible debenture bonds with a nominal value of 50 Euros each, bearing deferred interest every six months at a rate equal to six-month Euribor plus 0.875%. Reimbursement is made in one single instalment on 12th May 2009.

As at 31st December 2008, the short-term “Accounts payable to credit institutions” item refers to the following loans:

- A credit transfer contract signed on 30th May 2006 with Banco Comercial Português, amounting to EUR 2,051 thousand. The Company is liable for the risk of non-payment of the credits granted thirty days after the payment deadline, which is on 30th June 2009. Charges for this operation are borne by the customer.

The remaining short-term “Accounts payable to credit institutions” bear interest at the normal market rate.

49 - STATE AND OTHER PUBLIC ENTITIES

As at 31st December 2008, the balances with these entities were broken down as follows:

Debit balances	
Corporate Income Tax – IRC:	
Tax estimate	192
Special payment on account	210
	<u>402</u>
Value Added Tax	8,289
Others	693
	<u>9,384</u>
Credit balances	
Corporate Income Tax - IRC:	
Tax estimate	6,603
Withholding taxes	(985)
	<u>5,618</u>
Value Added Tax	451
Corporate Income Tax - Withholding tax	683
Social Security Contribution	1,285
Remaining taxes	9,481
	<u>17,518</u>

The amounts stated in the items: "Estimated Tax", "Special payment on account" and "Withholding taxes", relate to the ascertainment of the Corporate Income Tax (IRC) within the scope of the Special Taxation Scheme for Groups of Companies, as mentioned Note 6.

The individual amounts of the Company, for the items: "Estimated Tax" and "Withholding taxes" are EUR 8,923 thousand and EUR 654 thousand respectively.

50 - ACCRUALS AND DEFERRALS

As at 31st December 2008, the balances in these items were broken down as follows:

Profit accruals:	
Supplies and services rendered and not invoiced	8,730
Interest receivable	5,963
Others	7
	<u>14,700</u>
Deferred costs:	
Incurring expenses to be charged	11,542
Expenses incurred in issuing commercial paper	2,211
Insurance paid in advance	573
Expenses incurred in issuing bonds	426
Revenues	185
Others	3,314
	<u>18,251</u>
Cost accruals:	
Staff costs	13,393
Unpaid overdue financial charges	3,791
Expenditures incurred and not invoiced by suppliers	3,552
Revenues	1,329
Litigation expenses	196
Others	1,661
	<u>23,922</u>
Deferred profits:	
Deferred profits in works (Note 3e))	36,135
Works invoiced but not executed	11,756
Interest charged but not due	183
Others	410
	<u>48,484</u>

The deferred profits in works correspond to values not recognised as results and which are intended to cover the costs to be incurred during the waiting period of the works, as mentioned in Note 3e). The works invoiced but not executed result from the application of the percentage-of-completion method, as mentioned in Note 3e).

51 - CASH AND CASH EQUIVALENTS BREAKDOWN

The breakdown of cash and cash equivalents as at 31st December 2008 and 2007 is as follows:

	2008	2007
Cash	1,483	1,492
Cash at bank and in hand	19,206	19,680
	20,689	21,172

The dividends received in the year ended 31st December 2008, net of withholding, were the following:

Cimpor - Cimentos de Portugal, SGPS, S.A.	8,257
BEL-ere - Engenharia e Reabilitação de Estruturas, S.A.	1,500
Fundo de Investimento Imobiliário Fechado TDF	1,574
E.P.O.S. - Empresa Portuguesa de Obras Subterrâneas, S.A.	1,000
Lusoponte - Concessionária para a Travessia do Tejo, S.A.	716
Others	181
	13,228

The payments received deriving from financial investments during the year ended 31st December 2008 were the following:

Sale of capital shares:	
Cimpor - Cimentos de Portugal, SGPS, S.A.	218,676
E.P.O.S. - Empresa Portuguesa de Obras Subterrâneas, S.A.	90,000
Fundo de Investimento Imobiliário Fechado TDF	58,464
Somafel - Engenharia e Obras Ferroviárias, S.A.	33,500
BEL-ere - Engenharia e Reabilitação de Estruturas, S.A.	20,000
G.S.C. - Compañía General de Servicios y Construcción, S.A.	7,970
Longapar - SGPS, S.A.	6,887
LagoasFut - Equipamento Recreativo e Desportivo, S.A.	1,663
	437,160
Reimbursement of supplementary capital contributions:	
G.S.C. - Compañía General de Servicios y Construcción, S.A.	7,600
Lusoponte - Concessionária para a Travessia do Tejo, S.A.	130
	7,730
	95,246

Payments regarding financial investments during the year ended 31st December 2008 were the following:

Capital increase in Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A.	300.000
Interest acquisition in E.P.O.S. - Empresa Portuguesa de Obras Subterrâneas, S.A.	15.000
Incorporation of TDHOSP - Gestão de Edifício Hospitalar, S.A.	327
Capital increase in TDHOSP - Gestão de Edifício Hospitalar, S.A.	160
	315.487

52 - PROFIT AND LOSS ACCOUNT BY FUNCTIONS

While preparing this statement, the following criteria were followed:

- The item "Cost of Sales and services rendered" of the profit and loss account by functions ("DRF") includes several items of the profit and loss account by nature ("DRN"), mainly supplies and outsourcing, wages and salaries and depreciation.
- The item "Net Finance Cost" essentially includes the net value of the interest earned or borne and the stamp duty born with the loans obtained.
- The item "Net losses and gains in subsidiaries and associated companies" includes the gains/losses in Group companies.

53 - DERIVATIVE FINANCIAL INSTRUMENTS

The existing financial instruments on the 31st December 2008 are classified as derivative, not qualified as coverage (negotiation), being their nature and fair value on that date, the following:

Types of Operation	Maturity	Underlying Amount	Fair Value
Interest rate swap - fixed rate	30 th June 2009	65,000	(90)

The variations in fair value of these negotiation financial instruments are directly registered in the results statements of the periods in which they occur..



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	Notes	2008	2007
Non-current assets:			
Goodwill	18	58,646	46,746
Intangible assets	19	9,807	7,379
Tangible fixed assets	20	506,670	419,144
Investment properties	21	418,296	362,074
Investments in associated companies	7 and 22	891,625	860,101
Financial assets available for sale	24	266,753	678,140
Other investments	25	9,576	12,762
Deferred taxes assets	26	117,389	44,576
Customers	27	-	8,731
Other debtors	27	790	690
Other non-current assets		5,395	7,163
Total non-current assets		2,284,947	2,447,506
Current assets:			
Stocks	9 and 10	365,717	288,070
Customers	27	270,734	251,060
Other debtors	27	49,267	43,604
Cash and cash equivalents	29	105,478	114,628
Other current assets	30	101,894	77,642
Total current assets		893,090	775,004
TOTAL ASSETS	7	3,178,037	3,222,510
Equity capital:			
Capital	32	210,000	210,000
Capital share adjustments in associated companies		(112,959)	(37,738)
Exchange rates adjustments		(50,472)	(38,883)
Reserves and results carried forward	33	543,702	409,985
Net consolidated result		(347,244)	122,252
Equity capital ascribable to shareholders		243,027	665,616
Minority interests	34	95,905	168,769
TOTAL EQUITY CAPITAL		338,932	834,385
Non-current liabilities:			
Loans	35	1,421,049	1,444,281
Provisions	36	8,382	10,583
Suppliers	37	-	781
Financial leasing	38	247,106	37,509
Liabilities due to deferred taxes	26	53,070	45,940
Other creditors	37	25,342	49,384
Other non-current liabilities	39	47,127	78,800
Total non-current liabilities		1,802,076	1,667,278
Current liabilities:			
Loans	35	536,331	348,165
Provisions	36	3,011	6,231
Suppliers	37	222,631	187,378
Financial leasing	38	13,395	5,650
Other creditors	37	31,508	6,546
Other current liabilities	40	230,153	166,877
Total current liabilities		1,037,029	720,847
TOTAL LIABILITIES	7	2,839,105	2,388,125
TOTAL LIABILITIES AND EQUITY CAPITAL		3,178,037	3,222,510

(Thousand Euros)

The note is an integrant part of the consolidated balance sheet on the 31st of December 2008.

	Notes	2008	2007
Operating profits:			
Sales and services rendered	7 and 8	1,291,073	1,011,513
Other operating profits	8	86,108	55,214
Total operating profits		1,377,181	1,066,727
Operating Costs:			
Cost of sales	9	(553,469)	(402,400)
Production variance	10	52,683	(969)
Supplies and outsourcing		(411,211)	(311,022)
Costs with personnel	11	(217,887)	(184,248)
Amortizations and depreciations	7, 19 and 20	(54,930)	(43,088)
Provisions and losses due to odd-parity	7 and 36	(1,818)	(57)
Other operating costs	13	(59,455)	(55,037)
Total operating costs		(1,246,087)	(996,821)
Operating results	7	131,094	69,906
Financial costs and losses	14	(191,212)	(124,049)
Financial profits and gains	14	70,793	39,351
Results related to investment activities	14	(475,020)	148,565
Financial results		(595,439)	63,867
Results before taxes	7	(464,345)	133,773
Income tax	15	51,368	(6,182)
Net result of the financial year		(412,977)	127,591
			(Thousand Euros)
Ascribable to:			
Capital holders	16	(347,244)	122,252
Minority interests	34	(65,733)	5,339
Result per share:			
Basic	16	(0.83)	0.29
Diluted	16	(0.83)	0.29

The note is an integrant part of the consolidated financial statement for the financial year ended on the 31st of December 2008.

Notes	Capital	Adjustments investments in associates	Adjustments currency conversion	Reserves and retained earnings				Retained earnings	Net Results	Minority interests	Total
				Legal reserves	Free reserves	Fair Value Reserves	Other reserves				
Balance on the 1 st of January 2008	210,000	(37,738)	(38,883)	15,100	155,971	(25,628)	10,712	253,830	122,252	168,769	834,385
2007: consolidated result appropriation:											
Transfer to legal and free reserves		-	-	3,000	41,575	-	-	-	(44,575)	-	-
Distributed dividends	17	-	-	-	-	-	-	-	(7,560)	-	(7,560)
Transfer to carried forward results		-	-	-	-	-	-	70,117	(70,117)	-	-
Variance in the Exchange rate adjustments		-	(11,589)	-	-	-	-	-	-	-	(11,589)
Variance of fair value and alienation of financial assets available for sale	24 and 33	-	-	-	-	25,628	-	-	-	-	25,628
Net consolidated result of the financial year	34	-	-	-	-	-	-	-	(347,244)	(65,733)	(412,977)
Other	22 and 34	-	(75,221)	-	-	-	(125)	(6,478)	-	(7,131)	(88,955)
Balance on 31st December 2008	210,000	(112,959)	(50,472)	18,100	197,546	-	10,587	317,469	(347,244)	95,905	338,932
Balance on 1 st January 2007	210,000	(45,826)	(14,286)	12,600	120,810	44,987	-	190,014	114,248	150,259	782,806
2006: consolidated result appropriation:											
Transfer to legal and free reserves		-	-	2,500	35,161	-	-	-	(37,661)	-	-
Distributed dividends	17	-	-	-	-	-	-	-	(7,140)	-	(7,140)
Transfer to results carried forward		-	-	-	-	-	-	69,447	(69,447)	-	-
Variance in the Exchange rate adjustments		-	(24,597)	-	-	-	-	-	-	-	(24,597)
Variance of fair value and alienation of financial assets available for sale	24 and 33	-	-	-	-	(70,615)	-	-	-	-	(70,615)
Net consolidated result of the financial year	34	-	-	-	-	-	-	-	122,252	5,339	127,591
Other	22 and 34	-	8,088	-	-	-	10,712	(5,631)	-	13,171	26,340
Balance on the 31st of December 2007	210,000	(37,738)	(38,883)	15,100	155,971	(25,628)	10,712	253,830	122,252	168,769	834,385

The note is an integral part of the consolidated statement for equity capital changes for the financial year ended on the 31st of December 2008.

	Notes	2008	2007
OPERATIONAL ACTIVITIES:			
Payments from customers		1,503,591	1,114,870
Payments to suppliers		(1,080,109)	(800,927)
Payments to personnel		(217,502)	(179,166)
Flow generated by operations		205,980	134,777
Payment of / payment received from income tax		(22,560)	(17,554)
Other payments received / payments regarding the operational activity		(46,716)	(52,686)
Operational activities flows (1)		136,705	64,537
INVESTMENT ACTIVITIES:			
Payments received from:			
Financial investments	29	6,037	345,458
Tangible fixed assets		13,994	19,886
Interest and similar profits		25,471	29,564
Dividends	29	36,789	49,500
		82,292	444,408
Payments related to:			
Financial investments	29	(209,218)	(617,765)
Tangible fixed assets		(33,283)	(160,599)
Intangible fixed assets		(8,442)	(1,801)
		(250,943)	(780,165)
Cash flows from investment activities (2)		(168,651)	(335,757)
FINANCING ACTIVITIES:			
Payments received from:			
Loans obtained		2,900,115	1,574,811
Payments regarding:			
Loans obtained		(2,735,181)	(1,196,792)
Interest and similar costs		(135,234)	(86,295)
Dividends		(7,558)	(7,140)
		(2,877,973)	(1,290,227)
Financing activities flows (3)		22,142	284,584
Cash and cash equivalents variation (4)=(1)+(2)+(3)		(9,805)	13,364
Exchange rate differences effect		70	(3,169)
Perimeter change of cash and cash equivalents		585	1,719
Cash and its equivalents at the beginning of the period	29	114,628	102,714
Cash and its equivalents at the end of the period	29	105,478	114,628

(Thousand Euros)

The note is an integrant part of the cash flow statement for the financial year ended on the 31st of December 2008.

**NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT
ON THE 31ST OF DECEMBER 2008**

(VALUES EXPRESSED IN THOUSANDS OF EUROS)

1 - INTRODUCTION NOTE

Teixeira Duarte - Engenharia e Construções, S.A. ("Teixeira Duarte" or "Company") has its registered head office in Porto Salvo, was incorporated on the 4th of January 1934 with Construction as its core business.

The entrepreneurial universe of Teixeira Duarte ("Group") is formed by the investee companies referred in Notes 4, 22 and 23. The Group's main activities are: Construction; Cements; Concrete and Aggregates; Concessions and Services; Real Estate Development; Hotel Services Industry; Food Trade; Fuel Sales and Vehicles Sales.

2 - MAIN ACCOUNTING POLICIES

The main accounting policies adopted in the preparation of the attached consolidated results statements are the followings:

2.1 - Submission bases

The consolidated results statements were prepared in accordance with the continuity principle, from the accounting books and records of the companies included in the consolidation, adjusted to the consolidation process, in order to be in accordance with the provisions of the International Financial Reporting Standards adopted by the European Union, in force for the financial years started on the 1st of January 2008.

The International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and the International Accounting Standards ("IAS") issued by the International Accounting Standards Committee ("IASC") and respective interpretations should be considered as included in these standards, issued by the International Financial Reporting Interpretation Committee ("IFRIC") and Standing Interpretation Committee ("SIC"), respectively, their adoption approved by the European Union. The set of those standards and interpretations shall be henceforward generally known as "IFRS".

Results statements were prepared according to the historical cost approach, except in what concerns investment properties and financial assets available for sale.

New standards and its impact in the attached results statements

In the year ended on the 31st of December 2007, the IFRS 8 – Operational segments was approved by the European Union, which became in force for the financial years started after the 1st of January 2009.

During the financial year ended on the 31st of December 2008 and until the approval date of these results statements, the following accounting standards and interpretations were approved by the European Union, its enforcing date corresponding to the financial years started on or after the following dates:

	Effective Date
IAS 39/IFRS 7 – Reclassification of financial assets (Reviewed)	01-07-2008
IFRIC 13 – Customer's royalty programmes	01-07-2008
IFRIC 14 – IAS 19 – The limit on an asset with defined benefits, minimum financing requirements and respective interaction	01-01-2008
IFRS 8 – Operating Segments	01-01-2009
IFRS 2 – Payments based on shares (Reviewed)	01-01-2009
IAS 1 – Financial statements submission (Reviewed)	01-01-2009
IAS 23 – Costs of loans obtained (Reviewed)	01-01-2009
IAS 32/IAS 1 – Financial instruments with a put option and liabilities derived from a liquidation (Reviewed)	01-01-2009
Improvements of the International Financial Reporting Standards (2007)	01-01-2009
IFRS 1 / IAS 27 – Cost of an investment in a subsidiary, jointly controlled or associated entity	01-01-2009
IFRIC 12 – Contracts regarding concession services	01-01-2010

The entry into force of the alterations to the IAS 39 / IFRS 7, as well as IFRIC 14 and IFRIC 13, in 2008, did not have a significant impact on the attached results statements.

IFRIC 12 – “Contracts regarding concession services” was approved by the European Union on the 26th of March 2009, with its first application defined for the first financial year started after that date. Therefore, the application to the Group should be mandatory for the financial year started on the 1st of January 2010. IFRIC 12 establishes the provisions to be applied in the measurement, recognition, presentation and diffusion of the activities developed under the public services concession contracts. The impact of the future adoption of that standard in the consolidated results statements is still not fully assessed at this date.

No significant impacts are foreseen in the results statements of the Group, resulting from the adoption of the remaining standards.

The following accounting standards and interpretations were already issued on this date although they have not been approved yet by the European Union:

	Effective Date
IFRS 3 – Corporate Clusters (Reviewed)	01-07-2009
IFRS 1 – Adoption of the IFRS for the first time (Reviewed)	01-07-2009
IAS 27 – Individual and consolidated financial statements (Reviewed)	01-07-2009
IAS 39 – Eligible cover instruments (Reviewed)	01-07-2009
IAS 39 – Reclassification of financial assets (Reviewed)	01-07-2009
IFRS 7 – Qualitative increases in the diffusions related to financial instruments (Reviewed)	01-01-2009
IFRIC 15 – Contracts related to real estate construction	01-01-2009
IFRIC 16 – Net investment cover in operations with foreign markets	01-10-2008
IFRIC 17 – Distribution among shareholders of non-pecuniary assets	01-07-2009
IFRIC 18 – Customers’ assets transfer	01-07-2009

The impact of the adoption, in future financial years, of the above referred standards in the consolidated results statements is not fully assessed yet at this date.

2.2 - Critical assessments / estimates

The preparation of the statements of results in conformity with the IFRS recognition and measuring principles requires that the Board of Directors formulates assessments, estimates and presuppositions which may affect the value of the assets and liabilities submitted, namely amortizations, depreciations and provisions, the diffusion of contingent assets and liabilities at the date of the statements of results, as well as of profits and costs.

Those estimates are based on the best existing knowledge at each moment and on the actions that they plan to carry out, subject to a periodical review based on the information available. Alterations to facts and circumstances may lead to estimate review; therefore, actual future results may differ from those estimates.

The significant estimates and presuppositions formulated by the Board of Directors in preparing these statements of results include, namely, the presuppositions used in processing the following aspects:

Impairment of non-current assets

The determination of an eventual loss due to impairment can be triggered by the occurrence of several events, many of which outside the Group’s sphere of influence, such as the future availability of financing, the cost of capital or any other, internal or external changes related to the Group.

The identification of impairment indicators, the estimate of future cash flow and the determination of the recoverable value of assets imply a high level of assessment on the part of the Board, regarding the identification and evaluation of the different impairment indicators, expected cash flow, applicable discount rates, useful lifetime and residual values.

Impairment of Goodwill

Goodwill is subject to an annual impairment test or always when there is evidence of an eventual loss of value, in accordance with the policy indicated in Notes 18 and 22. The recoverable values of the cash flow generating units to which goodwill is attributed are determined based on the expected cash flow. These calculations require the use of estimates on the part of management, regarding the evolution of future

activity and the considered discount rates.

Useful lifetime of intangible and tangible fixed assets

The useful lifetime of an asset is the period during which an entity waits for an asset to become available to be used; this should be reviewed, at least, at the end of each economical year.

The determination of the useful lifetime of assets, of the amortization / depreciation method to be applied and of the estimated losses deriving from equipment replacement before the end of its useful lifetime due to reasons of technological obsolescence, is essential to determine the amount of the amortizations / depreciations to be recognized in the consolidated results statement for each year.

These three parameters are defined in accordance with the best estimate from management, for the assets and businesses in question, also considering the practices adopted by companies within the business segments in which the Group operates.

Provisions

The Group periodically analyzes eventual legal or constructive obligations that result from past events and that should be the object of recognition or diffusion. The subjectivity inherent to determining the probability and amount of internal resources required for the payment of the obligations may lead to significant adjustments, either due to the variation of the assumptions used or to the future recognition of provisions previously diffused as contingent liabilities.

Recognition of deferred tax assets

Assets are considered deferred taxes only when there is a strong certainty that there will be future taxable profits available for the utilization of temporary differences, or whenever there are liabilities due to deferred taxes in which reversion is expectable for the same period in which the deferred taxes on assets are reversed. The evaluation of assets due to deferred taxes is carried out by the Management at the end of each period, taking into account expectations as to future tax performance.

Adjustment to accounts receivable

Credit risk of the balances of the accounts receivable is evaluated at each reporting date, taking into account the customer's historic information and risk profile. Accounts receivable are adjusted through the assessment made by management on the existing collection risks estimated at the balance date, which can diverge from effective risk.

2.3 - Consolidation Principles

a) Controlled companies

The consolidation of the controlled companies at each accounting period was done by the global integration method. It is considered that there is control whenever the Group holds, directly or indirectly, the majority of votes in the General Meeting, or has the power to determine the financial and operating policies.

The participation of third parties in the equity capital and in the net result of those companies is submitted separately in the consolidated balance sheet and in the consolidated results statement, in the respective items of "minority interests" (Note 34).

Whenever losses ascribable to the minority exceed minority interest in the subsidiary equity capital, the Group absorbs that excess and any additional losses, except when the minority has the obligation or is capable of covering those losses. Should the subsidiary subsequently report profits, the Group appropriates all the profits until the minority part of the losses absorbed by the Group has been recovered.

The controlled companies on the 31st of December 2008 are presented in Note 4. The significant transactions and balances among those companies were eliminated in the consolidation process. The added value deriving from the investee companies, carried out within the Group, are also annulled.

Whenever required, adjustments are made to the results statements of the investee companies, with the purpose of rendering uniform their respective accounting policies with those of the Group.

b) Jointly controlled companies

Financial holdings in jointly controlled companies (Note 23) were consolidated by the proportional consolidation method, since the date the control is acquired. In accordance with this method, the assets, liabilities, profits and costs of these companies were integrated in the attached consolidated results statements, item by item, in the proportion of the control ascribable to the Group.

