

Report and Accounts

1st Semester **2010**



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TEIXEIRA DUARTE - ENGENHARIA E CONSTRUÇÕES, S.A.

PUBLICLY TRADED COMPANY

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

Share Capital: € 210.000.000

Single Corporate Identification and Registration Number in the Trade Registry Office of Cascais (Oeiras) 500 097 488

Holder of Building Permit No. 24

Quality Management System Certification Document, granted to Teixeira Duarte on the 20th December 2002, in the field of Civil and Industrial Engineering and Public Works, including Foundation Technology.



Environmental Management System Certification Document, granted to Teixeira Duarte on the 15th April 2008, in the field of Civil and Industrial Engineering and Public Works, including Foundation Technology.



Occupational Health and Safety Management System Certification Document, granted to Teixeira Duarte on the 23rd February 2006, in the field of Civil and Industrial Engineering and Public Works, including Foundation Technology.



Social Responsibility Management System Certification Document, granted to Teixeira Duarte on the 24th November 2009, in the field of Civil and Industrial Engineering and Public Works, including Foundation Technology.



Summary of Indicators

	1st S 2006	1st S 2007	1st S 2008	1st S (*) 2009	1st S 2010	Growth 2010/2009 %
Workers	6,936	9,334	12,746	13,462	12,901	(4.2%)
Sales/Services Rendered	356	464	583	603	667	10.7%
Operating Income	375	480	632	635	694	9.3%
EBITDA	38	45	93	64	72	12.1%
EBITDA / Turnover Margin	11%	10%	16%	11%	11%	1.3%
EBIT	24	28	71	37	35	(5.3%)
Tangible fixed assets + Investment property	676	767	832	951	1,033	8.6%
Investments in associates + Assets available for sale + Other investments	1,088	1,719	1,393	1,177	329	(72.1%)
Total Equity	536	1,049	535	353	596	69.0%
Net Income	29	34	(256)	18	52	185.3%

Notes:

Amounts expressed in million Euros

The figures in the "Growth 2010/2009 %" column were calculated based on amounts that were not rounded off.

Total Equity includes minority interests.

(*) - Restated Values

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TEIXEIRA DUARTE GROUP - 1st SEMESTER 2010

TEIXEIRA DUARTE
ENGENHARIA E CONSTRUÇÕES, S.A.



Management Report of the Board of Directors - 1st Semester **2010**



I - INTRODUCTION

Under the terms and for the effects of the applicable legal and regulatory provisions, TEIXEIRA DUARTE - Engenharia e Construções, S.A. hereby discloses the Interim Report relative to the first six months of 2010.

In compliance with and under the legislation on the presentation of periodic information, it should be noted that the elements disclosed herein refer only to the consolidated position and that the financial statements and their notes were prepared based on the International Accounting Standard IAS 34, with the scope and development established in the Law.

In compliance with IFRIC 12 – Service concession arrangements (“IFRIC 12”), the previously disclosed financial information has been restated retrospectively, through adjustment of the opening balances of the financial position as at 01 January 2009 and 2010 and of the net income for the semester and quarter ended on 30 June 2009.

Without prejudice to the regular monitoring of the activity of Teixeira Duarte by its Supervisory Bodies, as well as through the information reported to the Supervisory Bodies for the purpose of the preparation of this document, the elements published herein are not, under the terms of the applicable provisions, subject to auditing.

In addition to the Consolidated Financial Statements and respective notes, this document also presents a brief description of the evolution of the Group's activity during the period under analysis, relative to which we highlight the following aspects:

- **The Consolidated Net Income Attributable to Shareholders** was positive by 52 million euros.
- **Turnover** of 667 million euros;
- **EBITDA** of 72 million euros;
- **EBITDA / Turnover Margin** of 11%;
- **Net Debt** of 1,105 million euros;
- **Net Assets of the Group** of 2,810 million euros;
- **Financial Autonomy** of 21%;
- **Portfolio of Orders of the Teixeira Duarte Group** for the construction sector above 2,000 million euros.

II - OVERALL ASSESSMENT

Income Statement
Semesters ended on 30 June 2010 and 2009

	1st S 10	1st S 09 Restated	Var (%)	1st S 09
Operating income	694,049	634,810	9,3%	617,298
Operating costs	622,300	570,822	9,0%	553,213
EBITDA	71,749	63,988	12,1%	64,085
Amortisation and depreciation	27,336	27,162	0,6%	27,116
Provisions	9,552	2	477.500,0%	2
EBIT	34,861	36,824	(5,3%)	36,967
Financial results	21,035	(11,679)	-	(10,248)
Pre-tax profit	55,896	25,145	122,3%	26,719
Income tax	4,497	6,224	(27,7%)	6,642
Net profit	51,399	18,921	171,7%	20,077
Attributable to:				
Shareholders	51,947	18,210	185,3%	19,366
Minority interests	(548)	711	-	711

(Values in thousand euros)

The Consolidated Net Income Attributable to Shareholders reached the value of 51,947 thousand euros, having registered an increase of 185.3% compared to June 2009.

This indicator was influenced by the incorporation of the capital gain arising from the sale of the holding in “CIMPOR – Cimentos de Portugal, S.G.P.S., S.A.”, of the value of 69,800 thousand euros and by the appropriation of net income from this participated company up to the date of its sale, of the value of 9,237 thousand euros, as well as by the recording of an impairment loss in the stake in “Banco Comercial Português, S.A.”, with an impact on profit of 53,150 thousand euros and which penalised the net income calculated for the second quarter of 2010, as shown in the table below.