The transactions, the balances and the dividends distributed among companies are eliminated in the proportion of the control ascribable to the Group.

The classification of financial investments in jointly controlled companies is determined based on the shareholders' agreements that regulate the joint control.

c) Corporate activities cluster

The corporate activities cluster, namely the acquisition of subsidiaries, is registered by the purchase method. Acquisition cost corresponds to the aggregate of the fair market values, on the transaction date, of assets assignment, liabilities incurred or assumed, and the equity capital instruments issued, in exchange for the acquired company's control, plus any cost directly ascribable to the purchase process.

Identifiable assets, liabilities and contingent liabilities of a subsidiary are measured by the respective fair market value on the acquisition date, if they comply with the recognition criteria, in accordance with the IFRS 3 – Corporate Activities Cluster. Any excess of the acquisition cost over the fair market value of the identifiable net assets is registered as goodwill. In cases where the acquisition cost is inferior to the fair market value of the identified net assets, the difference ascertained is registered as gains in the statement of results, for the period in which the acquisition takes place. The interests of minority shareholders are submitted by the respective proportion of the fair market value of the identified assets and liabilities.

d) Investments in associated companies

An associated company is an entity in which the Group exercises significant influence, but which does not have control or joint control, by participating in decisions regarding its financial and operational policies.

The financial investments in the general associated companies (Note 22) are registered by the equity method, except when they are classified as held for sale, being the participations initially accounted by acquisition cost, to which is added or deducted the difference between that cost and the proportional value to the holding in the equity capital of those companies, reported at the acquisition date or at the first application of the above referred method.

In accordance with the equity method, the financial holdings are periodically adjusted by the value corresponding to the share in the net results of the associated companies as counterpart of "Results related to associated companies" (Note 14), and by other variances occurred in their equity capital as counterpart of the items "Capital share adjustments in associated companies", as well as by the recognition of losses due to impairment. Furthermore, dividends received from these companies are registered as a decrease in value of financial investments.

Any losses in associated companies exceeding the investment made in those entities are not recognized, except when the Group has commitments with that associated company.

Any excess in the acquisition cost on the fair value of the identifiable net assets is registered as goodwill. In the cases where the acquisition cost is inferior to the fair value of the identifiable net assets, the difference ascertained is registered as gains in the results statements of the period in which the acquisition took place.

The unrealized gains with associated companies are proportionally eliminated to the Group's interest in the associated company, as counterpart of the investment in that associated company. The unrealized losses are similarly eliminated, but only up to the point in which the loss does not evidence that the transferred asset is in an impairment situation.

e) Goodwill

Goodwill represents the excess in the acquisition cost on the fair value of the identifiable assets and liabilities of a subsidiary, associated company or jointly controlled entity, in respective acquisition date.

Goodwill is registered as an asset and is not subject to amortization being autonomously presented in the balance sheet (Note 18) or in the "Investments in associated companies" (Note 22). Every year and whenever there are any hints of eventual loss of value, the goodwill values are subject to impairment tests. Any loss due to impairment is immediately registered as cost in the financial results of the period and cannot be liable to be reversed later on.

In the alienation of a subsidiary, associated company or jointly controlled entity, the corresponding goodwill is included in the determination of more or less added value.

In the cases in which the acquisition cost is inferior to the fair value of the identifiable net assets, the resulting difference is registered as gains in the results statements of the period in which the acquisition took place.

The goodwill related to investments in affiliates with registered head office abroad are registered in the reporting currency of the Group (Euro) at the Exchange rate in force at the balance sheet date. The exchange rate differences generated in that conversion are registered in the item "Exchange rate adjustments".

2.4 - Intangible Assets

Intangible assets comprise, essentially, contractual rights and expenses incurred in specific projects with future economic value, are registered at acquisition cost, deducted the accumulated amortizations and losses due to impairment, whenever applicable. The intangible assets are only recognized if it is likely that future economic benefits result from them for the Group, are controllable by the Group and respective value can be reliably measured.

The internally generated intangible assets, namely the expenses with current research and development are registered as costs, whenever incurred.

The internal costs associated to the software maintenance and development are registered as costs in the statement of results, when incurred, except if these costs are directly associated to projects likely to generate future economic benefits for the Group. In these situations, these costs are capitalized as intangible assets.

The amortizations are calculated, after the utilization of the assets has started, through the constant quota method, in accordance with the expected usefulness period by the Group for the assets in question.

2.5 - Tangible fixed assets

The tangible fixed assets used in production, rendering of services or for administrative use, are registered at acquisition or production cost, including the expenses ascribable to purchases, deducted of accumulated depreciation and losses due to impairment, whenever applicable.

Some buildings were re-evaluated according to respective market value on the 1st of January 2004, as permitted by the transitory provisions of IFRS 1 – Adoption of the international financial report standards for the first time, assuming the ascertained value as the new cost value.

The tangible fixed assets are depreciated by the constant quota method, in accordance with its estimate useful lifetime, from the date in which the same are available to be used in the intended utilization and ceases when the assets start to be classified as held for sale. Depreciation is done in accordance with the following estimated useful lifetimes:

	Years of Useful lifetime
Buildings and other constructions	5 - 20
Basic equipment	4 - 8
Transport equipment	3 - 7
Tools and utensils	3 - 7
Administrative Equipment	2 - 10
Other tangible fixed assets	1 - 4

Benefits and improvements are only registered as assets when they correspond to asset replacement, which are written-off, or lead to an increase of the future economic benefits.

The tangible fixed assets in progress represent assets still at the construction/promotion stage, being registered at acquisition cost, deducted of eventual losses due to impairment. These tangible fixed assets are depreciated from the moment in which the underlying assets are concluded or at "in use" situation.

Capital gains or losses (increases or decreases in value), resulting from the sale or write-off of tangible fixed assets, are determined by the difference between sale price and net accounting value at the alienation/write-off date, being registered by net value in the results statement.

2.6 - Leasing contracts

Leasing contracts are classified as: (i) financial leasing, if all risks and advantages associated to ownership are substantially transferred through them; or, (ii) operational leasing, if all risks and advantages associated to ownership are not substantially transferred through them.

The classification of the financial or operational leasing is done in accordance with the substance and not the form of the contract.

Tangible fixed assets acquired by means of financial leasing contracts, as well as the corresponding responsibilities, are entered into the accounting using the financial method, recognizing the tangible fixed asset, the corresponding accumulated depreciation and the pending liquidation debts, in accordance with the contractual financial plan. Furthermore, the interest included in the value of the revenues and the depreciation of the tangible fixed asset is recognized as costs in the results statement of the period they refer to.

In the leasing contracts considered as operational the due revenues are recognised as costs in the results statement, on a linear base, during the leasing contract period.

2.7 - Non current assets impairment, excluding goodwill

An impairment assessment is done at the balance sheet date and whenever an event or change of circumstances is identified, indicating that the amount by which the asset is registered may not be recovered. If such indications exist, the Group will determine the asset recoverable value, in order to ascertain the extension of the eventual loss due to impairment.

In situations in which assets, individually, do not generate cash-flows independently from other assets, the estimate of the recoverable value is done for the cash generating unit to which the asset belongs.

Whenever the amount by which the asset is registered is higher than its recoverable amount, a loss due to impairment is recognized and registered in the results statement in the item "Provisions and losses due to impairment".

The recoverable amount is the highest between net sales price (selling price, deducted of costs to sell) and the use value. The net sales price is the amount that would be obtained with the alienation of the asset in a transaction between independent and knowledgeable entities, deducted the costs directly ascribable to the alienation. The use value is the current value of the estimated future cash flows expected from the continued use of the asset and of its alienation at the end of its useful lifetime. The recoverable amount is estimated for each asset individually or, whenever that is not possible, for the cash generating unit to which it belongs.

The reversion of losses due to impairment recognized in previous financial years is registered when there is evidence that the recognized losses due to impairment have ceased to exist or have diminished. The reversion of losses due to impairment is recognized in the results statement as a reduction in the losses due to impairment considered as expenditure of the period in which the reversion occurs. However, the reversion of the loss due to impairment is done up to the limit of the amount that would be recognized (amortization or depreciation net) if the loss due to impairment had not been registered in previous financial years.

2.8 - Investment properties

The investment properties that include land plots and buildings held for renting, capital appreciation, or both, are initially registered by its purchase price or by its cost at the construction date (if it is a case of own construction investment), including any expenditure directly ascribable to the acquisition.

After the initial recognition, all investment properties are measured by the respective value, which reflects market conditions at the date of the balance sheet. All gains or losses resulting from alterations in the fair value of the investment properties are recognized in the results of the period in which they occur and are registered in the item "Variance of the fair value of investment properties", included in "Other operating profits" (Note 8) or "Other operating costs" (Note 13), according to its nature, gains or losses.

The fair value of each investment property being explored is determined through evaluations reported at the balance sheet date, carried out, sometimes, by independent specialized entities and in accordance with the generally accepted evaluation criteria for the real estate market. In the remaining cases, the determination of the market value is internally done, based on similar criteria to those considered by external estimators, considered the expectable discounted cash flows.

Costs incurred with investment properties in use, namely maintenance works, repairs, insurance and taxes, are recognized in the financial results of the corresponding period.

2.9 - Assets, liabilities and transactions in foreign currency

Transactions in currencies other than Euro are registered at the rates in force, at the transaction date. At each balance sheet date, pecuniary assets and liabilities expressed in foreign currency are converted into Euro, using the exchange rates in force on that date. Non-pecuniary assets and liabilities registered in accordance with their fair value expressed in foreign currency, are converted in Euro, using for that purpose the exchange rate in force at the date in which the fair value was determined.

The favourable and unfavourable difference in the exchange rate, derived from the differences between the exchange rates in force at the transactions' date and the ones in force at the date of the debt collection, payments or balance sheet date of the same transactions, are registered as profits and costs in the results statement of the period, except those regarding non-pecuniary items, which fair value variation is registered directly in the equity capital in item "Exchange rate conversion adjustments".

The conversion of the results statement of the subsidiary companies and associated companies expressed in foreign currency is done considering the exchange rate in force at the date of the balance sheet, for conversion of assets and liabilities, the historic exchange rate for the conversion of the balances in the equity capital and average exchange rate of the period items, for the conversion of the statements of results and cash flows.

The exchange rate effects of that conversion, after the 1st of January 2004, are registered in equity capital, in the "Exchange rate adjustments", being transferred to financial results at the time of the corresponding alienation of investments.

In accordance with IAS 21 – The effects of the alterations in exchange rates, the goodwill and the fair value corrections ascertained in the acquisition of foreign entities are considered to be denominated in the reporting currency of those entities, being converted into Euro at the exchange rate at the balance sheet date. The exchange rate differences thus generated are registered in the "Exchange rate adjustments" item.

2.10 - Financing costs

Costs with loans are recognized in the results statements of the period they refer to, except when the financial charges of the loans obtained are directly related with the acquisition, construction and production of assets that take a substantial period of time to be ready for the intended use, which are capitalized being part of the asset cost. The capitalization of these charges starts after the beginning of the construction activities preparation or asset development and is interrupted after the starting of its use, or final of production or construction of the asset, or when the project in question is suspended. Any financial profits generated by loans obtained beforehand and liable to be allocated to a specific investment are deducted to eligible financial costs for capitalization.

2.11 - Subsidies

Subsidies are recognized in accordance with their fair value when there is reasonable guaranty that they will be received and that the Group is going to comply with the required conditions for granting them..

Subsidies for operation, namely for employee training, are recognized in the financial statements, in accordance with the cost incurred as they become due.

Subsidies for investment, related to the acquisition of tangible fixed assets, are included in the items "Other current liabilities" and "Other non-current liabilities" (as applicable) and are credited in the financial results in constant quotas, in a consistent and proportional way to the depreciation of the assets which are being acquired.

2.12 - Stocks

Goods and raw materials are registered at cost, which is inferior to respective market value, using the average cost as costing method.

The finished and semi-finished goods, sub-products and works in progress are valued at weighted average cost of production, which includes the cost of incorporated raw materials, labour and general manufacture expenditures (considering the productive equipment depreciations calculated in accordance with the normal utilization levels), which is inferior to the net realisable value. The net realisable value corresponds to the normal selling price deducted of costs to complete production and the marketing costs.

Adjustments due to stocks depreciation are registered for the difference between the cost value and the respective stocks realization value, in the case the latter is inferior to the cost.

2.13 - Provisions

Provisions are recognized, when and only if the Group has a present obligation (legal or implicit) resulting from a past event, and it is likely that for the resolution of that obligation there is an outlet of resources and the obligation amount can be reasonably estimated. The provisions are reviewed at the date of each balance sheet and are adjusted in order to reflect a better estimate at that date.

The provisions for restructuring costs are recognized by the group whenever there is a formal and detailed restructuring plan and the same has been communicated to the parties involved.

2.14 - Report by segments

A business segment is a group of assets and operations involved in the supply of products or services subject to risks and benefits which are different from other business segments. A geographic segment is a group of assets and operations involved in the supply of products or services in a particular economic environment, that is subject to risks and benefits which are different from those carried out by segments that operate in other economic environments..

The Group presents the main business segments, in a coinciding way with the one in which management conducts its business.

2.15 - Operational results

Operational results include total operating costs and profits, recurrent or non-recurrent, including costs with restructurings, and costs and profits associated to operational assets (tangible fixed assets and other intangible assets). They also include capital gains or losses (increased or decreased values) ascertained in the company sale included in the consolidation by the integral or proportional consolidation method. Thus, the net financing costs, the results ascertained with associated companies (Note 22), with the other financial investments (Note 25) and the income taxes are excluded from the operational results.

2.16 - Financial instruments

Financial assets and financial liabilities are recognized whenever the Group becomes a part in the respective contractual relation.

Cash and cash equivalents

The amounts included in the item "Cash and cash equivalents" correspond to cash values, bank deposits, time deposits and other financial investment applications, becoming due within less than three months, and which can be immediately mobilizable with insignificant risk of changing the value.

Accounts receivable

Accounts receivable do not have implicit interest and are submitted by respective nominal value, deducted from the estimated realization losses.

Investments

Investments are recognized on the date in which the inherent risks and advantages are substantially transferred. Initially they are registered by their acquisition value, which is the fair value of the price paid, including transaction expenses.

The financial assets available for sale are financial investments which are available for sale and are classified as non-current assets.

After initial recognition, the financial assets available for sale are measured with reference to their market value at the balance sheet date, without any deduction regarding transaction costs that may occur until they are sold. Gains or losses deriving from the alteration of the fair value are registered in the equity capital, in the item "Fair value reserve" until the investment is sold, received or in any way alienated, or in the situations where it is deemed that there are losses due to impairment and it is in that moment that the accumulated gain or loss is registered in the financial statement.

The financial assets available for sale in equity capital instruments, which do not have a market price listed in an asset market and with a fair value which cannot be reliably measured, are denominated "Other investments". Other investments are measured by their acquisition cost deducted of any losses due to accumulated impairments.

Financial liabilities and capital instruments

Financial liabilities and the equity capital instruments are classified in accordance with the contractual substance, independently of the legal form they take. Equity capital instruments are contracts that give evidence of a residual interest in Group assets after deducting liabilities.

Equity capital instruments issued by the Group are registered with the net received value of costs borne incurred with their issue.

Accounts payable

Accounts payable do not have interest and are registered with their nominal value.

Bank loans

Loans are initially registered and recognized in liabilities for the nominal value received, net of expenditures with the issue of those loans and later on measured by the amortised cost method. Financial charges, calculated in accordance with the effective interest rate and including a premium to be paid calculated in accordance with the effective interest rate and including premiums to be paid, are accounted in accordance with the specialization principle of the financial years, being added to the accounting value of the loan if they are not fully settled during the financial year.

Derivative Financial Instruments and covering accounting

The contracting of derivative securities has the objective of carrying out the cover of the financial risk to which the group is exposed, deriving from variances in the interest rates. In this sense, the Group does not resort to the contracting of derivative securities with speculative objectives.

The resort to financial instruments complies with the internal policies approved by the Board of Directors.

The derivative securities are measured by their respective fair value. The recognition method depends on the nature and objective of its contracting.

Cover accounting

The possibility of designating a derivative security as a cover instrument complies with the provisions of IAS 39, namely regarding the respective documentation and effectiveness.

Variances in the fair value of derivative securities designated as fair value cover are recognized as financial results of the period, as well as the alterations in the fair value of the asset or liability subject to that risk.

Variances in the fair value of the derivative securities designated as cash-flow cover are registered in "Other reserves" in its effective component and in financial results in its non-effective component. Values registered in "Other reserves" are transferred to financial results in the period in which the covered item has also effect in results.

In relation to derivative securities designated as cover of a net investment in a foreign entity, respective variances are registered as "Exchange rate adjustments" in its efficient component. The non-efficient component of those variances is immediately recognized as financial results of the period. If the cover instrument is not a security, respective variances deriving from exchange rate variances are registered in the item "Exchange rate adjustments".

The accounting of the cover is discontinued when the cover instrument reaches its maturity, is sold or used, or when cover relations cease to fulfil the requirements established in IAS 39.

Negotiation instruments

In relation to the derivative securities that, although contracted with the objective of carrying out the economic coverage, in accordance with the risk management policies of the Group, do not fulfil all the provisions in IAS 39 regarding the possibility of qualification as cover accounting, respective variances in the fair value are registered in the financial statement of the period in which they take place.

2.17 - Responsibility with pensions

Some Group companies provide retirement insurance to their employees. This insurance was created within the scope of a social policy and incentives for employees and is of the exclusive initiative of those companies. Being characterized by its optional nature, it is exclusively up to the respective management that the contributions are done whenever they seem adequate, taking in consideration the performance and the economic and financial situation. The contributions made by the Group are registered as costs on the date they are due.

Notwithstanding its optional nature, the availability of the contributions made by the Group is limited to the conditions foreseen in the applicable tax legislation.

2.18 - Income tax

The income tax of the period is calculated based on the taxable results of the companies included in the consolidation and takes into consideration the deferred taxation.

The current income tax is calculated based on the taxable results (which differ from the accounting results) of the companies included in the consolidation, in accordance with the tax rules in force at each Group companies' registered head office.

Deferred taxes refer to the temporary differences between the assets and the liabilities amounts for accounting record purposes and the respective amounts for taxation purposes, as well as those resulting from tax benefits obtained.

The assets and liabilities due to deferred taxes are calculated and periodically evaluated using the taxation rates expected to be in force at the time of the temporary differences reversion and are not discounted.

The assets due to deferred taxes are only registered when there are reasonable expectations of getting enough future tax profits to be used. At the date of each balance sheet a re-appreciation of the underlying temporary differences is made to the assets due to deferred taxes in order to recognize them or adjust them according to the current expectation of future recovery.

2.19 - Contingent assets and liabilities

The contingent assets are not recognized in the consolidated financial statements but diffused in the note whenever it is likely to occur a future economic benefit.

The contingent liabilities are not recognized in the consolidated financial statements, the same being diffused in the note to the financial statement, unless the possibility of outlet of funds affecting future economic benefits is remote. In this case they shall not be subject to diffusion.

2.20 - Capital gain and accrual basis

Sales

Profits deriving from the sale of assets are recognized in the results statement whenever the following conditions have been fulfilled:

- The Group has transferred to the buyer the significant risks and advantages inherent to the ownership of the assets;
- The Group does not retain any continued management involvement in a degree generally associated to ownership, or the effective control of the assets sold;
- The amount of capital gain can be reliably measured;
- Likelihood that economic benefits associated to the transaction flow to the Group; and
- The costs incurred or being incurred regarding the transaction can be reliably measured.

Sales are recognized net of taxes, discounts and other costs inherent to its materialization for the fair value of the amount received or to be received.

Services rendered

Profits resulting from services rendered are recognized in the results statement with reference to the finishing stage of the services rendered at the date of the balance sheet.

Whenever the results of a construction contract can be reasonably estimated, the corresponding revenue and costs are recognized in accordance with the finishing percentage, as established in the IAS 11 - Construction contracts. According to this method, the profits directly related to the works in progress are recognized in the results statement, in accordance with its finishing percentage, which is determined by the ratio between the cost incurred and the total estimated costs of the works (incurred costs added to the costs to be incurred). The differences between the profits ascertained through the application of this method and the invoicing issued are accounted in the items "Other current assets" (Note 30) or "Other current liabilities" (Note 40), according to the nature of the differences.

Variances in the contracted works, claims and premiums are considered as they are being agreed and whenever it is possible its quantification with enough reliability.

So that the results of a contract can be reasonably estimated it is necessary that the following conditions are fulfilled:

- To be likely that the group obtains the economic benefits foreseen in the contract;
- The contract costs are identifiable and can be reasonably quantified;
- At the date of the balance sheet it must be possible that the costs required to complete construction, as well as the finishing degree of the same, can be sufficiently and reasonably quantified, so that the actual costs incurred can be compared to the initial estimates.

When it becomes likely that the costs exceed the contract profits, the expected loss is recognized as an immediate cost.

Accrual Basis

Profits and costs are registered according to the specialization principle of the financial years; therefore they are recognized as they are generated, independently of the moment in which they are received or paid.

The differences between the amounts received and paid and the corresponding profits and costs are registered in the items "Other assets (current and non-current)" and "Other liabilities (current and non-current)".

2.21 - Financial assets impairment and adjustments

At each balance sheet date the Group analyzes if there is objective evidence that a financial asset or a group of financial assets are at impairment.

Financial Assets available for sale

In the case of financial assets classified as available for sale, a long or significant decline in the fair value of the instrument below its cost is considered as an indicator that the instruments are at impairment. Should similar evidence exist for the financial assets classified as available for sale, the accumulated loss – measured as the difference between the acquisition cost and the current fair market value, less any loss of impairment of the financial asset that has been already recognized in the results – is removed from equity and recognized in the results statement. Loss of impairment in the capital instruments recognized in results is not reversed through the results statement.

Customers, debtors and other financial assets

Adjustments for value losses are registered whenever there are objective indicators that the Group is not going to receive all the amounts to which it is entitled to, in accordance with the original terms of the contracts established. Several indicators are used in their identification, such as:

- credit maturity;
- financial difficulties of the debtor;
- debtor's probable bankruptcy.

The adjustments are determined by the difference between the recoverable value and the balance value of the financial asset and are registered by counterpart of the year's results. The balance value of these assets is reduced to a recoverable value through the use of an adjustments account. Whenever an amount to receive from customers or debtors is considered as irrecoverable, it is written off by using the respective adjustments account. Subsequent recovery of amounts that were written off are registered under results.

2.22 - Results per share

Basic result per share is calculated dividing the result ascribable to the holders of ordinary capital within the parent company, by the pondered average number of ordinary shares in circulation during that period.

The diluted result per share is calculated dividing the adjusted result ascribable to the holders of ordinary capital within the parent company, by the pondered average number of ordinary shares in circulation during the period, adjusted by the potential diluting ordinary shares.

The potential diluting ordinary shares may result from options over shares and other financial instruments issued by the Group, convertible in shares within the Parent Company.

2.23 - Subsequent events

The events occurred after the balance sheet date which provide additional information on the existing conditions at the balance sheet date are adequately reflected in the consolidated financial statement.

The events after the balance sheet date that provide information on conditions that occur after the balance sheet date are diffused in the note to the consolidated financial statement. (Note 46).

3 - CHANGES OF POLICIES, ESTIMATES AND ERRORS

During the financial year ended on the 31st of December 2008, there were no changes in the accounting policies due to any considerations in the preparation of the financial information regarding the financial year ended on the 31st of December 2007 and referred in the respective note, nor were any material errors related to previous financial years registered.

4 - COMPANIES INCLUDED IN THE CONSOLIDATION PERIMETER

On the 31st of December 2008 were included in the consolidation, through the integral method, the Parent Company, Teixeira Duarte - Engenharia e Construções, S.A. and also the following controlled companies:

Company name	Registered Head Office	Percentage of effective holding
DOMESTIC MARKET		
CONSTRUCTION		
BEL-ere - Engenharia e Reabilitação de Estruturas, S.A.	Edifício 1, Lagoas Park Porto Salvo	100.00%
EPOS - Empresa Portuguesa de Obras Subterrâneas, S.A.	Edifício 1, Lagoas Park Porto Salvo	100.00%
OFM - Obras Públicas, Ferroviárias e Marítimas, S.A.	Edifício 1, Lagoas Park Porto Salvo	60.00%
PERFORESC - Perfurações e Escavações, ACE	Edifício 1, Lagoas Park Porto Salvo	100.00%
SOMAFEL - Engenharia e Obras Ferroviárias, S.A.	Edifício 1, Lagoas Park Porto Salvo	60.00%
CEMENT, CONCRETE AND AGGREGATES		
C + P.A. - Cimento e Produtos Associados, S.A.	Edifício 1, Lagoas Park Porto Salvo	52.00%
MARINERTES, S.A.	Edifício 1, Lagoas Park Porto Salvo	51.00%

Company name	Registered Head Office	Percentage of effective holding
CONCESSIONS AND SERVICES		
BONAPAPPEL - Artigos de Papelaria e Equipamentos	Edifício 2, Lagoas Park	100.00%
Informáticos - Unipessoal, Lda.	Porto Salvo	
INVICTAAMBIENTE - Recolha de Resíduos e Limpeza Pública, S.A.	Praça do Bom Sucesso, nº 61 - Escritórios 501 e 502	100.00%
	Porto	
RECOLTE - Recolha, Tratamento e Eliminação de Resíduos, S.A.	Edifício 1, Lagoas Park	100.00%
	Porto Salvo	
SATU-Oeiras - Sistema Automático de Transporte Urbano, E.M.	Edifício Paço de Arcos, E.N. 249/3	49.00%
	Paço de Arcos	
TDGI - Tecnologia de Gestão de Imóveis, S.A.	Edifício 1, Lagoas Park	100.00%
	Porto Salvo	
TDHOSP - Gestão de Edifício Hospitalar, S.A.	Edifício 2, Lagoas Park	100.00%
	Porto Salvo	
REAL ESTATE DEVELOPMENT		
BONAPARTE - Imóveis Comerciais e Participações, S.A.	Edifício 2, Lagoas Park	100.00%
	Porto Salvo	
Fundo de Investimento Imobiliário Fechado TDF	Edifício 2, Lagoas Park	100.00%
	Porto Salvo	
GFF - Empreendimentos Imobiliários, Lda.	Av. Infante Santo, nº 64 C, 1º Esq.	100.00%
	Lisboa	
IMOPEDROUÇOS - Sociedade Imobiliária, S.A.	Edifício 2, Lagoas Park	100.00%
	Porto Salvo	
IMOTD - SGPS, S.A.	Edifício 2, Lagoas Park	100.00%
	Porto Salvo	
MARTINS & ESTEVES, S.A.	Av. Infante Santo, nº 64 C, 1º Esq.	100.00%
	Lisboa	
PARCAUTO - Sociedade Imobiliária, S.A.	Edifício 2, Lagoas Park	99.80%
	Porto Salvo	
QUINTA DE CRAVEL - Imobiliária, S.A.	Edifício 2, Lagoas Park	100.00%
	Porto Salvo	
TDE - Empreendimentos Imobiliários, S.A.	Edifício 2, Lagoas Park	100.00%
	Porto Salvo	
TD VIA - Sociedade Imobiliária, S.A.	Edifício 2, Lagoas Park	93.75%
	Porto Salvo	
TDF - Sociedade Gestora de Fundos de Investimento Imobiliário, S.A.	Edifício 2, Lagoas Park	100.00%
	Porto Salvo	
Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A.	Edifício 2, Lagoas Park	100.00%
	Porto Salvo	
TRANSBRITAL - Transportes e Britas Pio Monteiro & Filhos, S.A.	Pedreira das Perdigueiras - Laveiras	100.00%
	Paço de Arcos	
V8 - Gestão Imobiliária, S.A.	Edifício 2, Lagoas Park	99.90%
	Porto Salvo	
HOTEL SERVICES INDUSTRY		
ESTA - Gestão de Hotéis, S.A.	Edifício 2, Lagoas Park	100.00%
	Porto Salvo	
EVA - Sociedade Hoteleira, S.A.	Av. República, nº 1	100.00%
	Faro	
LAGOASFUT - Equipamento Recreativo e Desportivo, S.A.	Edifício 2, Lagoas Park	100.00%
	Porto Salvo	
LAGOAS HOTEL, S.A.	Edifício 2, Lagoas Park	100.00%
	Porto Salvo	

Company name	Registered Head Office	Percentage of effective holding
ROCHORIENTAL - Sociedade Hoteleira, 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 - SGPS, 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%
FUEL SALES		
ACG - Distribuição e Comércio de Gás, S.A. (a)	Rua das Lagoas - Campo Raso Sintra	34.53%
AP GÁS - Distribuição e Comércio de Gás, S.A. (a)	Rua das Lagoas - Campo Raso Sintra	34.53%
DIGAL - Distribuição e Comércio, S.A. (a)	Rua das Lagoas - Campo Raso Sintra	32.06%
DNGÁS - Distribuição e Comércio de Gás, S.A. (a)	Rua das Lagoas - Campo Raso Sintra	49.33%
GOMES & OLIVEIRA, S.A. (a)	Rua das Lagoas - Campo Raso Sintra	34.53%
LUBRILAMEIRÃO, Lda. (a)	Av. da Liberdade, nº 666 Fafe	47.99%
MERCAPETRO - Produtos Petrolíferos, S.A. (a)	Rua Óscar da Silva, 2243 Leça da Palmeira	27.99%
MULTIGÁS - Sociedade Comercial e Distribuidora de Gás, S.A. (a)	Rua das Lagoas - Campo Raso Sintra	34.53%
PETRIN - Petróleos e Investimentos, S.A. (a)	Edifício 1, Lagoas Park Porto Salvo	47.24%
PETROSÓRIO - Combustíveis e Lubrificantes, Lda.	Estrada Exterior da Circunvalação Rio Tinto	98.65%
PPS - Produtos Petrolíferos, S.A. (a)	Edifício 1, Lagoas Park Porto Salvo	49.33%
PTG - SGPS, S.A.	Edifício 1, Lagoas Park Porto Salvo	98.65%
TANQUIGÁS - Distribuição e Comércio de Gás, S.A. (a)	Rua das Lagoas - Campo Raso Sintra	34.53%
TDARCOL - SGPS, S.A.	Edifício 1, Lagoas Park Porto Salvo	49.33%
Transportes Centrais de Matosinhos, Lda. (a)	Edifício 1, Lagoas Park Porto Salvo	49.33%
VEHICLE SALES		
TDO - Investimento e Gestão, Lda.	Rua das Pretas, 4 - Fracção 4 D Funchal	100.00%
VTD - Veículos Automóveis, S.A.	Edifício 1, Lagoas Park Porto Salvo	100.00%
OTHERS		
TDCIM - SGPS, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
TDEMPA - Gestão de Participações e Investimentos, S.A.	Rua das Pretas, 4 - Fracção 4 D Funchal	70.00%

Company name	Registered Head Office	Percentage of effective holding
TDO - SGPS, S.A.	Rua das Pretas, 4 - Fracção 4 D Funchal	100.00%
TEDAL - SGPS, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
EXTERNAL MARKET		
ANGOLA		
CEMENT, CONCRETE AND AGGREGATES		
ANGOCIME - Cimentos de Angola, Lda.	Rua Comandante Che Guevara, 67 - 1º D Luanda	100.00%
BETANGOLA - Betões e Pré-Fabricados de Angola, Lda.	Rua Comandante Che Guevara, 67 - 1º D Luanda	100.00%
CONCESSIONS AND SERVICES		
EDUCARE - Actividades Educativas e Culturais, Lda.	Rua Amílcar Cabral, 27 - R/C C Luanda	100.00%
TDGI - Tecnologia de Gestão de Imóveis, Lda.	Rua Comandante Che Guevara, 67 - 1º D Luanda	100.00%
REAL ESTATE DEVELOPMENT		
AFRIMO - Empreendimentos Imobiliários, Lda.	Rua Amílcar Cabral, 51 - 1º C Luanda	51.00%
ANGOPREDIAL - Empreendimentos Imobiliários, Lda.	Rua Amílcar Cabral, 27 - R/C D Luanda	100.00%
CASANGOL - Gestão Imobiliária, Lda.	Rua Amílcar Cabral, 27 - R/C D Luanda	100.00%
IMOAFRO - Empreendimentos Imobiliários, Lda.	Rua Amílcar Cabral, 27 - R/C D Luanda	100.00%
Teixeira Duarte - Engenharia e Construções (Angola), Lda.	Rua Amílcar Cabral, 27 - R/C D Luanda	100.00%
URBÁFRICA - Sociedade Imobiliária, Lda.	Rua Amílcar Cabral, 35 - 5º C Luanda	90.00%
URBANGO - Gestão Imobiliária, Lda.	Rua Amílcar Cabral, 27 - R/C D Luanda	100.00%
HOTEL SERVICES INDUSTRY		
ALVALADE - Empreendimentos Turísticos e Hoteleiros, Lda.	Rua Comandante Gika - Bairro Maiango Luanda	100.00%
ANGOIMO - Empreendimentos e Construções, Lda.	Rua Amílcar Cabral, 35 - 5º C Luanda	100.00%
Serafim L. Andrade, S.A.R.L.	Rua da Missão, 103 Luanda	80.00%
FOOD TRADE		
MAXI - Comércio Geral, Importação e Exportação, Lda.	Rua Amílcar Cabral, 51 - 1º C Luanda	100.00%
MAXI RETAIL - Comércio Geral, Lda.	Avenida Pedro de Castro Van-Dúnem Luanda	100.00%

Company name	Registered Head Office	Percentage of effective holding
VEHICLE SALES		
AUTO COMPETIÇÃO Angola, Lda.	Rua Eugénio de Castro, Instalações do Cine Atlântico - Luanda	85.30%
COMÉRCIO DE AUTOMÓVEIS, Lda.	Rua Frederich Engels, 9 Luanda	100.00%
TDA - Comércio e Indústria, Lda.	Rua Amílcar Cabral, nº 27 R/C, Letra C Luanda	100.00%
TOPCAR - Aluguer de Viaturas, Lda.	Rua Amílcar Cabral, nº 27 R/C, Letra C Luanda	100.00%
VAUCO - Automóveis e Equipamentos, Lda.	Rua Ho Chi Min (Largo 1º de Maio) Luanda	51.00%
VTD - Veículos Automóveis Angola, Lda	Via A-1, Lote CCB-5 - Pólo Automóvel Luanda	97.80%
ALGERIA		
CONSTRUCTION		
TEIX.CO, SPA	BP 62B Zone D'Active Dar El Beida Alger	50.00%
TEIXEIRA DUARTE ALGERIE, SPA	Parc Miremont, Rue A, nº 136 Bouzareah Alger	99.94%
BRAZIL		
CONSTRUCTION		
EMPA - Serviços de Engenharia, S.A.	Rua Major Lopes, 800 Bairro São Pedro - Belo Horizonte	70.00%
CONCESSIONS AND SERVICES		
EMPA Logística, Ltda.	Rua Major Lopes, 800 - sala 410 Bairro São Pedro - Belo Horizonte	68.83%
Indaia Grande Energia, S.A.	Rua Major Lopes, 800 - sala 302 Bairro São Pedro - Belo Horizonte	70.00%
REAL ESTATE DEVELOPMENT		
TDPG - Empreendimentos Imobiliários e Hoteleiros, Ltda.	Avenida Domingos Ferreira nº 4060, sala 301 Boa Viagem - Cidade de Recife	100.00%
TDSP - Participações, Ltda.	Rua Iguatemi, nº 448, 14º andar, Conjunto 1401 Itaim Bibi - São Paulo	100.00%
TDSP - Elisa de Moraes Empreendimentos Imobiliários, Ltda.	Rua Afonso Sardinha, nº 95, Conjunto 52, Sala 37 Lapa - São Paulo	90.00%
TDSP - Bela Vista Empreendimentos Imobiliários, SPE, Ltda.	Rua Iguatemi, nº 448, 14º andar, Conjunto 1401 Itaim Bibi - São Paulo	92.65%
TDSP - Galeno de Castro, Empreendimentos Imobiliários, SPE, Ltda.	Rua Iguatemi, nº 448, 14º andar, Conjunto 1401 Itaim Bibi - São Paulo	92.65%
TDSP - Maratona, Empreendimentos Imobiliários, SPE, Ltda.	Rua Iguatemi, nº 448, 14º andar, Conjunto 1401 Itaim Bibi - São Paulo	92.65%
TDSP - Direitos Humanos, Empreendimentos Imobiliários, SPE, Ltda.	Rua Iguatemi, nº 448, 14º andar, Conjunto 1401 Itaim Bibi - São Paulo	92.65%
TDSP - 03, Ltda.	Rua Iguatemi, nº 448, 14º andar, Conjunto 1401 Itaim Bibi - São Paulo	92.65%

Company name	Registered Head Office	Percentage of effective holding
TDSP - 04, Ltda.	Rua Iguatemi, nº 448, 14º andar, Conjunto 1401 Itaim Bibi - São Paulo	99.95%
TDSP - 05, Ltda.	Rua Iguatemi, nº 448, 14º andar, Conjunto 1401 Itaim Bibi - São Paulo	99.95%
TDSP - 06, Ltda.	Rua Iguatemi, nº 448, 14º andar, Conjunto 1401 Itaim Bibi - São Paulo	99.95%
TDSP - 07, Ltda.	Rua Iguatemi, nº 448, 14º andar, Conjunto 1401 Itaim Bibi - São Paulo	99.95%
SPAIN		
CONCESSIONS AND SERVICES		
G.S.C. - Compañía General de Servicios y Construcción, S.A. SOCIEDAD UNIPERSONAL	Av. Alberto Alcocer, 24 - 7º Madrid	100.00%
GIBRALTAR		
CONSTRUCTION		
Teixeira Duarte International, LTD.	23, Portland House - Glacis Road Gibraltar	100.00%
MACAO		
CONSTRUCTION		
Teixeira Duarte - Engenharia e Construções (Macau), Lda.	Rua de Xangai, 175 Edifício Assoc. Comercial de Macau, 10 A Macau	100.00%
MOZAMBIQUE		
CONSTRUCTION		
Teixeira Duarte - Engenharia e Construções (Moçambique), Lda.	Av. Julius Nyerere, 627 Maputo	72.66%
CONCESSIONS AND SERVICES		
TDGI - Tecnologia de Gestão de Imóveis, Lda.	Av. 24 de Julho, 141 Maputo	67.41%
REAL ESTATE DEVELOPMENT		
IMOPAR - Centro Comercial de Maputo, S.A.R.L.	Av. 24 de Julho, 135 Maputo	100.00%
HOTEL SERVICES INDUSTRY		
AVENIDA - Empreendimentos Turísticos e Hoteleiros, Lda.	Av. Julius Nyerere, 627 Maputo	100.00%
Sociedade Hotel Tivoli, Lda.	Av. 25 de Setembro, 1321 Maputo	65.00%

Company name	Registered Head Office	Percentage of effective holding
TIVOLI BEIRA - Hotelaria e Serviços, Lda.	Av. Julius Nyerere, 130 R/C Beira	98.63%
NAMIBE		
CEMENT, CONCRETE AND AGGREGATES		
KARIBIB Portland Cement (PTY) (b)	P O Box 9574 Windhoek Namíbia	49.40%
RUSSIA		
CEMENT, CONCRETE AND AGGREGATES		
MMK Cement, Limited Liability Company (b)	Murmansk Rússia	36.40%
SAO TOME AND PRINCIPE		
HOTEL SERVICES INDUSTRY		
PROMOTUR, Lda	Praia Messias Alves Santana	55.00%
UKRAINE		
CEMENT, CONCRETE AND AGGREGATES		
Limited Liability Company Cement	Khutorskya Str., 70 Odessa	52.00%
VENEZUELA		
CONSTRUCTION		
TEGAVEN - Teixeira Duarte y Asociados, C.A.	Av. Este, 6 - Edif. Centro Parque Carabobo, Piso 6, Of. 601 - Caracas Venezuela	31.71%

(a) The Group holds the control of these subsidiaries through subsidiary TDARCOL - SGPS, S.A.

(b) The Group holds the control of this subsidiary through subsidiary C+P.A., S.A.

5 - CHANGES IN THE PERIMETER CONSOLIDATION

The main changes occurred in the consolidation perimeter of the financial year ended on the 31st of December 2008, were the following:

Entrances

Company name	Registered Head Office	Percentage of capital held	
		Direct	Total
PROMOTUR, Lda.	Praia Messias Alves - Santana - S. Tomé e Príncipe	-	55.00%
TDF - Sociedade Gestora de Fundos de Investimento Imobiliário, S.A.	Edifício 2, Lagoas Park - Porto Salvo	-	100.00%

The entrance of the above referred companies, effective from the control acquisition date of the same, has the following impact in the consolidated financial statement of the 31st of December 2008:

	Promotur	TDF	Total
Acquired net assets and liabilities:			
Tangible assets (Note 20)	265	2	267
Intangible assets (Note 19)	29	-	29
Stocks (Note 9)	29	-	29
Customers and other debtors	110	24	134
Cash and cash equivalents	45	640	685
Other current assets	61	93	154
Suppliers and other creditors	(314)	-	(314)
Other current liabilities	(1,174)	(84)	(1,258)
	(949)	675	(274)
Acquired net position	(522)	339	(183)
Goodwill (Note 18)	743	-	743
Acquisition price	221	339	560
Payments done (Note 29) (a)	743	339	1,082
Provision for risks and charges	(522)	-	(522)
	221	339	560

(a) – on the 31st of December 2007, an advance on account of Promotur, Lda. acquisition has been done, amounting to 607 thousand Euros.

Exits

Company name	Registered Head Office	Percentage of capital held	
		Direct	Total
TEPORSET - Terminal Portuário de Setúbal, S.A.	Edifício 1, Lagoas Park - Porto Salvo	-	52.00%
TDSP - Dom Jaime Empreendimentos Imobiliários, SPE, Ltda	Rua Iguatemi, nº 448, 14º andar, Conjunto 1401 - São Paulo	-	88.00%

The impact of the above referred consolidation perimeter exits was as follows:

Tangible assets (Note 20)	5,602
Cash and cash equivalents	100
Stocks (Note 10)	964
Other current assets	1,236
Deferred taxes (Note 26)	11
Suppliers and other creditors	(1,646)
Other current liabilities	(4,837)
Net assets alienated	1,430
Minor interests	(339)
Added Value obtained (Note 8)	32
Exchange value of holdings	(623)
Net value received (Note 29)	500

6 - EXCHANGE RATE QUOTATIONS

Quotations to convert into Euros the assets and liabilities expressed in foreign currency on the 31st of December 2008 and 2007, as well as the results of the geographical segments, outside Portugal, of the financial years ended on those dates, were the following:

Currency	Closing rate of exchange		Average exchange rate	
	2008	2007	2008	2007
US Dollar	1.3917	1.4721	1.4722	1.3745
Pataca of Macao	11.1094	11.8244	11.8055	11.0426
Mozambican Metical	35.2500	34.8300	35.6554	35.4815
Venezuelan Bolívar	2.9884	3,160.6000	3.1620	2,952.2708
Angolan Kwanza	106.1945	110.2090	110.7672	105.3990
Algerian Dinar	98.2937	99.4551	95.5932	95.4379
Moroccan Dirham	11.2665	11.4042	11.3652	11.2275
Brazilian Real	3.2436	2.5963	2.6694	2.6644
Ukrainian Hryvnia	11.2032	7.4341	7.8773	6.9257
Namibian Dollar	13.0667	10.0298	11.9283	9.64741
San Tomé and Príncipe Dobra	21,468.60	20,947.87	21,697.51	n/a
Russian Ruble	41.2830	35.986	36.6905	n/a
Tunisian Dinar	1.8318	1.803	1.8081	n/a

7 - BUSINESS AND GEOGRAPHICAL SEGMENTS

As referred in Note 2.14, the Group submits as main segments the business segments, in a coinciding way with those in which the Management conducts the business.

The main activities developed by the group are grouped in the following business segments:

- Construction
- Cement, concrete and aggregates
- Concessions and services
- Real Estate Development
- Hotel Services Industry
- Food trade
- Fuel sales
- Vehicle sales

The sales and services rendering and the results of each above referred business segment, in the financial years ended on the 31st of December 2008 and 2007, were the following:

Business Segment	Sales and services rendered						Operating Results	
	2008			2007			2008	2007
	External Customers	Inter-segments	Total	External Customers	Inter-segments	Total		
Construction	686,058	107,071	793,129	500,536	63,112	563,648	4,588	18,037
Cement, Concrete and aggregates	33,088	16,311	49,399	21,380	9,437	30,817	2,880	5,790
Concessions and services	41,920	5,803	47,723	32,911	8,779	41,690	2,177	(2,881)
Real Estate Development	52,183	13,072	65,255	61,889	9,877	71,766	74,926	36,681
Hotel Services Industry	68,135	7,142	75,277	60,614	2,926	63,540	20,527	16,426
Food Trade	102,462	128	102,590	89,255	202	89,457	7,400	8,605
Fuel Sales	148,574	2,651	151,225	128,559	1,901	130,460	3,422	2,482
Vehicles Sales	158,653	20,349	179,002	116,369	866	117,235	28,271	14,417
Not allocated to any segment	-	-	-	-	-	-	(12,086)	(28,002)
Write-offs	-	(172,527)	(172,527)	-	(97,100)	(97,100)	(1,011)	(1,649)
	1,291,073	-	1,291,073	1,011,513	-	1,011,513	131,094	69,906

The inter-segment transactions are done at market prices.

Other information:

Business Segment	Expenditures with fixed assets		Depreciations and amortizations in results		Provisions and losses due to impairment	
	2008	2007	2008	2007	2008	2007
Construction	105,848	78,578	32,561	25,646	-	(50)
Cement, Concrete and aggregates	20,321	31,118	3,603	1,693	796	-
Concessions and services	32,933	15,203	4,067	3,594	8	-
Real Estate	49,638	20,447	3,957	2,111	937	70
Hotel Services and Hospitality Industry	4,883	4,541	5,934	5,236	-	-
Food Trading	13,591	19,568	1,056	987	-	-
Petroleum Products Sales	10,706	12,678	2,819	2,935	56	37
Vehicles Sales	2,759	18,435	930	885	21	-
Not allocated to any segment	35,186	30,170	3	1	-	-
	275,865	230,738	54,930	43,088	1,818	57

Business Segment	Assets						Liabilities	
	2008			2007			2008	2007
	Investments in associated companies	Other assets	Total	Investments in associated companies	Other assets	Total		
Construction	18,723	1,725,130	1,743,853	252,806	1,222,259	1,475,065	1,013,126	942,102
Cement, Concrete and aggregates	51,834	197,842	249,676	37,902	255,091	292,993	106,725	79,539
Concessions and services	-	167,002	167,002	-	106,435	106,435	139,006	73,007
Real Estate	933	2,372,255	2,373,188	1,291	1,948,204	1,949,495	2,068,203	1,551,074
Hotel Services and Hospitality Industry	173	230,585	230,758	-	196,767	196,767	155,295	123,270
Food Trading	-	94,908	94,908	-	62,590	62,590	83,802	55,567
Petroleum Products Sales	1,149	73,496	74,645	92	99,016	99,108	52,791	49,012
Vehicles Sales	-	168,547	168,547	-	96,636	96,636	98,398	74,229
Not allocated to any segment	818,813	466,142	1,284,955	568,010	578,279	1,146,289	24,707	15,899
Write-offs	-	(3,209,495)	(3,209,495)	-	(2,202,868)	(2,202,868)	(902,948)	(575,574)
	891,625	2,286,412	3,178,037	860,101	2,362,409	3,222,510	2,839,105	2,388,125

Sales and services rendering by geographical segment present the following composition in the financial years ended on the 31st of December 2008 and 2007:

Geographical Segment	2008	2007
Portugal	553,355	489,760
Angola	445,015	334,027
Algeria	135,042	64,708
Brazil	53,410	39,384
Ukraine	27,560	20,623
Spain	26,782	24,000
Mozambique	26,034	28,514
Morocco	13,177	4,812
Venezuela	9,090	4,396
France	917	1,129
San Tomé and Príncipe	383	124
Tunisia	262	-
Macao	46	36
	1,291,073	1,011,513

8 - OPERATING PROFIT

In the financial years ended on the 31st December 2008 and 2007, the operating profit was as follows:

	2008	2007
Sales and services rendered:		
Sales	1,021,757	714,604
Services Rendered	269,316	296,909
	1,291,073	1,011,513
Other operating profits:		
Fair value variance of investment property (Note 21)	56,550	13,005
Supplementary profits	10,727	7,268
In-house works (a)	6,693	14,213
Adjustment reversion of accounts receivable	3,311	1,107
Corrections of previous financial years	1,028	2,605
Assets alienation (b)	241	8,139
Benefits from contractual penalties	143	590
Subsidies for investment	104	442
Gains in Stocks	56	1,160
Stocks adjustments reversion (Note 10)	12	1,262
Subsidies for operation	11	4
Other operating profits	7,232	5,419
	86,108	55,214
	1,377,181	1,066,727

(a) In-house works correspond essentially to costs associated to construction of real estate in the Lagoas Park development.

(b) The gains indicated were essentially obtained with the alienation of tangible fixed assets amounting to 209 thousand Euros (5,922 thousand Euros in 2007) and with the alienation of assets and liabilities of companies that left the consolidation perimeter in the financial year ended on 31st December 2008, amounting to 32 thousand Euros (2,217 thousand Euros in 2007) (Note 5).

9 - COST OF SALES

During the financial years ended on the 31st December 2008 and 2007, the cost of Sales was as follows:

	Consummable materials	Goods	Total
Gross Assets:			
Balance on the 1 st January 2007	13,463	81,219	94,682
Perimeter change	-	3,176	3,176
Regularizations	(144)	7,039	6,895
Purchases	129,269	297,337	426,606
Cost of financial year	(124,452)	(277,948)	(402,400)
Balance on the 31st December 2007	18,136	110,823	128,959
Balance on the 1 st January 2008	18,136	110,823	128,959
Perimeter change (Note 5)	-	29	29
Regularizations	(172)	5,031	4,859
Purchases	163,796	421,854	585,650
Cost of financial year	(155,850)	(397,619)	(553,469)
Balance on the 31st December 2008	25,910	140,118	166,028
Accumulated adjustments in Stocks:			
Balance on the 1 st January 2007	453	2,777	3,230
Perimeter change	-	291	291
Reinforcements (Note 13)	-	303	303
Utilizations	-	(291)	(291)
Regularizations	(48)	(238)	(286)
Balance on the 31st December 2007	405	2,842	3,247
Balance on the 1 st January 2008	405	2,842	3,247
Reinforcements (Note 13)	458	447	905
Utilizations	(322)	(268)	(590)
Regularizations	(112)	(369)	(481)
Balance on the 31st December 2008	429	2,652	3,081
Net value on the 31st December 2007	17,731	107,981	125,712
Net value on the 31st December 2008	25,481	137,466	162,947

10 - PRODUCTION VARIANCE STATEMENT

The production variance statement which took place in the financial years ended on the 31st December 2008 and 2007 is as follows:

	Products and works in progress	Finished goods	Total
Gross assets:			
Balance on 1 st January 2007	114,670	20,205	134,875
Perimeter change	5,705	-	5,705
Regularizations	4,952	20,392	25,344
Increase / decrease of the financial year	9,809	(10,778)	(969)
Balance on the 31st December 2007	135,136	29,819	164,955
Balance on the 1 st January 2008	135,136	29,819	164,955
Perimeter change (Note 5)	(964)	-	(964)
Regularizations	5,006	(6,422)	(1,416)
Increase / decrease of the financial year	50,781	1,902	52,683
Balance on the 31st December 2008	189,959	25,299	215,258
Accumulated adjustments in stocks:			
Balance on the the 1 st January 2007	3,313	520	3,833
Reinforcements (Note 13)	26	-	26
Decreases (Note 8)	(742)	(520)	(1,262)
Balance on the 31st December 2007	2,597	-	2,597
Balance on the 1 st January 2008	2,597	-	2,597
Reinforcements (Note 13) (a)	9,903	-	9,903
Decreases (Note 8)	(12)	-	(12)
Balance on the 31st December 2008 (Note 31)	12,488	-	12,488
Net value on the 31st December 2007	132,539	29,819	162,358
Net value on the 31st December 2008	177,471	25,299	202,770

(a) The reinforcements to adjustments in stocks refer to estimated losses to be incurred in construction contracts (Note 2.20).

On the 31st December 2008 and 2007, the products and works in progress refer to the following:

	2008	2007
Construction Contracts (Note 31)	61,649	27,461
Real Estate Developments	128,310	107,675
	189,959	135,136

On the 31st December 2008 and 2007, the real estate developments are being developed by the following entities:

	2008	2007
V8 - Gestão Imobiliária, S.A.	28,559	19,867
TD VIA - Sociedade Imobiliária, S.A.	24,020	22,194
QUINTA DE CRAVEL - Imobiliária, S.A.	18,066	26,128
Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A.	13,326	-
TDSP - Bela Vista, Empreendimentos Imobiliários, SPE, Ltda.	12,186	14,614
TDSP - Direitos Humanos, Empreendimentos Imobiliários, SPE, Ltda.	6,861	5,549
TDSP - Maratona, Empreendimentos Imobiliários, SPE, Ltda.	6,712	2,798
TDSP - Galeano de Castro, Empreendimentos Imobiliários, SPE, Ltda.	6,706	7,513
PARCAUTO - Sociedade Imobiliária, S.A.	5,767	5,342
TDSP - Elisa de Moraes - Empreendimentos Imobiliários, Ltda.	2,259	2,378
IMOPEDROUÇOS - Sociedade Imobiliária, S.A.	1,548	-
ANGOIMO - Empreendimentos e Construções, Lda.	347	328
TDSP - Dom Jaime, Empreendimentos Imobiliários, SPE, Ltda.	-	964
Others	1,953	-
	128,310	107,675

11 - COSTS WITH PERSONNEL

The average number of employees in the financial years ended on the 31st December 2008 and 2007, by business segment, was the following:

	2008	2007
Construction	9,062	7,089
Cement, Concrete and aggregates	490	456
Concessions and services	984	860
Real Estate Development	83	66
Hotel Services Industry	1,387	1,192
Food Trade	440	394
Fuel Sales	252	247
Vehicles Sales	458	413
Others	1	-
	13,157	10,717

The costs with personnel in the financial years ended on those dates were as follows:

	2008	2007
Wages	115,982	91,535
Other remunerations	57,249	53,655
Expenditures with remunerations	29,370	25,967
Insurances	6,659	4,359
Retirements benefits (a)	1,121	2,288
Other costs with personnel	7,506	6,444
	217,887	184,248

(a) The charges with pension benefits correspond to contributions made for the pension insurance (Note 2.17).

12 - OPERATIONAL LEASING CONTRACTS

In the financial years ended on the 31st December 2008 and 2007, the costs of 593 thousand Euros and 551 thousand Euros were recognized, respectively, regarding revenues from operational leasing contracts.

The revenues from operational leasing contracts maintained by the Group on the 31st December 2008 and 2007, have the following due dates:

	2008	2007
2008	-	344
2009	520	168
2010	426	54
2011	342	29
2012 and following years	188	-
	1,476	595

13 - OTHER OPERATIONAL COSTS

The other operational costs in the financial years ended on the 31st December 2008 and 2007 were as follows:

	2008	2007
Taxes	29,016	25,895
Adjustment to Stocks (Notes 9 and 10)	10,808	329
Losses in Stocks	4,442	2,227
Adjustment variance of investment property (Note 21)	3,287	5,987
Adjustment to receivables	2,266	4,917
Corrections to previous financial years	1,537	469
Losses incurred in the alienation of assets (a)	794	9,962
Fines and penalties	495	239
Donations	460	511
Stocks Offers and Samples	357	264
Levies	238	192
Expenditures with industrial property	116	10
Uncollectible debts	71	98
Other operating costs	5,568	3,937
	59,455	55,037

(a) On the 31st December 2008, the reinforcements to adjustments in stocks essentially refer to estimated losses to be incurred in construction contracts amounting to 9,903 thousand Euros (26 thousand Euros in 2007) (Note 2.20).

(b) The indicated losses were incurred, essentially, with the alienation of tangible fixed assets, amounting to 738 thousand Euros (1,888 thousand Euros in 2007) and with the alienation of 5% of KARIBIB Portland Cement (PTY) and of TEJOVILLAGE – Promoção Imobiliária, S.A., ECT – Empresa de Comércio de Tabacos, Lda. and of EUROGTD – Sistemas de Informação, S.A. that left the consolidation perimeter in the financial year ended on 31st December 2008, amounting to 56 thousand Euros (8,074 thousand Euros in 2007).

14 - FINANCIAL RESULTS

The financial results of the financial years ended on the 31st December 2008 and 2007, were the following:

	2008	2007
Financial Costs and Losses:		
Interest paid	121,444	88,295
Unfavourable exchange rate differences	50,357	25,290
Other financial costs and losses	19,411	10,464
	191,212	124,049
Financial profits and gains:		
Interest received	23,811	30,099
Favourable exchange rate differences	44,487	8,142
Discounts for cash payments	785	702
Other financial profits and gains	1,710	408
	70,793	39,351
Results related to investment activities:		
Results related to associated companies (a)	58,647	108,011
Dividends (b)	2,938	16,938
Other investments	(504)	(8)
Benefits / losses in assets available for sale (Note 24)	(536,101)	23,624
	(475,020)	148,565
Financial results	(595,439)	63,867

(a) The results regarding associated companies in the financial year ended on the 31st December 2008, include the effect of the equity method application to the investments in associated companies of 58,754 thousand Euros (65,681 thousand Euros in 2006) (Note 22), as well as capital losses ascertained in the alienation of shares of CIMPOR - Cimentos de Portugal, SGPS, S.A., amounting to 107 thousand Euros (2,822 thousand Euros in 2007) (Note 22).

(b) On the 31st December 2008 the values submitted correspond to the dividends received from the financial assets available for sale of 1,352 thousand Euros and the remaining of the "Other Investments", while on the 31st December 2007, the values submitted correspond essentially to dividends received from financial assets available for sale, of 15,666 thousand Euros.

On the 31st December 2008 was capitalized interest amounting to 6,984 thousand Euros (4,839 thousand Euros in 2007).

15 - INCOME TAX

Teixeira Duarte - Engenharia e Construções, S.A and the generality of its investee companies in Portugal, are subject to Corporate Income Tax ("IRC"), currently at the rate of 25% and to Local Tax up to the maximum rate of 1.5% on taxable profits. When ascertaining the taxable amount, to which the referred tax rate is applied, the amounts not accepted under taxes are added and deducted from the accounting results. These differences between the accounting results and the tax results may be of a temporary or permanent nature.

The Company and the holdings held in investee companies with at least 90%, located in Portugal, are subject to the special taxation scheme of company groups (since the financial year of 2003). This scheme consists in the aggregation of the taxable results of all the companies included in the taxation perimeter, as established in article 63 of the IRC Code, deducted from the distributed dividends, thus applying the IRC rate to the global results so obtained, plus the respective local tax.

In accordance with the legislation in force, tax statements are subject to be reviewed and corrected by the tax authorities for a period of four years (ten years for Social Security, up to 2000 including, and five years as of 2001), except when there has been tax losses, tax benefits have been granted, or inspections, claims or impugnation are in progress, in which case, depending on the circumstances, the deadlines are extended or suspended. Thus, the tax statements of the Group, from 2005 to 2008 may still be subject to review. The Board of Directors believes that eventual corrections resulting from tax reviews/inspections to those statements shall not have significant effect in the financial statements on the 31st December 2008.

The Group registers the deferred taxes corresponding to the temporary differences between the accounting value of assets and liabilities and the corresponding tax base, as established in IAS 12 - Income Tax.

The tax charge registered in the financial years ended on the 31st December 2008 and 2007 can be presented as follows:

	2008	2007
Current tax:		
Income tax in Portugal	22,218	5,822
Income tax in other jurisdictions	7,555	9,100
	<u>29,773</u>	<u>14,922</u>
Deferred tax (Note 26):	(81,141)	(8,740)
	<u>(51,368)</u>	<u>6,182</u>

In addition to deferred tax amounts directly registered in the results statement, deferred taxes amounting to 4,722 thousand Euros, (3,217) thousand Euros in 2007) were directly registered as equity capital.

16 - RESULTS PER SHARE

The results per share of the financial years ended on the 31st December 2008 and 2007, were calculated taking in consideration the following amounts:

	2008	2007
Basic result per share		
Result for calculation purposes of the basic net result per share (net results of the financial year)	(347,244)	122,252
Weighted average number of shares for calculation purposes of the basic net result per share (thousands)	420,000	420,000
Basic net result per share	<u>(0.83)</u>	<u>0.29</u>

Due to the fact that in the financial years ended on the 31st December 2008 and 2007 there were no diluting effects of the results per share, the diluted result per share is equal to the basic result per share.

17 - DIVIDENDS

As deliberated in the Shareholders' General Meeting held on the 14th May 2008, in the financial year ended on the 31st December 2008 were paid dividends of 0.018 Euros per share (0.017 Euros per share in 2007), in the global value of 7,560 thousand Euros (7,140 thousand Euros on 31st December 2007).

18 - GOODWILL

During the financial years ended on the 31st December 2008 and 2007, the movement occurred in the goodwill values ascertained in the acquisition of subsidiary or jointly controlled companies, as well in respective losses due to accumulated impairment were the following:

	2008	2007
Gross assets:		
Initial balance	46,746	34,320
Acquisitions	13,470	12,426
Final balance	60,216	46,746
Accumulated losses due to impairment (Note 36)	(1,570)	-
Net assets:	58,646	46,746

The goodwill values on the 31st of December 2008 and 2007 refer to the following entities:

Investee	Business Segment	2008	2007
EPOS – Empresa Portuguesa de Obras Subterrâneas, S.A.	Construction	12,107	-
Limited Liability Company Cement	Cement, Concrete and aggregates	23,761	23,761
C+PA - Cimento e Produtos Associados, S.A.	Cement, Concrete and aggregates	7,806	7,806
Karibib Portland Cement (PTY)	Cement, Concrete and aggregates	5,833	5,644
Marinertes, S.A.	Concessions and services	-	796
Digal - Distribuição e Comércio, S.A.	Fuel Sales	5,986	5,986
Petrosório – Combustíveis e Lubrificantes, Lda.	Fuel Sales	374	-
Auto Competição Angola, Lda.	Vehicles Sales	25	-
TDSP –Bela Vista Empreendimentos Imobiliários, SPE, Ltda.	Real Estate Development	32	-
Bonaparte - Imóveis Comerciais e Participações, S.A.	Real Estate Development	1,979	1,979
Martins & esteves, S.A.	Real Estate Development	-	774
Promotur, Lda.	Hotel Services Industry	743	-
		58,646	46,746

The goodwill referred to associated companies is displayed in Note 22.

Goodwill values are annually subject to impairment tests, or whenever there is evidence that the same may be in impairment.

Impairment analysis is performed considering the cash flows discounted from each of the cash generating units to which they are allocated, based on the most recent financial projections approved by the respective Boards of Directors.

In the tests run, the recoverable value of each cash generating unit, determined based on the utilization, is compared to the respective recognized value. An odd-parity loss is only recognized if the recognized value exceeds the recoverable value. Future cash flows are discounted based on the weighted average cost of capital (WACC), adjusted by the specific risks of the market in which each unit is operating.

Cash-flow projections are based on medium and long term business plans approved by the Board of Directors, plus perpetuity, meaning a rate of growth that doesn't exceed the nominal growth rate of the respective market.

The main assumptions considered for determining the utilization value of the goodwill values are the following:

Investee	2008		2007	
	Goodwill accounting value	Discount rate	Goodwill accounting value	Discount rate
Limited Liability Company Cement	23,761	15.0%	23,761	15.0%
EPOS - Empresa Portuguesa de Obras Subterrâneas, S.A.	12,107	9.5%	-	-
C+P.A. - Cimento e Produtos Associados, S.A.	7,806	5.0%	7,806	5.0%
Digal - Distribuição e Comércio, S.A.	5,986	6.0%	5,986	7.5%
Karibib Portland Cement (PTY)	5,833	11.5%	5,644	12.5%
Bonaparte - Imóveis Comerciais e Participações, S.A.	1,979	5.4%	1,979	7.5%
Promotur, Lda.	743	15.0%	-	-
Petrosório - Combustíveis e Lubrificantes, Lda.	374	6.0%	-	-
TDSP - Bela Vista Empreendimentos Imobiliários, SPE, Ltda.	32	10.0%	-	-
Auto Competição Angola, Lda.	25	15.0%	-	-
Marinertes, S.A.	-	-	796	7.5%
Martins & Esteves, S.A.	-	-	774	5.0%
	58,646		46,746	

19 - OTHER INTANGIBLE ASSETS

During the financial years ended on the 31st December 2008 and 2007, the movements occurred in intangible assets, as well as the respective amortizations and losses due to accumulated impairment were the following:

	Industrial property	Others	Advances on account of intangible assets	Total
Gross assets:				
Balance on the 1 st January 2007	10,429	794	2,198	13,421
Perimeter change	2,314	524	-	2,838
Exchange rate conversion effect	(334)	(110)	(231)	(675)
Additions	537	273	1,160	1,970
Alienations	(1)	(2)	-	(3)
Transfers and write-offs	(38)	(353)	-	(391)
Balance on the 31st December 2007	12,907	1,126	3,127	17,160
Balance on the 1 st January 2008	12,907	1,126	3,127	17,160
Perimeter change (Note 5)	-	94	-	94
Exchange rate conversion effect	49	21	181	251
Additions	276	39	8,127	8,442
Transfers and write-offs	48	(148)	-	(100)
Alienations	(168)	(9)	(5,354)	(5,531)
Balance on the 31st December 2008	13,112	1,123	6,081	20,316
Amortizations and losses by accumulated impairment:				
Balance on the 1 st January 2007	6,311	359	-	6,670
Perimeter change	1,765	136	-	1,901
Exchange rate conversion effect	(32)	(86)	-	(118)
Transfers	(47)	(5)	-	(52)
Reinforcements	1,127	255	-	1,382
Utilizations	(1)	(1)	-	(2)
Balance on the 31st December 2007	9,123	658	-	9,781
Balance on the 1 st January 2008	9,123	658	-	9,781
Perimeter change (Note 5)	-	65	-	65
Exchange rate conversion effect	(15)	(32)	-	(47)
Transfers	147	(81)	-	66
Reinforcements	590	120	-	710
Utilizations	(57)	(9)	-	(66)
Balance on the 31st December 2008	9,788	721	-	10,509
Net value:				
On the 31st December 2007	3,784	468	3,127	7,379
On the 31st December 2008	3,324	402	6,081	9,807

20 - TANGIBLE FIXED ASSETS

During the financial years ended on the 31st December 2008 and 2007, the movements occurred in tangible fixed assets, as well as in respective depreciations and losses due to accumulated impairment were the following:

	Land and natural resources	Buildings and other constructions	Basic equipment	Transport equipment	Tools and utensils	Administrat. equipment	Other tangible fixed assets	Tangible fixed assets in progress	Advances on account of tang. fix. assets	Total
Gross Assets:										
Balance on the										
1 st January 2007	41,280	226,772	188,745	25,049	25,464	32,688	4,457	78,667	482	623,605
Perimeter change	3,446	(52,960)	24,633	438	(161)	358	222	1,150	-	(22,874)
Exchange rate conversion effect	100	(9,294)	(1,803)	(1,333)	(40)	(1,696)	(330)	(4,328)	(51)	(18,775)
Additions	67	25,690	43,437	13,930	4,205	2,048	1,825	88,273	669	180,144
Transfers and write-offs	(1,686)	7,593	(1,124)	125	(598)	(9,079)	(2,585)	(35,116)	-	(42,470)
Alienations	(646)	(3,642)	(3,602)	(782)	(58)	(204)	(76)	(73)	(20)	(9,103)
Balance on the 31st December 2007	42,561	194,159	250,286	37,427	28,813	24,115	3,513	128,573	1,080	710,527
Balance on the										
1 st January 2008	42,561	194,159	250,286	27,427	28,813	24,115	3,513	128,573	1,080	710,527
Perimeter change (Note 5)	38	346	151	120	-	126	176	(5,602)	-	(4,645)
Exchange rate conversion effect	(265)	4,914	(1,948)	721	11	662	(904)	(621)	55	2,625
Additions	9,190	16,265	60,413	15,829	3,734	2,752	7,013	88,270	-	203,466
Transfers and write-offs	(1,350)	18,043	(6,477)	(1,512)	(473)	2,425	4,299	(70,865)	(1,135)	(57,045)
Alienations	(269)	(1,157)	(5,006)	(1,940)	(10)	(51)	(2)	-	-	(8,435)
Balance on the 31st December 2008	49,905	232,570	297,419	50,645	32,075	30,029	14,095	139,755	-	846,493
Depreciations and losses due to accumulated impairment										
Balance on the										
1 st January 2007	164	48,499	137,764	15,962	23,461	23,038	3,008	-	-	251,896
Perimeter change	-	(2,196)	17,645	285	(61)	258	166	-	-	16,097
Exchange rate conversion effect	-	(2,835)	(1,650)	(1,815)	(131)	(1,181)	(182)	-	-	(7,794)
Reinforcements	-	8,599	22,381	6,164	1,367	2,547	648	-	-	41,706
Transfers and write-offs	-	(329)	1,136	(1,083)	(453)	(8,230)	(110)	-	-	(9,069)
Alienations	-	(817)	(309)	(19)	(28)	(217)	(63)	-	-	(1,453)
Balance on the 31st December 2007	164	50,921	176,967	19,494	24,155	16,215	3,467	-	-	291,383
Balance on the										
1 st January 2008	164	50,921	176,967	19,494	24,155	16,215	3,467	-	-	291,383
Perimeter change (Note 5)	24	243	80	96	-	116	131	-	-	690
Exchange rate conversion effect	(1)	(1,410)	2,146	(142)	(5)	(345)	336	-	-	579
Reinforcements	-	11,748	29,176	7,706	2,085	2,955	550	-	-	54,220
Transfers and write-offs	-	3,532	(5,783)	(612)	(319)	3,619	(2,717)	-	-	(2,280)
Alienations	-	(239)	(3,657)	(732)	(59)	(79)	(3)	-	-	(4,769)
Balance on the 31st December 2008	187	64,795	198,929	25,810	25,857	22,481	1,764	-	-	339,823
Net value										
On the 31st December 2007	42,397	143,238	73,319	17,933	4,658	7,900	46	128,573	1,080	419,144
On the 31st December 2008	49,718	167,775	98,490	24,835	6,218	7,548	12,331	139,755	-	506,670

21 - INVESTMENT PROPERTIES

As referred in Note 2.8., the Group registers investment properties at its market value.

During the financial years ended on the 31st December 2008 and 2007, the movement occurred in investment properties was the following:

	2008	2007
Balance on the 1 st January	362,074	352,504
Exchange rate conversion effect	2,365	(319)
Increases / Alienations	(2,943)	(11,924)
Variance in fair value (Notes 8 and 13)	53,263	7,018
Tangible assets transfers	3,537	14,795
Balance on the 31 st December	418,296	362,074

The fair value of each investment property under exploration was determined through evaluations reported at the balance sheets dates, done in some cases by specialized and independent entities and in accordance with generally accepted evaluation criteria for the real estate market. In the remaining cases, the market value determination was done internally, based on similar criteria to those considered by external evaluators, considering the expected cash-flows discounted.

The main assumptions and methods inherent to the evaluations to support the market value of the investment properties were the following:

- Yield between 7% and 10%;
- Average of the comparative method and of yield multiples;
- Average of the comparative method and of cost.

The yield obtained with investment properties deriving from the existence of operational leasing contracts amounted to 29,060 thousand Euros (24,8458 thousand Euros, at the end of the year ended on the 31st of December 2007). Direct operational expenses with investment properties for the year ended on the 31st of December 2008 amounted to 9,243 thousand Euros (9,530 thousand Euros in 2007).

22 - INVESTMENTS IN ASSOCIATED COMPANIES

The associated companies which on the 31st of December 2008, were registered by the equity method, are the following:

Company name	Registered Head Office	Percentage of effective holding
SCP AK10 - Empreendimentos e Participações SPE Ltda.	Avenida Alameda Santos, nº 960 - 19º, Edifício CYK, Cerqueira César, São Paulo	25.00%
ALVORADA PETRÓLEO, S.A.	Rua Major Lopes, 800, 3º andar Belo Horizonte - Minas Gerais - Brasil	23.33%
ALSOMA, GEIE.	3 Av André Malraux Levallois Peret	27.00%
ARENOR, S.L.	Calle Monte Carmelo, nº 1, 5ºC Sevilla	25.26%
AVIA PORTUGAL - Produtos Petrolíferos, S.A.	Edifício 1, Lagoas Park Porto Salvo	21.02%
CIMPOR - Cimentos de Portugal, SGPS, S.A.	Rua Alexandre Herculano, 35 Lisboa	22.17%
CIMPOR MACAU Investment Company, S.A. (a)	Av. da Praia Grande, nº 693, Edifício Tai Wah, 15º andar Macau	13.00%
CONSTRULINK - Tecnologias de Informação, S.A.	Av. Engenheiro Arantes e Oliveira, nº 6 - 8º H Lisboa	20.00%
Concessionária de Rodovias TEBE, S.A.	Praça Barão do Rio Branco, nº 48, S/L Bebedouro - São Paulo	23.33%
IMOC - Empreendimentos Imobiliários, S.A.R.L.	Av. 24 de Julho, 135 Maputo	46.40%
INFRAENGE Construções, Ltda.	Praça Barão do Rio Branco, nº 48, 1º andar, Sala 13ª A, Bairro Centro Bebedouro - São Paulo	23.33%
ISA - Intelligent Sensing Anywhere, S.A. (b)	Rua D. Manuel I, 92 Coimbra	14.08%
LIMA PETRÓLEOS - Combustíveis do Lima, Lda. (c)	Rua Nova de Santana, 190, 2º Andar Esquerdo Traseiras Viana do Castelo	16.95%
STELGEST - Gestão Hoteleira, S.A.	Edifício 2, Lagoas Park Porto Salvo	45.00%
TRAVERSOER - Industrie et Service Ferroviaire, S.A.R.L.	27, Cheminndu Réservoir, hydra, Alger, Algérie	30.00%

(a) Through its subsidiary C +P.A. - Cimento e Produtos Associados, S.A..

(b) Through its subsidiary DIGAL - Distribuição e Comércio, S.A.

(c) Through its subsidiary TDARCOL - SGPS, S.A.

Capital shares held in associated companies had the following movements in the financial years ended on the 31st December 2008 and 2007:

	Capital shares	Goodwill	Total
Balance on the 1 st January 2007	344,543	450,764	795,307
Effects resulting from the application of the equity method:			
- Effect in the financial year's result (Note 14)	65,681	-	65,681
- Effect in the equity capital	8,088	-	8,088
- Dividends received	(32,562)	-	(32,562)
Increases	33,230	34,300	67,530
Alienations	(26,980)	(21,566)	(48,546)
Perimeter change	4,271	-	4,271
Others	332	-	332
Balance on the 31st December 2007	396,603	463,498	860,101
Balance on the 1 st January 2008	396,603	463,498	860,101
Effects resulting from the application of the equity method:			
- Effect in the financial year's result (Note 14)	58,754	-	58,754
- Effect in the equity capital	(75,221)	-	(75,221)
- Dividends received	(33,852)	-	(33,852)
Increases	42,415	43,495	85,910
Alienations	(384)	(478)	(862)
Perimeter change (a)	(984)	-	(984)
Others	(458)	(1,763)	(2,221)
Balance on the 31st December 2008	386,873	504,752	891,625

The increases in the year ended on the 31st December 2008 essentially result from the acquisition of shares from Cimpor – Cimentos de Portugal, SGPS, S.A. amounting to 67,271 thousand Euros and the acquisition of the financial participation in Alvorada Petróleos S.A. amounting to 14,303 thousand Euros.

Additionally, TEDAL - SGPS, S.A. made an advance for the acquisition of a financial share of associated company Arenor, S.L. amounting to 3,200 thousand Euros. This advance is framed within a promissory contract for the acquisition of 22.86% of Arenor, S.L., for the global amount of 12,800 thousand Euros, to be realized until 30th October 2009.

Alienations of the financial year ended on the 31st December 2008 refer to the sale of a group of shares of Cimpor - Cimentos de Portugal, SGPS, S.A., from which resulted a decreased value of 107 thousand Euros (added value of 2,822 thousand Euros in 2007) (Note 14).

(a) The perimeter change in the year ended on the 31st December 2008 results essentially from the integral consolidation of TDF - Sociedade Gestora de Fundos de Investimento Imobiliário, S.A..

The detail of the investments in associated companies on the 31st December 2008 and 2007 is as follows:

Subsidiaries	2008			2007		
	Capital shares	Goodwill	Balance value	Capital shares	Goodwill	Balance value
Cimpor - Cimentos de Portugal, S.G.P.S., S.A.	333,666	482,108	815,774	366,537	447,402	813,939
Arenor, S.L.	24,024	16,033	40,057	14,443	16,033	30,476
Alvorada Petróleos, S.A.	8,773	6,001	14,774	-	-	-
Cimpor Macau Investment Company, S.A.	11,777	-	11,777	7,426	-	7,426
Concessionária de Rodovias TEBE, S.A.	3,018	-	3,018	2,705	-	2,705
IMOC - Empreendimentos Imobiliários, S.A.R.L.	2,988	-	2,988	2,310	-	2,310
ISA - Intelligent Sensing Anywhere, S.A.	564	493	1,057	-	-	-
SCP AK-10 Empreendimentos e Participações SPE LTDA.	883	50	933	1,027	63	1,090
Infraenge Construções, Ltda.	522	-	522	473	-	473
TDF - Sociedade Gestora de Fundos de Investimento Imobiliário, S.A.	-	-	-	1,013	-	1,013
Others	658	67	725	669	-	669
	386,873	504,752	891,625	396,603	463,498	860,101

The referred participations are released by the equity method which, in the financial years ended on the 31st December 2008 and 2007, had the following impacts:

Subsidiaries	2008			
	Profits and losses In subsidiaries (Note 14)	Capital shares adjustment	Dividends	Total
Cimpor - Cimentos de Portugal, S.G.P.S., S.A.	48,639	(79,379)	(33,834)	(64,574)
Arenor, S.L.	8,546	(2,166)	-	6,380
Alvorada Petróleos, S.A.	(135)	2,331	-	2,196
Cimpor Macau Investment Company, S.A.	528	3,822	-	4,350
Concessionária de Rodovias TEBE, S.A.	959	64	-	1,023
Infraenge Construções, Ltda.	175	(1)	-	174
IMOC - Empreendimentos Imobiliários, S.A.R.L.	573	104	-	677
SCP AK-10 Empreendimentos e Participações SPE LTDA.	75	-	-	75
TDF - Sociedade Gestora de Fundos de Investimento Imobiliário, S.A.	-	26	(18)	8
ISA - Intelligent Sensing Anywhere, S.A.	73	-	-	73
Others	(679)	(22)	-	(701)
	58,754	(75,221)	(33,852)	(50,319)

Subsidiaries	2007			
	Profits and losses In subsidiaries (Note 14)	Capital shares adjustment	Dividends	Total
Cimpor - Cimentos de Portugal, S.G.P.S., S.A.	62,049	10,462	(28,915)	43,596
Arenor, S.L.	1,879	-	-	1,879
IMOC - Empreendimentos Imobiliários, S.A.R.L.	898	(233)	-	665
Concessionária de Rodovias TEBE, S.A.	580	(2,492)	-	(1,912)
Cimpor Macau Investment Company, S.A.	106	(50)	-	56
SCP AK-10 Empreendimentos e Participações SPE LTDA.	62	-	-	62
Infraenge Construções, Ltda.	45	421	-	466
SCUTVIAS - Autoestradas da Beira Interior, S.A.	-	-	(3,600)	(3,600)
TDF - Sociedade Gestora de Fundos de Investimento Imobiliário, S.A.	29	(20)	(47)	(38)
Others	33	-	-	33
	65,681	8,088	(28,962)	41,207

The main financial information regarding the associated companies is the following:

	Total Assets		Total Liabilities		Total net assets		Share of the Group in the net assets	
	2008	2007	2008	2007	2008	2007	2008	2007
Alvorada Petróleos, S.A.	15,403	-	8,245	-	7,158	-	8,773	-
ARENOR, S.L.	74,784	54,453	31,911	24,541	42,873	29,912	24,024	14,443
CIMPOR - Cimentos de Portugal, SGPS, S.A.	3,703,200	4,834,000	2,198,100	3,037,900	1,505,100	1,796,100	333,666	366,537
Cimpor Macau Investment Company, S.A.	162,182	18,156	137,616	11,003	24,566	7,153	11,778	7,426
Concessionária de Rodovias TEBE, S.A.	22,112	23,403	13,055	15,205	9,057	8,198	3,019	2,705
IMOC - Empreendimentos Imobiliários, S.A.R.L.	6,835	5,292	396	312	6,439	4,980	2,988	2,310
INFRAENGE Construções, Ltda.	1,956	1,633	390	215	1,566	1,418	522	473
ISA - Intelligent Sensing Anywhere, S.A.	3,853	-	2,703	-	1,150	-	570	-
SCP AK-10 Empreendimentos e Participações SPE LTDA.	4,661	5,422	1,127	1,315	3,534	4,107	883	1,027
TDF - Soc. Gest. Fundos de Investimento Imob., S.A.	-	2,146	-	84	-	2,062	-	1,013
Others	6,060	7,310	5,126	6,470	934	840	651	670
	4,001,046	4,951,815	2,398,669	3,097,045	1,602,377	1,854,770	386,873	396,603

	Sales and services rendering		Net result of the financial year		Share of the Group in the net assets of the financial year	
	2008	2007	2008	2007	2008	2007
Alvorada Petróleos, S.A.	298	-	(404)	-	(135)	-
ARENOR, S.L.	7,066	32,398	17,595	5,656	8,546	1,879
CIMPOR - Cimentos de Portugal, SGPS, S.A.	2,088,900	1,966,100	219,400	304,100	48,639	62,049
Cimpor Macau Investment Company, S.A.	66,776	-	2,110	414	528	106
Concessionária de Rodovias TEBE, S.A.	13,698	12,178	2,878	1,756	959	580
IMOC - Empreendimentos Imobiliários, S.A.R.L.	-	-	1,235	1,936	573	898
INFRAENGE Construções, Ltda.	6,134	3,372	526	135	175	45
ISA - Intelligent Sensing Anywhere, S.A.	3,835	-	164	-	72	-
SCP AK-10 Empreendimentos e Participações SPE LTDA.	532	725	300	259	75	62
TDF - Soc. Gest. Fundos de Investimento Imob., S.A.	-	440	-	84	-	29
Others	4,861	8,274	(290)	245	(679)	33
	2,192,100	2,023,487	243,514	314,585	58,754	65,681

In the tests done, the recoverable value of each cash generating unit determined, based on the utilization value, is compared to the respective recognized value. An impairment loss is only recognized if the recognized value exceeds the recoverable value. Future cash-flows are discounted based on the weighted average cost of capital (WACC), adjusted by the specific risks of the market in which each associated company operates.

Cash-flow projections are based in the medium and long term business plans approved by the Board of Directors, plus a perpetuity, meaning a rate of growth that doesn't exceed the nominal growth rate of the respective market.

The main assumptions considered in the determination of the utilization value of the goodwill values are the following:

Participada	2008		2007	
	Goodwill accounting value	Discount rate	Goodwill accounting do goodwill	Discount rate
Cimpor - Cimentos de Portugal, S.G.P.S., S.A.	482,108	6.5%	447,402	8.5%
Arenor, S.L.	16,033	5.0%	16,033	5.0%
Alvorada Petróleos, S.A.	6,001	10.0%	-	-
ISA - Intelligent Sensing Anywhere, S.A.	493	5.2%	-	-
Lima Petróleos - Combustíveis do Lima, Lda.	67	6.0%	-	-
SCP AK-10 Empreendimentos e Participações SPE LTDA.	50	10.0%	63	10.0%
	504,752		463,498	

23 - JOINT VENTURES

On the 31st December 2008, the following investee companies were consolidated by the pro-rata method, as their management and control are carried out jointly with the other partners/shareholders:

Company name	Registered Head Office	Percentage of effective holding
ACESTRADA - Construção de Estradas, ACE	Praça de Alvalade, 6 - 7º Lisbon	20.00%
CAIS DE CRUZEIROS 2ª FASE, ACE	Rua da Tapada da Quinta de Cima Linhó - Sintra	15.00%
DOURO LITORAL, ACE	Edifício 8, Lagoas Park Porto Salvo	40.00%
ENGIL/MOTA/TEIXEIRA DUARTE - Requalificações Urbanas, ACE	Av. Fabril do Norte, 1601 Matosinhos	33.33%
FERROVIAL/TEIXEIRA DUARTE - Obras Hidráulicas do Alqueva, ACE	Edifício Central Park Rua Alexandre Herculano, Nº 3, 2º - Linda-a-Velha	50.00%
GPCC - Grupo Português de Construção de Infraestruturas de Gás Natural, ACE	Rua Senhora do Porto, 930 Porto	25.00%
GPCIE - Grupo Português de Construção de Infraestruturas da Expo, ACE	Edifício Sagres Rua Professor Henrique de Barros, nº 4, 2 A - Prior Velho	25.00%

Company name	Registered Head Office	Percentage of effective holding
METROLIGEIRO - Construção de Infraestruturas, ACE	Estrada da Luz, 90 - 6º E Lisbon	26.80%
METROPAÇO - Trabalhos de Construção da Estação do Metropolitano do Terreiro do Paço, ACE	Av. das Forças Armadas, 125 - 2º D Lisbon	33.33%
NOVA ESTAÇÃO, ACE	Av. Frei Miguel Contreiras, nº 54, 7º Lisbon	25.00%
SOMAFEL E OFM - Obras do Metro, ACE	Edifício 1, Lagoas Park Porto Salvo	60.00%
SOMAFEL/FERROVIAS, ACE	Av. Columbano Bordalo Pinheiro, 93 - 7º Lisbon	36.00%
TEISOMAR - Obras Marítimas, ACE	Av. da República, 42 - 2º Lisbon	50.00%
TEIXEIRA DUARTE - SOPOL - Metro Superfície, ACE	Edifício 2, Lagoas Park Porto Salvo	57.30%
TEIXEIRA DUARTE/OPCA - Fungere - Parcela 1.18 do Parque das Nações em Lisboa - 3ª Fase - Empreitada de Acabamentos e Instalações Especiais dos Edifícios para o Hotel e Escritórios, ACE	Edifício 2, Lagoas Park Porto Salvo	60.00%
TRÊS PONTO DOIS - Trabalhos Gerais de Construção Civil, Via e Catenária de Modernização da Linha do Norte, ACE	Av. das Forças Armadas, 125 - 2º C Lisbon	50.00%

As a result of the consolidation of those investee companies by the pro-rata consolidation method, the following amounts were included in the Group's consolidated financial statements:

	Current Assets		Non-Current Assets		Current Liabilities		Non-current liabilities	
	2008	2007	2008	2007	2008	2007	2008	2007
ACESTRADA - Construção de Estradas, ACE	1,025	1,103	1	2	140	261	18	18
CAIS DOS CRUZEIROS - 2ª Fase, ACE	1,329	-	-	-	1,315	-	-	-
DOURO LITORAL, ACE	13,587	-	31	-	13,000	-	-	-
ENGIL/MOTA/TEIXEIRA DUARTE - Requalificações Urbanas, ACE	22	22	-	-	22	22	-	-
FERROVIAL / TEIXEIRA DUARTE - Obras Hidráulicas do Alqueva, ACE	1,672	3,569	2	3	1,262	1,916	2	1,581
GPCC - Grupo Português de Construção de Infraestruturas de Gás Natural, ACE	68	158	-	-	68	158	-	-
GPCIE - Grupo Português de Construção de Infraestruturas da Expo, ACE	28	406	-	-	28	406	-	-
METROLIGEIRO - Construção de Infraestruturas, ACE	5,811	9,657	4	4	5,815	9,662	-	-
METROPAÇO - Trabalhos de Construção da Estação do Metropolitano do Terreiro do Paço, ACE	281	476	-	-	281	476	-	-
NOVA ESTAÇÃO, ACE	755	-	-	-	839	-	-	-
SOMAFEL E OFM - Obras do Metro, ACE	83	295	-	-	83	295	-	-
Somafel/Ferrovias, ACE	81	182	31	45	59	108	-	-
TEIXEIRA DUARTE/OPCA - Fungere - Parcela 1.18 do Parque das Nações em Lisboa - 3ª Fase - Empreitada de Acabamentos e Instalações Especiais dos Edifícios para o Hotel e Escritórios, ACE	145	206	-	-	66	69	79	137
TEIXEIRA DUARTE - SOPOL - Metro Superfície, ACE	1,763	838	6	9	1,770	847	-	-
TEISOMAR - Obras Marítimas, ACE	1	1	-	-	-	-	-	-
TRÊS PONTO DOIS - Trabalhos Gerais de Construção Civil, Via e Catenária de Modernização da Linha do Norte, ACE	544	550	-	-	393	554	-	-
	27,195	17,463	75	63	25,141	14,774	99	1,736

	Gains		Expenditures	
	2008	2007	2008	2007
ACESTRADA - Construção de Estradas, ACE	183	271	141	64
CAIS DOS CRUZEIROS - 2ª Fase, ACE	64	-	51	-
DOURO LITORAL, ACE	5,322	-	4,704	-
ENGIL/MOTA/TEIXEIRA DUARTE - Requalificações Urbanas, ACE	1	-	1	-
FERROVIAL / TEIXEIRA DUARTE - Obras Hidráulicas do Alqueva, ACE	3,587	6,893	3,252	6,773
GPCC - Grupo Português de Construção de Infraestruturas de Gás Natural, ACE	15	39	15	39
GPCIE - Grupo Português de Construção de Infraestruturas da Expo, ACE	8	4	8	4
METROLIGEIRO - Construção de Infraestruturas, ACE	9,519	7,830	9,519	7,830
METROPAÇO - Trabalhos de Construção da Estação do Metropolitano do Terreiro do Paço, ACE	230	855	230	855
NOVA ESTAÇÃO, ACE	-	-	84	-
SOMAFEL E OFM - Obras do Metro, ACE	74	542	74	542
Somafel/Ferrovias, ACE	60	108	48	90
TEIXEIRA DUARTE/OPCA - Fungere - Parcela 1.18 do Parque das Nações em Lisboa - 3ª Fase - Empreitada de Acabamentos e Instalações Especiais dos Edifícios para o Hotel e Escritórios, ACE	7	7	7	7
TEIXEIRA DUARTE - SOPOL - Metro Superfície, ACE	4,700	2,004	4,700	2,004
TRÊS PONTO DOIS - Trabalhos Gerais de Construção Civil, Via e Catenária de Modernização da Linha do Norte, ACE	-	-	-	4
	23,770	18,553	22,834	18,212

24 - FINANCIAL ASSETS AVAILABLE FOR SALE

In the financial years ended on the 31st December 2008 and 2007, the movements occurred in the valuation of the financial assets available for sale, valued by their respective fair value, were as follows:

	2008	2007
Fair value on the 1 st January	678,140	418,600
Acquisitions during the period (a)	122,473	520,731
Alienations during the period (b)	(5,887)	(190,305)
Increase / (decrease) of fair value	(527,973)	(70,886)
Fair value on the 31st December	266,753	678,140

(a) During the financial year ended on the 31st December 2008, the Group carried out the acquisition, through several stock Exchange operations, of 80,505,992 shares of Banco Comercial Português, S.A. for the amount of 107,544 thousand Euros and an allotment of 1,100,000 shares of Banco Bilbao Vizcaya Argentaria, S.A. amounting to 14,929 thousand Euros.

(b) Additionally, in the financial year ended on the 31st December 2008, the group sold the shares held of Banco Comercial Português, S.A., corresponding to 2,016,128 shares, of which resulted a decreased value of 2,578 thousand Euros (Note 14).

On the 31st December 2008 and 2007, the Group held, respectively 304,989,864 and 226,500,000 shares of Banco Comercial Português, S.A..

The financial assets available for sale and the respective cost and market values, on the 31st December 2008 and 2007, are as follows:

	2008		2007	
	Cost value	Market value	Cost value	Market value
Banco Comercial Português, S.A.	729,259	248,567	625,646	661,380
Banco Bilbao Vizcaya Argentaria, S.A.	33,075	18,186	17,992	16,760
	762,334	266,753	643,638	678,140

25 - OTHER INVESTMENTS

This item includes, essentially, investments in equity capital instruments, that do not have a market price listed in an asset market and which fair value cannot be reasonably measured. These investments are measured by their acquisition cost, deducted from any losses due to accumulated impairment.

On the 31st December 2008 and 2007, this item includes investments in the following entities:

	2008	2007
LUSOPONTE - Concessionária para a Travessia do Tejo, S.A.	2,591	2,721
AUREON LABORATORIES	1,524	1,164
LONGAPAR - Sociedade Gestora de Participações Sociais, S.A.	1,006	1,006
JÚPITER - Indústria Hoteleira, S.A.	784	784
LONGAVIA, S.A.	670	670
MTS - Metro Transporte do Sul, S.A.	589	589
ISQ - Centro Incubação Empresas, S.A.	440	440
MATADOURO DE MACAU, S.A.R.L.	317	317
EIA - Ensino, Investigação e Administração, S.A.	300	300
VSL Sistemas Portugal - Pré-Esforço, Equipamento e Montagens, S.A.	258	258
ILTA - Urbanizadora da Ilha de Tavira, S.A.	256	250
CPM - Companhia de Parques de Macau, S.A.R.L.	205	205
ETERGEST - Sociedade Gestora de Participações Sociais, S.A.	-	1,824
PETROSÓRIO - Combustíveis e Lubrificantes, Lda.	-	1,165
PROMOTUR, LDA.	-	607
Others	636	462
	9,576	12,762

26 - DEFERRED TAXES

All situations that may significantly affect future taxes are exempt through the application of the deferred taxes normative.

The movement occurred in assets and liabilities due to deferred taxes in the financial years ended on the 31st December 2008 and 2007, in accordance with the temporary differences that generated it, is the following:

	2008					
	Initial Balance	Composition Net Result (Note 15)	Equity capital	Reversion Net Result (Note 15)	Equity capital	Final balance
Assets due to deferred taxes:						
Stocks Adjustments	820	2,607	-	-	-	3,427
Doubtful debts adjustment	1,074	34	-	(387)	-	721
Financial assets available for sale	2,329	67,630	-	-	(1,056)	68,903
Tax losses to be reported	36,248	19,395	-	(4,638)	(1,082)	29,724
Investment properties	2,636	-	-	(77)	-	2,599
Others	1,469	3,639	7,277	(330)	-	12,055
	44,576	93,305	7,277	(5,432)	(2,138)	117,389
Liabilities due to deferred taxes:						
Income taxed in future periods	3	-	-	-	-	3
Added Value Tax with suspended taxation	4,934	-	-	(8)	-	4,926
Financial assets available for sale	8,850	-	-	(8,850)	-	-
Investment properties	21,437	16,413	714	-	-	38,564
Revalorization of tangible fixed assets	9,520	-	-	(329)	(345)	8,846
Others	1,196	136	48	(630)	(19)	731
	45,940	16,549	762	(9,817)	(345)	53,070

	2007					
	Composition			Reversion		Final balance
	Initial Balance	Net Result (Note 15)	Equity capital	Net Result (Note 15)	Equity capital	
Assets due to deferred taxes:						
Stocks Adjustments	1,008	7	-	(195)	-	820
Doubtful debts adjustment	1,153	177	-	(255)	(1)	1,074
Financial assets available for sale	-	-	2,329	-	-	2,329
Tax losses to be reported	30,245	17,242	2	(7,459)	-	36,248
Investment properties	3,750	-	-	-	(1,114)	2,636
Others	138	1,391	-	(60)	-	1,469
	36,294	18,817	2,331	(7,969)	(1,115)	44,576
Liabilities due to deferred taxes:						
Income taxed in future periods	3	-	-	-	-	3
Added Value Tax with suspended taxation	4,963	-	-	(29)	-	4,934
Financial assets available for sale	7,577	-	1,273	-	-	8,850
Investment properties	20,682	2,840	-	(265)	(1,820)	21,437
Revalorization of tangible fixed assets	5,428	-	4,500	(408)	-	9,520
Others	769	202	480	(232)	-	1,196
	39,422	3,042	6,253	(934)	(1,820)	45,940

In accordance with tax statements of the companies that register assets due to deferred taxes as tax losses, on the 31st December 2008 and 2007, the same were reported as follows:

	2008			2007		
	Tax Loss	Assets due to deferred taxes	Limit utilization date	Tax Loss	Assets due to deferred taxes	Limit utilization date
Generated in 2002	-	-		19,132	4,783	2008
Generated in 2003	213	53	2009	2,288	287	2009
Generated in 2004	8,253	2,063	2010	8,845	2,211	2010
Generated in 2005	16,598	4,150	2011	19,717	4,824	2011
Generated in 2006	42,327	10,115	2012	41,227	10,198	2012
Generated in 2007	46,760	11,851	2013	55,290	13,945	2013
Generated in 2008	6,696	1,492	2014	-	-	2014
	120,847	29,724		146,499	36,248	

Additionally, on the 31st December 2008 and 2007, losses and tax credits for which no assets for deferred taxes were registered as a prudent action, can be detailed as follows:

	2008			2007		
	Tax Loss	Tax Credit	Limit utilization date	Tax Loss	Tax Credit	Limit utilization date
Generated in 2003	1,129	282	2009	86	21	2009
Generated in 2004	781	195	2010	603	151	2010
Generated in 2005	2,912	728	2011	3,099	775	2011
Generated in 2006	2,854	714	2012	2,973	743	2012
Generated in 2007	4,994	1,249	2013	3,562	891	2013
Generated in 2008	3,624	906	2014	-	-	2014
	16,294	4,074		10,323	2,581	

In relation to assets due to deferred taxes, the same were only registered as it is considered probable that there will be taxable profits in the future that may be used to recover tax losses or deductible tax differences. This evaluation was based on the business plans of the Group's companies, which are periodically reviewed and updated, and in the available and identified tax planning opportunities.

27 - CUSTOMERS AND OTHER DEBTORS

On the 31st December 2008 and 2007 this item had the following composition:

	2008	2007
Non-current customers:		
Customers, current account	-	8,731
Adjustments to accounts receivable	-	-
	<u>-</u>	<u>8,731</u>
Current customers:		
Customers, current account	257,843	240,100
Customers, bills receivable	11,101	9,741
Doubtful debts	36,993	44,973
	<u>305,937</u>	<u>294,814</u>
Adjustments to accounts receivable	(35,203)	(43,754)
	<u>270,734</u>	<u>251,060</u>
Other non-current debtors:		
Other debtors	810	690
Adjustments to accounts receivable	(20)	-
	<u>790</u>	<u>690</u>
Other current debtors:		
Personnel	576	455
Other debtors	54,633	47,170
	<u>55,209</u>	<u>47,625</u>
Adjustments to accounts receivable	(5,942)	(4,021)
	<u>49,267</u>	<u>43,604</u>

The Group exposure to credit risk (Note 44) is ascribable to the accounts receivable of its operational activity. Balances submitted in the balance sheet are net of adjustments for doubtful collections that were estimated by the Group, in accordance with its experience and based on its assessment of the economic conjuncture and surroundings.

The Board of Directors believes that the accounting value of accounts receivable is close to its fair value.

The Group does not have a significant concentration of credit risks, as the same is diluted by a large set of customers, other debtors and State.

28 - RELATED PARTIES

The transactions and balances between Teixeira Duarte - Engenharia e Construções, S.A. ("Parent company") and the companies of the Group that are related parties, were eliminated in the consolidation process and are not being diffused in this Note. The balances and transactions between the Group and the related associated companies and individuals with significant power to vote with their own companies are detailed below.

The terms or conditions practiced between Teixeira Duarte - Engenharia e Construções, S.A. and related parties are substantially identical to those that would be contracted, accepted and practiced between independent entities in comparable operations.

The main balances with related entities on the 31st December 2008 and 2007 can be detailed as follows:

	Receivables balance		Payables balance		Loans granted		Other debts	
	2008	2007	2008	2007	2008	2007	2008	2007
Agrepor Agregados - Extração Inertes, S.A.	1,196	-	-	-	-	-	-	-
SCP AK 10 Empreendimentos e Participações SPE LTA	-	-	-	-	-	289	-	-
ALSOMA, GEIE	675	1,452	-	-	-	-	-	-
ALVORADA PETRÓLEO, S.A.	-	-	-	-	6,387	-	-	-
AVIA PORTUGAL, S.A.	-	-	12	-	-	-	-	-
Cimpor - Industria de Cimentos, S.A.	276	15	14	43	-	-	-	(500)
Cimpor Betão - Industria de Betão, S.A.	-	-	3,668	1,562	-	-	-	-
IMOC - Empreendimentos Imobiliários, S.A.R.L.	1	169	1	1	240	-	(247)	(247)
ISA - Intelligent Sensing Anywhere, S.A.	-	-	13	-	65	-	-	-
Cimpor Macau Investment Company, S.A.	-	-	-	-	5,636	5,636	-	-
Lima Petróleos - Combustíveis do Lima, Lda.	1,243	-	-	-	-	-	-	-
STELGEST - Gestão Hoteleira, S.A.	31	7	-	1	173	-	(755)	-
TDF - Soc. Gestora de Fundos de Investimento Imobiliário, S.A.	-	30	-	5	-	-	-	-
TRAVERSOFER - Industrie et Service Ferroviaire, SARL	2	6	-	-	-	9	-	-
	3,424	1,679	3,708	1,612	12,501	5,934	(1,002)	(747)

Main transactions carried out in financial years ended on the 31st December 2008 and 2007 with related entities were as follows:

	Sales and services rendered		Purchases and services obtained		Interest rate debited	
	2008	2007	2008	2007	2008	2007
Agrepor Agregados - Extração Inertes, S.A.	9,142	-	-	-	-	-
SCP AK 10 Empreendimentos e Participações SPE LTA	-	-	-	574	-	-
ALSOMA, GEIE	-	1,058	-	-	-	-
AVIA PORTUGAL, S.A.	-	-	39	8	-	-
Cimpor - Industria de Cimentos, S.A.	2,322	1,960	109	805	-	-
Cimpor Betão - Industria de Betão, S.A.	-	30	6,848	2,311	-	-
INFRAENGE Construções, Ltda.	-	473	-	-	-	(16)
IMOC - Empreendimentos Imobiliários, S.A.R.L.	-	-	-	1	-	-
ISA - Intelligent Sensing Anywhere, S.A.	-	-	30	-	-	-
Lima Petróleos - Combustíveis do Lima, Lda.	1,329	1,092	-	-	-	-
STELGEST - Gestão Hoteleira, S.A.	69	74	-	1	49	-
TDF - Sociedade Gestora de Fundos de Investimento Imobiliário, S.A.	-	282	-	388	-	-
TRAVERSOFER - Industrie et Service Ferroviaire, SARL	-	-	-	(6)	1	-
	12,862	4,969	7,026	4,082	50	(16)

Remunerations attributed to the members of Teixeira Duarte - Engenharia e Construções, S.A. governing bodies in the years ended on the 31st December 2008 and 2007, were the following:

	2008	2007
Executive Directors:		
Fixed remuneration	1,100	1,056
Variable remuneration	907	1,035
Post-job benefits	32	133
Non-executive Directors:		
Fixed remuneration	160	134
Variable remuneration	157	154
Supervisory Board:		
Fixed remuneration	33	17
Auditor:		
Fixed remuneration	66	65
	2,455	2,594

Remunerations attributed to members of Teixeira Duarte - Engenharia e Construções, S.A. top management, in the years ended on the 31st December 2008 and 2007, were the following:

	2008	2007
Top Management		
Fixed remuneration	4,927	3,831
Variable remuneration	2,823	2,645
Post-job benefits	276	407
	8,026	6,883

29 - NOTES TO THE CONSOLIDATED CASH FLOW STATEMENTS

Cash and cash equivalents

On the 31st December 2008 and 2007, this item is composed as follows:

	2008	2007
Current account	85,071	70,833
Deposit account	14,463	34,316
Negotiable securities	-	5,402
Other treasury applications	1	1
Cash	5,943	4,076
	105,478	114,628

The item cash and cash equivalents comprises the cash values, immediately mobilized bank deposits, financial investment applications and time deposits becoming due in less than three months and for which the value change risk is insignificant.

Investment activities flows

Payments received derived from financial investments in the years ended on the 31st December 2008 and 2007, refer to the sale of capital shares in the following entities:

	2008	2007
Banco Comercial Português, S.A.	3,309	217,139
Etergest, S.G.P.S., S.A.	1,343	-
CIMPOR - Cimentos de Portugal, S.G.P.S., S.A.	755	40,714
TEPORSET - Terminal Portuário de Setúbal, S.A.	500	-
Scutvias - Autoestradas da Beira Interior, S.A.	-	54,465
CPE - Companhia de Parques de Estacionamento, S.A.	-	32,500
Others	130	640
	6,037	345,458

Payments regarding financial investments in the years ended on the 31st December 2008 and 2007, refer to the purchase of capital shares in the following entities:

	2008	2007
Banco Comercial Português, S.A.	107,544	502,739
CIMPOR - Cimentos de Portugal, S.G.P.S., S.A.	67,271	52,404
Banco Bilbao Vizcaya Argentaria, S.A.	14,929	17,992
Alvorada Petróleos, S.A.	14,303	-
ARENOR, S.L.	3,200	6,495
ISA - Intelligent Sensing Anywhere, S.A.	895	-
TDF - Sociedade Gestora de Fundos de Investimento Imobiliário, S.A.	339	-
PROMOTUR, Lda.	136	-
EMPA - Serviços de Engenharia, S.A.	-	12,375
DIGAL - Distribuição e Comércio, S.A.	-	8,642
CIMPOR MACAU Investment Company, S.A.	-	7,370
KARIBIB Portland Cement	-	6,115
SCP AK 10 Empreendimentos e Participações, SPE, Ltda.	-	1,023
MARINERTES, S.A.	-	821
GOMES & OLIVEIRA, S.A.	-	212
TANQUIGÁS - Distribuição e Comércio de Gás, S.A.	-	184
DNGÁS - Distribuição e Comércio de Gás, S.A.	-	122
ACG - Distribuição e Comércio de Gás, S.A.	-	96
AP GÁS - Distribuição e Comércio de Gás, S.A.	-	42
TDSP - Dom Jaime, Empreendimentos Imobiliários, SPE, Ltda.	-	7
MULTIGÁS - Sociedade Comercial e Distribuidora de Gás, S.A.	-	4
Others	601	1,122
	209,218	617,765

Dividends received in the years ended on the 31st December 2008 and 2007, were as follows:

	2008	2007
CIMPOR - Cimentos de Portugal, S.G.P.S., S.A.	33,384	28,915
Banco Comercial Português, S.A.	-	15,193
Others	2,955	5,392
	36,789	49,500

30 - OTHER CURRENT ASSETS

On the 31st December 2008 and 2007, this item was composed as follows:

	2008	2007
State and other public entities:		
Corporate Income Tax – IRC	2,982	-
Value Added Tax	27,025	18,290
	30,007	18,290
Associated companies, subsidiaries and other shareholders:		
Associated companies	734	889
Subsidiaries	566	1,462
Other shareholders	154	705
	1,454	3,056
Profit accruals:		
Interest rate to be received	1,620	589
Values to be invoiced	10,723	5,632
Other profit accruals	6,697	4,644
	19,040	10,865
Deferred costs:		
Insurance paid in advance	1,605	1,203
Interest rate to be paid	83	73
Other deferred costs	15,011	9,339
	16,699	10,615
Other current assets:		
Advances to suppliers	34,694	34,816
	101,894	77,642

31 - CONSTRUCTION CONTRACTS

In the financial years ended on the 31st December 2008 and 2007, the recognized costs and profits related to construction contracts in progress, are as follows:

	2008	2007
Net profits:		
Invoices issued	695,645	501,318
Variation of:		
- Deferred profits - works (Note 40)	259	(777)
- Provision for warranties (Note 39 and 40)	(9,846)	(5)
	<u>686,058</u>	<u>500,536</u>
Net costs:		
Construction costs incurred during the year	637,391	481,161
Variation of:		
- Cost incurred and values invoiced	34,188	2,054
- Provisions for future losses (Note 8 and 13)	9,891	(716)
	<u>681,470</u>	<u>482,499</u>
Calculated results:	<u>4,588</u>	<u>18,037</u>

As a result of the percentage level method application, the balance sheets on the 31st December 2008 and 2007 included the following balances:

	2008	2007
Works in progress – difference between costs incurred and values invoiced (Note 10)	61.649	27.461
Deferred profits regarding anticipated invoicing (Note 40)	26.429	26.170
Provisions:		
For future losses (Note 10)	12.488	2.597
For warranties (Note 39 and 40)	37.081	46.927

Additionally, on the 31st December 2008, the retentions done by customers related to construction contracts amounted to 843 thousand Euros (1,042 thousand Euros in 2007).

32 - CAPITAL

On the 31st December 2008, the fully subscribed and paid up capital was represented by 420,000,000 shares, with the nominal value of fifty cents of the Euro each.

On the 31st December 2008, TDG - Sociedade Gestora de Participações Sociais, S.A. held directly 160,341,364 shares, representative of Teixeira Duarte - Engenharia e Construções, S.A. capital, corresponding to 38.18% of the respective capital stock.

33 - RESERVES AND CARRIED FORWARD RESULTS

Legal reserve: In accordance with the legislation in force, the Company is under the obligation to transfer to legal reserve at least 5% of the annual net results, until a minimum of 20% of the capital. This reserve is not to be distributed to the shareholders but it can be used to absorb losses, after all the other reserves have been depleted, or incorporated in the capital.

Fair value reserve: The fair value reserve results from the difference between the cost value and the market value of the financial assets available for sale, still not recognized in the results statements.

Free reserve: Free reserves are available for distribution.

34 - MINORITY INTERESTS

Movements in this item during the financial years ended on the 31st December 2008 and 2007, were the following:

	2008	2007
Initial balance	168,769	150,259
Perimeter change	(312)	9,453
Dividends	(1,052)	(292)
Alienation of financial holdings	(242)	1,472
Other subsidiaries' equity capital variations	(5,525)	2,538
Financial year result ascribable to minority interests	(65,733)	5,339
Final balance	95,905	168,769

35 - LOANS

On the 31st December 2008 and 2007, the loans obtained were as follows:

	2008	2007
Non-current liabilities:		
Debenture loans a)	-	198,159
Bank loans b)	748,885	793,719
Commercial paper c)	672,164	452,147
Other loans obtained d)	-	256
	1,421,049	1,444,281
Current liabilities:		
Debenture loans a)	198,866	-
Bank loans b)	288,834	347,778
Commercial paper c)	48,500	-
Other loans obtained d)	131	387
	536,331	348,165
	1,957,380	1,792,446

a) Debenture loans

On the 29th March 2004, the Group issued a debenture loan of 120,000 thousand Euros for a period of 5 years, corresponding to 2,400,000 non convertible bonds, at the nominal value of 50 Euros each, with interest becoming due every semester and subsequently at a rate indexed to Euribor at six months, plus 0.875%. The reimbursement is done in one single instalment, at the end of the issue term, on the 30th of March 2009.

On the 12th May 2004, the Group issued a debenture loan of 80,000 thousand Euros for a period of 5 years, corresponding to 1,600,000 non convertible bonds, at the nominal value of 50 Euros each, with interest becoming due every semester and subsequently at a rate indexed to Euribor at six months, plus 0.875%. The reimbursement is done in one single instalment, at the end of the issue term, on the 12th May 2009.

b) Bank Loans

On the 31st December 2008, internal bank loans, the bank overdrafts and guaranteed current accounts had interest at the average weighted annual rate of 5.3% (4.9% on the 31st December 2007).

Bank loans contracted by the Group correspond essentially to:

- Loan contracted by the Group with Banco Comercial Português, on the 31st December 2004, for the amount of 90,000 thousand Euros, with reimbursement in 2 half-yearly instalments of 40,000 thousand Euros on the 30th June 2010 and 50,000 thousand Euros on the 31st December 2010.

- Credit cession contract signed on the 30th May 2006 with Banco Comercial Português, amounting to 2,051 thousand Euros, signed on the 30th May 2006. The Group assumes the risk of the non-payment of the credits assigned thirty days after the limit payment deadline, the 30th June 2009. The charges for this operation shall be borne by the customer.
- Loan with Banco Bilbao Vizcaya Argentaria, contracted on the 12th April 2007, amounting to 75,000 thousand Euros, to be reimbursed on the 16th March 2012.
- Loan contracted by the Group on the 29th June 2007 with Caixa Geral de Depósitos, for 342,500 thousand Euros, to be reimbursed on the 29th May 2012.
- Loan with Banco Popular Portugal, contracted on the 18th December 2008, for 25,000 thousand Euros, to be reimbursed on the 18th December 2011.
- Loan contracted by the Group on the 30th December 2008 with Caixa Geral de Depósitos, for 50,000 thousand Euros, to be reimbursed in 180 monthly equal and successive instalments, ending on the 30th December 2023.
- Loan contracted by the Group on the 31st December 2008 with Caixa Geral de Depósitos, amounting to 117,000 thousand Euros, to be reimbursed on the 30th November 2013.

On the 31st December 2008 and 2007, bank loans also include guaranteed accounts amounting to 295,489 and 163,036 thousand Euros, respectively.

c) Commercial paper

On the 31st December 2008, the Group has negotiated the following commercial paper programs:

- Grouped program of commercial paper issues, by particular subscription contracted with Banco Comercial Português on the 14th October 2005, for the global amount of 150,000 thousand Euros, in which takes part Teixeira Duarte - Engenharia e Construções, S.A. and its associated company Teixeira Duarte - Gestão de Participações de Investimentos Imobiliários, S.A., for the amounts of 15,000 thousand Euros and 135,000 thousand Euros, respectively. The holding of each company in the program may be variable in each of the programme's utilization, with Teixeira Duarte - Engenharia e Construções, S.A. having to hold, at least, 10% of the total value. Sixteen half-yearly and successive issues are contracted for the total nominal value of the program, with interest maturing half-yearly and subsequently at a rate indexed to Euribor at six months plus a spread of 0.875%, with the reimbursement of the last issue taking place on the 14th October 2013.
- Grouped programme of commercial paper issues contracted with Banco Espírito Santo de Investimento and Banco Espírito Santo on the 16th December 2005, amounting to 50,000 thousand Euros, in which takes part Teixeira Duarte - Engenharia e Construções, S.A. and its associated company Teixeira Duarte - Gestão de Participações de Investimentos Imobiliários, S.A., being the total amount used by Teixeira Duarte - Gestão de Participações de Investimentos Imobiliários, S.A.. The holding of each company in the programme may be variable in each of the programme's utilization. The programme has the duration of five years minus one day, counting from the contract signature date. Interest matures in anticipation, being the intervention rate indexed to Euribor from one to six months plus 0.65%, determined in accordance with the realization of each auction.
- Grouped programme of commercial paper issues, by particular subscription contracted with Banco Comercial Português on the 6th January 2006, for the used amount of 25,000 thousand Euros, in which takes part Teixeira Duarte - Engenharia e Construções, S.A. and its associated company Teixeira Duarte - Gestão de Participações de Investimentos Imobiliários, S.A., for the amounts of 22,500 thousand Euros and 2,500 thousand Euros, respectively. Each company's holding in the program may vary in each of its uses, with Teixeira Duarte - Engenharia e Construções, S.A. having to participate, at least, with 10% of the total value. The program has the duration of five years, counting from the contract signature date, with interest maturing half-yearly and subsequently, being the intervention rate indexed to Euribor from one to six months, by a competitive auction from 7 to 180 days by direct placement, plus 0.40%, determined in accordance with the realization of each auction, with the reimbursement of the last issue taking place on the 6th January 2011.
- Grouped programme of commercial paper issues contracted with Banco Comercial Português on the 14th February 2006, for the global amount of 50,000 thousand Euros, in which takes part Teixeira Duarte - Engenharia e Construções, S.A. and its associated company Teixeira Duarte - Gestão de Participações de Investimentos Imobiliários, S.A., for the amounts of 5,000 thousand Euros and 45,000 thousand Euros, respectively. Each company's participation in the program may vary in each of its uses, with Teixeira Duarte - Engenharia

e Construções, S.A. having to participate, at least, with 10% of total value. Sixteen half-yearly and successive issues are contracted for the total nominal value of the program, with interest maturing half-yearly and subsequently at a rate indexed to Euribor at six months plus a spread of 0.875%, with the reimbursement of the last issue taking place on the 14th October 2013 and determined in accordance with the realization of the auction, with the reimbursement of the last issue taking place on the 14th February 2014.

- Grouped programme of commercial paper issues contracted with Banco Espírito Santo de Investimento and Banco Espírito Santo on the 21st August 2006, amounting to 50,000 thousand Euros, in which takes part Teixeira Duarte - Engenharia e Construções, S.A. and its associated company Teixeira Duarte - Gestão de Participações de Investimentos Imobiliários, S.A., with the total being used by Teixeira Duarte - Gestão de Participações de Investimentos Imobiliários, S.A.. Each company's participation in the program may vary in each of its uses. The programme has the duration of five years minus one day, counting from the contract signature date. Interest matures in anticipation and half-yearly, being the intervention rate indexed to Euribor from one to six months plus 0.65%, determined in accordance with the realization of each auction.
- Grouped program of commercial paper issuing contracted with Fortis Bank on the 13th July 2007, amounting to 34,000 thousand Euros, in which Teixeira Duarte – Engenharia e Construções, S.A. and its subsidiary Teixeira Duarte - Gestão de Participações de Investimentos Imobiliários, S.A., take part. It is totally being used by Teixeira Duarte - Gestão de Participações de Investimentos Imobiliários, S.A.. Each company's participation in the program may vary in each of its uses. The program has a duration of five years minus one day, counting as of the contract signature date and the commercial paper issuing can be for periods of 7 to 365 days, in accordance with the participants' option. Interests mature subsequently, on the reimbursement date of each issue, with the intervention rate indexed to Euribor from one to six months, plus 0.35%.
- Grouped program of commercial paper issues contracted with Caixa Geral de Depósitos, S.A. on the 27th September 2007, amounting to 100,000 thousand Euros, in which Teixeira Duarte – Engenharia e Construções, S.A. and its associated company Teixeira Duarte - Gestão de Participações de Investimentos Imobiliários, S.A. take part. It is totally being used by Teixeira Duarte – Engenharia e Construções, S.A.. Each company's participation in the program may vary in each of its uses. The program has a duration of five years, counting from the contract signature date and the commercial paper issuing can be for periods of 7 to 181 days, according to the participant's choice. Interests mature subsequently, on the reimbursement date of each issue, with the intervention rate indexed to Euribor for the respective issuing period, in force on the second working day prior to the subscription date, plus 0.45%.
- Grouped programme of commercial paper issues contracted with Banco Espírito Santo Investimento on the 21st April 2008, amounting to 120,000 thousand Euros, in which Teixeira Duarte - Engenharia e Construções, S.A. and its associated company Teixeira Duarte - Gestão de Participações de Investimentos Imobiliários, S.A. take part. It is totally being used by Teixeira Duarte - Gestão de Participações de Investimentos Imobiliários, S.A.. Each company's participation in the program may vary in each of its uses. The program has a duration of five years minus one day, counting as of the contract signature date. Interest matures in the reimbursement date of each issue, with the intervention rate indexed to Euribor for the respective issuing period, in force on the second working day prior to the subscription date, plus 0.65% and determined in accordance with the realization of each auction.
- Program of commercial paper issues contracted with Banco Comercial Português, S.A. on the 18th August 2008, amounting to 20,000 thousand Euros. The commercial paper is issued with an issuing term of 1, 3 and 6 months. The program shall last 1 year, being renewable, with interest maturing at a rate indexed to Euribor on the issuing date, plus 0.75%.
- Program of commercial paper issues contracted with Banco Comercial Português, S.A. on the 20th August 2008, amounting to 28,500 thousand Euros. The commercial paper is issued with an issuing term of 1, 3 and 6 months. The program shall last 1 year, being renewable, with interest maturing at a rate indexed to Euribor on the issuing date, plus 0.75%.
- Grouped programme of commercial paper issues contracted with Banco Espírito Santo Investimento on the 23rd December 2008, amounting to 100,000 thousand Euros, in which takes part Teixeira Duarte - Engenharia e Construções, S.A. and its associated company Teixeira Duarte - Gestão de Participações de Investimentos Imobiliários, S.A.. It is totally being used by Teixeira Duarte - Gestão de Participações de Investimentos Imobiliários, S.A.. Each company's participation in the program may vary in each of its uses. The program has a duration of five years minus one day, counting as of the contract signature date, interest matures in the reimbursement date of each issue, with the intervention rate indexed to Euribor for the respective issuing period, in force on the second working day prior to the subscription date, plus 0.65% and determined in accordance with the realization of each auction.

As a result from the successive renovation commitment during the program contracts period, the issues that existed on the 31st December 2008 are classified as non-current liabilities.

d) Other loans obtained

On the 31st December 2008, the other loans obtained by the Group correspond essentially to:

- Loan contracted by the Group with IAPMEI, amounting to 131 thousand Euros, with respective reimbursement taking place on the 15th February 2009.

Non-current bank loans are reimbursable in the following years:

	2008	2007
2009	-	561,846
2010	67,620	101,087
2011	86,684	124,684
2012	558,862	455,824
2013 and following years	707,883	200,840
	1,421,049	1,444,281

On the 31st December 2008 and 2007, financings in foreign currency were expressed in the following currencies:

Currency	2008		2007	
	Currency	Euros	Currency	Euros
BRL	17,000	5,241	-	-
JPY	55,000	436	-	-
USD	96,926	69,646	13,142	8,927

In the loans denominated in foreign currency, interest matures at the market rate and was converted into Euro based on the existing exchange rate at the balance sheet date.

36 - PROVISIONS AND LOSSES DUE TO ACCUMULATED IMPAIRMENT

The movement occurred in accumulated provisions during the years ended on the 31st December 2008 and 2007, was the following:

	Provisions for legal and tax risks	Others, related to personnel	Law suits	Other provisions for risks and charges	Total
Balance on the 1 st January 2007	41	5,187	26	442	5,696
Perimeter change	-	-	86	-	86
Exchange rate effect	-	-	-	(13)	(13)
Reinforcement	10,044	5,220	37	1,095	16,396
Decreases	(41)	-	-	(11)	(52)
Utilizations	-	(5,118)	-	(98)	(5,216)
Transfers	-	-	8	(91)	(83)
Balance on the 31st December 2007	10,044	5,289	157	1,324	16,814
Balance on the 1 st January 2008	10,044	5,289	157	1,324	16,814
Exchange rate effect	(2,349)	-	-	(261)	(2,610)
Reinforcement	163	2,271	56	113	2,603
Decreases	-	-	-	(32)	(32)
Utilizations	(72)	(5,220)	-	(58)	(5,350)
Transfers	-	8	(8)	(32)	(32)
Balance on the 31st December 2008	7,786	2,348	205	1,054	11,393

Reinforcements were done with counterpart of:

	2008	2007
Financial year result:		
Provisions and losses due to impairment	248	109
Costs with personnel	2,263	5,233
Supplies and outsourcing	11	2
Results related to associated companies	64	69
Equity capital	17	10,983
	2,603	16,396

On the 31st December 2008, losses due to impairment of the non-current assets amounting to 1,570 thousand Euros were registered (Note 18).

Reductions were done with counterpart of:

	2008	2007
Financial year result:		
Provisions and losses due to impairment	-	(52)
Results regarding investment activities	(32)	-
	(32)	(52)

37 - SUPPLIERS AND OTHER CREDITORS

On the 31st December 2008 and 2007 this item was composed as follows:

	2008	2007
Non-current liabilities:		
Suppliers	-	781
Other creditors	25,342	49,384
	25,342	50,165
Current liabilities:		
Suppliers	220,278	175,636
Fixed assets suppliers	2,353	11,742
Other creditors	31,508	6,546
	254,139	193,924
	279,481	244,089

38 - CREDITORS DUE TO FINANCIAL LEASING CONTRACTS

On the 31st December 2008 and 2007, the net value of assets purchased resorting to financial leasing amounted to:

	2008	2007
Land and natural resources	4,081	4,081
Buildings and other constructions	236,363	21,512
Basic equipment	14,774	15,772
Transport equipment	3,270	3,645
Tools and utensils	20	115
Administrative Equipment	74	30
Other tangible fixed assets	178	14
	258,760	45,169

On the 31st December 2008 and 2007, the value present in the minimum payments of financial leasing were mandatorily scheduled as follows:

	2008	2007
2008	-	5,650
2009	13,395	5,882
2010	13,584	5,465
2011	13,538	5,100
2012	13,061	2,811
2013	12,027	18,251
After 2013	194,896	-
	260,501	43,159

In the year ended on the 31st December 2008, the Group carried out the contracting of a sale and leaseback operation involving the Lagoas Park development, which is essentially registered as investment property (Note 21). To guarantee the referred operation, the retention of title was made for lots 7, 8, 9, 10, 11, 12, 15, 16 and 23 of that development.

The financial leasing contracts interest matures at market rate and have defined lifetime periods.

Financial obligations due to leasing are guaranteed by the retention of title of the leased assets.

39 - OTHER NON-CURRENT LIABILITIES

On the 31st December 2008 and 2007 this item had the following composition:

	2008	2007
Associated companies, subsidiaries and other shareholders:		
Associated companies	1,320	-
Other shareholders	49	-
	1,369	-
Deferred profits:		
Deferred profits from works – warranty period (Note 31)	28,907	35,693
Other deferred profits	4,452	6,476
	33,359	42,169
Others:		
Advances from customers	6,947	36,631
Derivative financial instruments (Note 41)	5,452	-
	12,399	36,631
	47,127	78,800

40 - OTHER CURRENT LIABILITIES

On the 31st December 2008 and 2007, this item had the following composition:

	2008	2007
State and other public entities:		
Corporate Income Tax - IRC	1,434	1,543
Withholding Tax on Income	2,341	1,277
Value Added Tax	17,855	11,343
Contributions to Social Security	3,574	3,418
Others	1,968	2,963
	27,172	20,544
Associated companies, subsidiaries and other shareholders:		
Associated companies	-	805
Subsidiaries	261	312
Other shareholders	565	266
	826	1,383
Cost accruals:		
Insurance to be paid	780	584
Remunerations to be paid	18,787	16,165
Interest rate to be paid	8,120	10,823
Other costs to be paid	21,943	14,190
	49,630	41,762
Deferred profits:		
Work invoiced but not done (Note 31)	26,429	26,170
Subsidies for investment	-	187
Deferred profits from works – warranty period (Note 31)	8,174	11,234
Other deferred profits	9,216	3,998
	43,819	41,589
Others:		
Advances from customers	105,991	60,197
Advances on account of sales	2,079	1,402
Derivative financial instruments (Note 41)	636	-
	108,706	61,599
	230,153	166,877

41 -DERIVATIVE SECURITIES

During the year ended on the 31st December 2008, the Group contracted a set of derivative securities aimed at minimizing exposure risks to exchange rate variances. The existing derivative securities consist in exchange rate swap contracts.

This type of security contracting is done taking in consideration the risks which affect assets and liabilities and after verifying which existing instruments in the market seem to be more adequate to cover those risks.

The contracting of these operations is subject to prior approval by the Board of Directors. They are permanently monitored, namely through the analysis of several indicators related to these securities, in particular the evolution of its market value and the estimated cash-flows and the market value sensitivity to the alterations in the key-variables that condition the structures, with the objective of evaluating the financial effects.

The registration of the derivative securities is done in accordance with the provisions of IAS 39, being measured by its fair value, which is based on evaluations done by financial institutions.

Being coverage securities or securitised held for negotiation, they are qualified in compliance with the provisions of IAS 39.

Securities not qualified as coverage (negotiation)

The existing securities on the 31st December 2008 are classified as securities not qualified as coverage (negotiation), being its nature and fair value on that date, as follows:

Type of operation	Maturity	Underlying amount	Fair value
Interest rate swap – fixed rate	30 th April 2009	34,000	(358)
Interest rate swap – fixed rate	30 th June 2009	65,000	(90)
Interest rate swap – fixed rate	30 th June 2009	135,000	(188)
Interest rate swap – fixed rate	1 st July 2033	15,640	(5,452)
			<u>(6,088)</u>

The variances in fair value of these negotiation securities are directly registered in the results statements of the periods in which they occur.

42 - OTHER FINANCIAL COMMITMENTS

Control of Investee Companies

Most of the financing operations taken by operational companies or by sub-holdings do not foresee, in respective contracts, maintaining the control of most of its capital by Teixeira Duarte - Engenharia e Construções, S.A.. However, comfort letters requested to the parent-company for the purpose of contracting these operations, usually contain the commitment of non-alienating the control (direct and/or indirect) of those associated companies.

On the 31st December 2008 and 2007, the comfort letters granted by the parent-company and other affiliates amounted to 605,579 and 431,345 thousand Euros, respectively.

On the 31st December 2008 and 2007, factoring contracts were in force without any right of recourse, which were registered as accounts receivable reduction, amounting to 129,471 and 133,206 thousand Euros, respectively. In accordance with the contractual conditions, the Group's responsibility is essentially restricted to the guarantee of acceptance by the customers whose invoices are the object of factoring.

43 - CONTINGENT ASSETS AND LIABILITIES

On the 31st December 2008 and 2007, the set of companies included in the consolidation had provided guarantees to third parties, as follows:

	<u>2008</u>	<u>2007</u>
Collateral security provided:		
Bank	520,586	411,908
Real	371	27
	<u>520,957</u>	<u>411,935</u>
Fidelity guarantee insurance	<u>112,398</u>	<u>57,256</u>

Bank guarantees were fundamentally provided for tender purposes, advances received and as guarantee of the good execution of works.

Teixeira Duarte - Engenharia e Construções, S.A., BEL-ere - Engenharia e Reabilitação de Estruturas, S.A., EPOS – Empresa Portuguesa de Obras Subterrâneas, S.A., SOMAFEL - Engenharia e Obras Ferroviárias, S.A., OFM - Obras Públicas, Ferroviárias e Marítimas, S.A., RECOLTE - Recolha, Tratamento e Eliminação de Resíduos, S.A., GSC – Compañía General de Servicios y Construcción, S.A., EMPA – Serviços de Engenharia, S.A. and TEGAVEN – Teixeira Duarte y Asociados, C.A. have guarantee insurances provided as guarantee of the good execution of the works and of the services rendered.

The actual guarantee was provided by EMPA – Serviços de Engenharia, S.A. corresponding to the mortgage of land plots to third parties in its construction activity.

In addition to the previously indicated guarantees, the following mortgages were provided:

To guarantee the loan contract with Caixa Geral de Depósitos, for the amount of 117,000 thousand Euros, granted by Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A., TDCIM - Sociedade Gestora de Participações Sociais, S.A. provided as collateral 26,907,230 shares of CIMPOR - Cimentos de Portugal, S.G.P.S., S.A. and Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A., gave as mortgage 30,000,000 shares of Banco Comercial Português, S.A..

To guarantee the loan contract with Caixa Geral de Depósitos, amounting to 342,500 thousand Euros, granted by Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A., TEDAL - Sociedade Gestora de Participações Sociais, S.A. and TDCIM - Sociedade Gestora de Participações Sociais, S.A. provided as collateral 22,000,000 and 28,500,000 shares of CIMPOR - Cimentos de Portugal, S.G.P.S., S.A., respectively, and under contract, Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A., also provided as collateral 87,250,000 shares of Banco Comercial Português, S.A. and 6,000,000 share units of Fundo Investimento Imobiliário Fechado TDF.

To guarantee the loan contract with Banco Bilbao Vizcaya Argentaria, amounting to 75,000 thousand Euros, granted by Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A., Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A., provided as collateral 98,500,000 shares of Banco Comercial Português, S.A. and TDCIM - Sociedade Gestora de Participações Sociais, S.A. provided as collateral 3,600,000 shares of CIMPOR - Cimentos de Portugal, S.G.P.S., S.A..

To guarantee the loan contract with Banco Caixa Geral, amounting to 20,265 thousand Euros, granted by GSC – Compañía General de Servicios y Construcción, S.A., GSC – Compañía General de Servicios y Construcción, S.A., provided as collateral 2,100,000 shares of Banco Bilbao Vizcaya Argentaria, S.A..

To guarantee the commercial paper contract with Fortis Bank, amounting to 34,000 thousand Euros, granted by Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A., a TEDAL - Sociedade Gestora de Participações Sociais, S.A. provided as promise of collateral 5,343,000 shares CIMPOR - Cimentos de Portugal, S.G.P.S., S.A..

To guarantee the commercial paper contract with Banco Espírito Santo, amounting to 100,000 thousand Euros, granted by Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A., TEDAL - Sociedade Gestora de Participações Sociais, S.A. and TDCIM - Sociedade Gestora de Participações Sociais, S.A. provided as collateral 13,350,000 and 6,850,000 shares of CIMPOR - Cimentos de Portugal, S.G.P.S., S.A., respectively, and TEDAL - Sociedade Gestora de Participações Sociais, S.A. provided as collateral 2,727,500 shares of EPOS – Empresa Portuguesa de Obras Subterrâneas, S.A..

To guarantee the commercial paper contract with Caixa Geral de Depósitos, amounting to 100,000 thousand Euros, granted by Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A., TEDAL - Sociedade Gestora de Participações Sociais, S.A. and TDCIM - Sociedade Gestora de Participações Sociais, S.A. provided as collateral 21,000,000 and 8,000,000 shares of CIMPOR - Cimentos de Portugal, S.G.P.S., S.A., respectively.

To guarantee the commercial paper contract with Banco Espírito Santo, amounting to 120,000 thousand Euros, granted by Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A., TEDAL - Sociedade Gestora de Participações Sociais, S.A. and TDCIM - Sociedade Gestora de Participações Sociais, S.A. provided as collateral 5,500,000 and 7,800,000 shares of CIMPOR - Cimentos de Portugal, S.G.P.S., S.A., respectively, Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A. provided as collateral 47,500,000 shares of Banco Comercial Português, S.A. and TEDAL - Sociedade Gestora de Participações Sociais, S.A. provided as collateral 2,272,500 shares of EPOS – Empresa Portuguesa de Obras Subterrâneas, S.A..

To guarantee the commercial paper contract with Banco Espírito Santo, amounting to 100,000 thousand Euros, granted by Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A., Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A. provided as collateral 27,000,000 shares of Banco Comercial Português, S.A. and TEDAL - Sociedade Gestora de Participações Sociais, S.A. provided as collateral 104,000,000 shares of C+P.A. – Cimentos e Produtos Associados, S.A..

To guarantee debts to third parties, amounting to 16,870 thousand Euros, IMOTD - SGPS, S.A. provided as collateral 47,870 shares of V8, S.A. and 47,780 shares of Parcauto, S.A..

A mortgage was also made in favour of Caixa Geral de Depósitos, on lot 3, located in Lagoas Park, property of Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A., to guarantee the loan contract granted by Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A. amounting to 50,000 thousand Euros.

A promise of mortgage was also made on lots 7, 8, 9, 10, 11, 12, 15, 16 and 23, located in Lagoas Park, property of Banco Comercial Português, S.A., to guarantee the loan contract granted by Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A. amounting to 90,000 thousand Euros, by Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A., with the exercise of the purchase option associated to the financial leasing contracts of the above referred buildings (Note 38).

To guarantee the financing contract granted by TDHOSP – Gestão de Edifício Hospitalar, S.A., Teixeira Duarte - Engenharia e Construções, S.A. provided as collateral to Caixa Geral de Depósitos and Caixa Banco de Investimentos, 486,673 shares of TDHOSP – Gestão de Edifício Hospitalar, S.A.. Within the scope of the same financing contract, Teixeira Duarte - Engenharia e Construções, S.A., in the capacity of shareholder, constituted collateral of the credit rights on TDHOSP – Gestão de Edifício Hospitalar, S.A., emerging from the realization of investments already made, foreseen in the management contract, amounting to 2,433 thousand Euros.

44 - FINANCIAL RISK MANAGEMENT

General Principles:

The group is exposed to a set of financial risks that result from its activity, of which we should highlight:

- Interest rate risks deriving from financial liabilities;
- Exchange rate risk resulting from the subsidiaries located outside the Euro zone, namely in Angola, Algeria, Brazil, Macao, Morocco, Mozambique, Namibia, Russia, São Tome & Príncipe, Ukraine, and Venezuela
- Credit risk, particularly credits on its customers related to the Group's operational activity;
- Liquidity risk, regarding maintenance of a balance in cash funds.

The Group's Financial Management assures the centralized management of the financing operations, the application of treasury surplus, the exchange rate transactions, as well the risk management of the group's counterpart. It is also responsible for the identification, quantification, and proposal and implementation of management/mitigation measures to reduce the financial risks to which the group is exposed.

Next, the main financial risks to which the company is exposed and the main measures implemented within the scope of its management shall be analyzed.

Interest rate risk

The interest rate risk management policy has the objective of minimizing the cost of debt subjected to the maintenance of a low volatility level of the financial charges.

On the 31st December 2008 and 2007, total financial liabilities had a variable interest rate.

If the interest rates of the market had been higher (lower) by 1% during the years ended on the 31st December 2008 and 2007, the financial costs of those years would have increased (decreased) by (18,526) / 18,526 thousand Euros, respectively.

Exchange rate risk

The Group's operational activities are exposed to the Euro exchange rate variances in relation to other currencies.

We should add, taking into account the different countries where the group develops its activity, that its exposure to Exchange rate risk derives from the fact that it has subsidiaries outside the Euro zone and therefore, its assets and liabilities are reported in relation to a different currency, namely, Angola, Algeria, Brazil, Macao, Morocco, Mozambique, Namibia, Russia, Sao Tome and Principe, Ukraine and Venezuela.

The exchange rate risk management policy followed by the Group has as its last objective to reduce to the maximum the sensitivity of the Group's results to Exchange rate variations.

The currency assets and liabilities denominated in foreign currency, converted into Euros on the 31st of December 2008 and 2007, are as follows:

Currency	Assets		Liabilities	
	2008	2007	2008	2007
Venezuelan Bolivar	-	-	714	5
Algerian Dinar	29,397	12,731	92,348	53,004
Moroccan Dihram	-	-	7,791	4,417
US Dollar	128,293	24,182	118,012	49,885
Canadian Dollar	-	-	4,809	63
Ukrainian Hryvnia	-	-	27,242	19,960
Japanese Yen	15,791	8,304	15,998	11,153
Sterling Pound	-	-	-	15
Mozambican Metical	15,552	-	8,235	-
Pataca of Macao	41	-	139	85
South African Rand	99	-	208	39
Brazilian Real	-	-	19,476	50,897
	189,173	45,217	294,972	189,523

Exchange rate risk management is grounded on a permanent quantification and monitoring of the relevant financial and accounting exposures.

The eventual impacts generated in the Group's financial statements, if there was 5% variation in the above referred currencies, can be summarized as follows:

Currency	2008		2007	
	Results	Equity	Results	Equity
Venezuelan Bolivar	(36)	-	-	-
Algerian Dinar	(3,148)	-	(2,120)	-
Dirhan Marroqui	(390)	-	(232)	-
US Dollar	514	-	(1,352)	-
Canadian Dollar	(240)	-	(3)	-
Ukrainian Hryvnia	(1,362)	-	(1,051)	-
Japanese Yen	(10)	-	(150)	-
Sterling Pound	-	-	(1)	-
Mozambican Metical	366	-	-	-
Pataca of Macao	(5)	-	(4)	-
South African Rand	(5)	-	(2)	-
Brazilian Real	(974)	-	(2,679)	-
	(5,290)	-	(7,594)	-

In the Board of Directors' opinion, the analysis of the sensitivity exposed above, based on the position on the indicated dates, cannot be representative of the Exchange rate exposure which the Group faces throughout the year.

Credit risk

The credit risk is essentially related to the receivable balances from customers and other debtors, related to the Group's operational activity. The worsening in global economic conditions or adversities that affect the economies at a local, national or international scale may be the source of the Group customers' incapacity to settle their obligations, with potential negative effects on the Group's results.

This risk is monitored on a regular basis by each of the Group's business units with the objective of:

- Limiting the credit granted to customers, considering the respective profile and the maturity of the accounts receivable
- Following-up on the evolution of the credit level granted
- Analyzing the recovery capacity of the receivables on a regular basis.

The adjustments in accounts receivable, are calculated considering:

- the analysis of the maturity of the accounts receivable;
- the customer's risk profile
- the customers' financial conditions.

On the 31st December 2008, it is the Board of Directors conviction that the adjustments estimated in accounts receivable, are adequately recorded within the financial statements.

On the 31st December 2008 and 2007, the customers' accounts receivables for which no adjustments were registered, because the Board of Directors considers that the same are realizable, are the following:

	2008	2007
Balances:		
Not matured	118,956	88,430
Up to 180 days	83,320	116,323
From 180 to 360 days	35,655	12,335
More than 360 days	32,803	42,703
	270,734	259,791

Liquidity risk

These risks can occur if the financing sources, such as operational cash flow, disinvestment, credit lines and cash flow obtained from financing operations, do not fulfil the financing requirements, such as cash withdrawals for operational and financing activities, investments, shareholders' remuneration and debt reimbursement

As a way of mitigating this risk, the Group seeks to maintain a liquid position and an average maturity of the debt that allows it to settle its debt within appropriate deadlines

Financial liabilities with maturity up to one year is, whenever deemed adequate, replaced with mid and long term maturity terms

The financial liabilities maturity on the 31st December 2008 and 2007 are as follows:

	2008				Total
	Up to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Loans	536,331	67,620	86,684	1,266,745	1,957,380
Suppliers	220,278	-	-	-	220,278
Fixed assets suppliers	2,353	-	-	-	2,353
Financial leasings	13,395	13,584	13,538	219,984	260,501
Other creditors	31,508	23,268	-	2,074	56,850
Other liabilities	230,153	18,625	7,227	21,275	277,280
	1,034,018	123,097	107,449	1,510,078	2,774,642

	2007				Total
	Up to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Loans	348,165	561,846	101,087	781,348	1,792,446
Suppliers	175,636	781	-	-	176,417
Fixed assets suppliers	11,742	-	-	-	11,742
Financial leasings	5,650	5,882	5,465	26,162	43,159
Other creditors	6,546	26,928	4,703	17,753	55,930
Other liabilities	166,877	28,175	21,366	29,259	245,677
	714,616	623,612	132,621	854,522	2,325,371

On the 31st December 2008 and 2007, the amount of cash funds and the amounts not used in the commercial paper program and credit lines amounted to 394,050 thousand Euros and 456,719 thousand Euros, respectively.

45 - FINANCIAL STATEMENT APPROVAL

The financial statements of the year ended on the 31st December 2008 were approved by the Board of Directors on the 20th April 2009, however the same are still subject to approval, under the terms of the commercial legislation in force in Portugal, by the Shareholders' General Meeting, which is foreseen to be held on the 13th May 2009.

46 - SUBSEQUENT EVENTS

Following the concession contract signed between the Portuguese State and "EP - Estradas de Portugal, S.A.", on the 24th January 2009, was signed the sub-concession contract of Baixo Tejo, between "EP - Estradas de Portugal, S.A." and the sub-concessioned company "VBT – Vias do Baixo Tejo, S.A.", in which "TEIXEIRA DUARTE - Engenharia e Construções, S.A." holds 9% of the respective capital stock.

The above referred sub-concession contract shall last 30 years and has as its objective the design, project, construction, increase of the number of lanes, financing, operation and conservation, of the highway traffic lanes, roads and associated road sets in the district of Setúbal, designated as Baixo Tejo sub-concession, in a total of 68 Km, of which 17 Km have toll gates for the users and a foreseen investment of approximately 278 million Euros.

Additionally, a Complementary Company Group was incorporated with the purpose of executing contract jobs regarding the above referred Baixo Tejo sub-concession, for the approximate global amount of 259 million Euros, a group in which "TEIXEIRA DUARTE - Engenharia e Construções, S.A." holds 20%.



Reports, Advisory Reports and Certifications
of the Supervisory Boards
2008



Report and Opinion of the Supervisory Board

Dear Shareholders,

Under the terms established in paragraph g) of article 420 of the Commercial Companies Code, we hereby submit our report on inspection, our opinion on the individual and consolidated report and accounts of TEIXEIRA DUARTE – Engenharia e Construções, S.A. regarding the financial year ended on the 31st December 2008 and also on the proposals submitted by the Board of Directors. This document also includes the responsibility statement referred to in paragraph c) of number 1 of article 245 of the Portuguese Securities Market Code.

This Board met regularly throughout the year, having carried out:

- a) the inspection of the Company's management and the control of the compliance with the law and its memorandum of association
- b) the monitoring of management by means of regular contacts with the members of the Board of Directors;
- c) the verification of the accuracy of accounts submission documents, accounting policies and value metric criteria adopted by the Company, in order to ensure that the same lead to a correct evaluation of assets and results;
- d) the follow-up of the works carried out by the Company of Chartered Accountants.

Within the scope of the competences legally bestowed on us, we have verified that:

- a) the management report contains a clear display of the most significant aspects of the business evolution, the performance and net worth of the Company and of the Group;
- b) the individual and consolidated financial statements and respective notes provide a true and appropriate image of the assets of the Company and of TEIXEIRA DUARTE Group, respectively.

Under these terms and taking in consideration the information provided to us by the Board of Directors and by the Company Services, as well as the conclusions contained in the Legal Certification of the Accounts and Audit Report, our opinion is that:

- a) the Management Report should be approved;
- b) the individual and consolidated financial statements related to the financial year of 2008 should be approved;
- c) the proposal for the allocation of the results submitted by the Board of Directors should be approved.

In compliance with the established in paragraph c) of number 1 of article 245 of the Portuguese Securities Market Code, the members of the Supervisory Board hereby state, as far as they are aware, that the annual accounts and the other accounts submission documents were prepared in accordance with the applicable accounting standards, giving a true and appropriate image of assets and liabilities, the net worth and the results of TEIXEIRA DUARTE – Engenharia e Construções, S.A. and of the companies included in the consolidation perimeter. We also declare that the management report faithfully exposes the business evolution, the performance and position of TEIXEIRA DUARTE – Engenharia e Construções, S.A. and of the companies included in the consolidation perimeter, the aforementioned report containing a description of the main risks and uncertainties of the business.

Lisbon, 24th April 2009

António Gonçalves Monteiro - Chairman

Mateus Moreira - Member

Miguel Carmo Pereira Coutinho - Member

STATUTORY AUDIT CERTIFICATION AND REPORT OF STATUTORY AUDITORS (on individual accounts)

INTRODUCTION

1. In accordance with the applicable legislation, we hereby present the Statutory Audit Certification and Report of Statutory Auditors on the financial information contained in the attached Management Report and in the financial statements regarding the year ended 31 December 2008, of TEIXEIRA DUARTE - ENGENHARIA E CONSTRUÇÕES, S.A., which comprise: the Balance sheet as of 31 December 2008 (which shows a total of 1,083,220 thousand Euros and total shareholders' equity of 206,919 thousand Euros, including a net loss of 196,358 thousand Euros), the Income statement by nature and by functions, the Cash Flow Statement for the year then ended, and the respective Notes.

RESPONSIBILITIES

2. It is the responsibility of the Board of Directors:
 - a) to prepare financial statements that offer a true and fair view of the financial position of the company, the results of operations and cash flows;
 - b) to ensure that historic financial information is prepared in conformity with generally accepted accounting principles and that such information reflects a complete, true, current, clear, objective and legal view, as required in terms of the "Código dos Valores Mobiliários" (Portuguese Securities Market Code);
 - c) to adopt adequate accounting policies and criteria;
 - d) to maintain an appropriate internal control system; and
 - e) to disclose any relevant facts that may have influenced the operations of the company, its financial position or results.
3. Our responsibility is to verify the financial information disclosed in the documents, so as to ensure that it represents a complete, true, current, clear, objective and legal position, as required by the "Código dos Valores Mobiliários" (Portuguese Securities Market Code) and to produce a professional and independent report, based on our examination.

SCOPE

4. Our examination was conducted in accordance with the Auditing Standards issued by "Ordem dos Revisores Oficiais de Contas" (Chamber of Statutory Auditors), planned accordingly and executed with the objective to reasonably ensure that the financial information mentioned above is free of any materially relevant distortions. For that purpose, the aforesaid examination included:

- an appropriate examination and verification, on a test basis, of supporting documents for the disclosures in the financial statements and for the estimates made, based on judgments and criteria set out by the Board of Directors, used in their preparation;
 - taking a view on the appropriateness of accounting criteria and policies in place and their reporting, depending on the circumstances;
 - the verification of the applicability of the continuity principle;
 - appreciating, in global terms, the appropriateness of presentation of the financial statements; and
 - the verification that the financial information is complete, true, current, clear, objective and legal;
5. Our examination also included verification that the financial information disclosed in the annual report accorded with the remaining accounts submission documents.
6. We believe that our examination provides a reasonable basis for our opinion.

OPINION

7. In our opinion, the above financial statements provide, in all material respects, a true and fair view of the financial position of TEIXEIRA DUARTE - ENGENHARIA E CONSTRUÇÕES, S.A., on the 31st. of December 2008, the result of its operations and cash flows for the year then ended, in accordance with the generally accepted accounting principles in Portugal and that the information contained therein is complete, true, current, clear, objective and legal.

Linda-a-Pastora, 22 April 2009

MARIQUITO, CORREIA & ASSOCIADOS - SROC

Represented by:

Antonio Francisco Escarameia Mariquito - ROC

STATUTORY AUDIT CERTIFICATION AND REPORT OF STATUTORY AUDITORS ON CONSOLIDATED ACCOUNTS

INTRODUCTION

1. In accordance with the applicable legislation, we hereby present the Statutory Audit Certification and Report of Statutory Auditors on the information contained in the Management Report and in the consolidated financial statements regarding the year ended 31 December 2008, of TEIXEIRA DUARTE - ENGENHARIA E CONSTRUÇÕES, S.A., which comprise: the consolidated Balance sheet as of 31 December 2008 (which shows a total of 3,178,037 thousand Euros and total group shareholders' equity of 243,027 thousand Euros, including a net loss of 347,244 thousand Euros), the consolidated Income statement, the consolidated Statement of the changes in shareholders' equity and the consolidated Cash Flow Statement for the year then ended, and the respective Notes.

RESPONSIBILITIES

2. It is the responsibility of the Board of Directors:
 - a) to prepare consolidated financial statements that offer a true and fair view of the financial position of the consolidated group of companies, the consolidated results of its operations and consolidated cash flows;
 - b) to ensure that historic financial information is prepared in conformity with the International Financial Reporting Standards, as these are applied in the European Union and that such information reflects a complete, true, current, clear, objective and legal view, as required in terms of the "Código dos Valores Mobiliários" (Portuguese Securities Market Code);
 - c) to adopt adequate accounting policies and criteria;
 - d) to maintain an appropriate internal control system; and
 - e) to disclose any relevant facts that may have influenced the operations of the consolidated group of companies, their financial position or results.
3. Our responsibility is to verify the financial information disclosed in the documents, so as to ensure that it represents a complete, true, current, clear, objective and legal position, as required by the "Código dos Valores Mobiliários" (Portuguese Securities Market Code) and to produce a professional and independent report based on our examination.

SCOPE

4. Our examination was conducted in accordance with the Auditing Standards issued by "Ordem dos Revisores Oficiais de Contas" (Chamber of Statutory Auditors), planned accordingly and executed with the purpose to reasonably ensure that the financial information mentioned above is free of any materially relevant distortions. For that purpose, the aforesaid examination included:
 - an appropriate examination and verification of the reliability of the statements made in the financial information disclosed by the companies in the consolidation and, in any substantial

case where this did not occur, the verification, on a test basis, of supporting documents for such disclosures and for the estimates made, based on judgements and criteria set out by the Board of Directors, used in their preparation;

- the verification of consolidation operations and use of the equity method of accounting;
 - an appreciation whether the adopted accounting principles and its diffusion are adequate, taking into account the circumstances;
 - the verification of the applicability of the ongoing principle;
 - appreciating, in global terms, the appropriateness of presentation of the financial statements; and
 - the verification that the consolidated financial information is complete, true, current, clear, objective and legal;
5. Our examination also included verification that the consolidated financial information disclosed in the management report is in accordance with the remaining accounts submission documents.
6. We believe that our examination provides a reasonable basis for our opinion.

OPINION

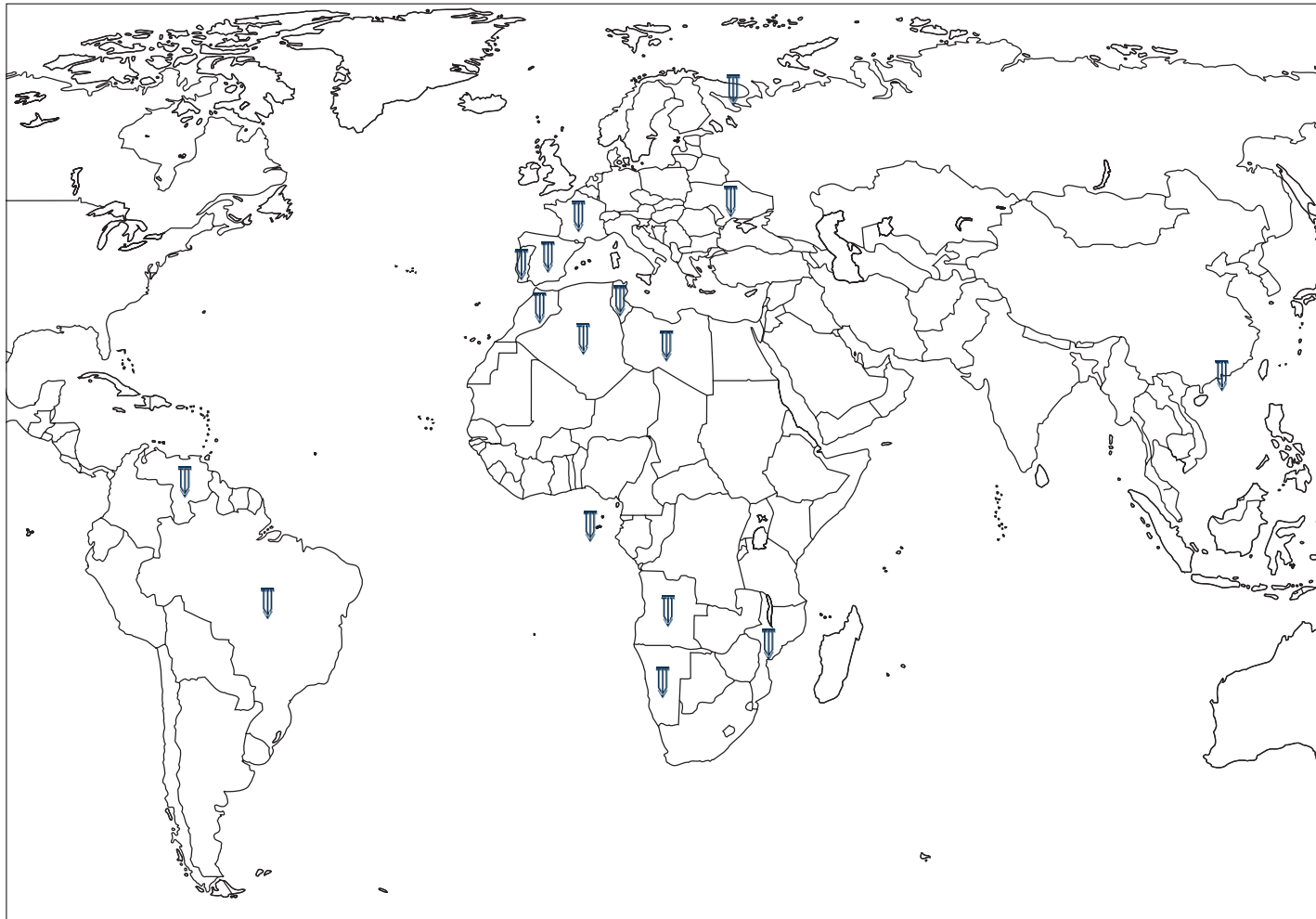
7. In our opinion, the above referred consolidated financial statements give, in all materially relevant aspects, a true and fair view of the consolidated financial position of TEIXEIRA DUARTE - ENGENHARIA E CONSTRUÇÕES, S.A., on the 31st of December 2008, the consolidated result of its operations and the consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards, as these are applied in the European Union and that the information contained therein is complete, true, current, clear, objective and legal.

Linda-a-Pastora, 22 April 2009

MARIQUITO, CORREIA & ASSOCIADOS - SROC

Represented by:

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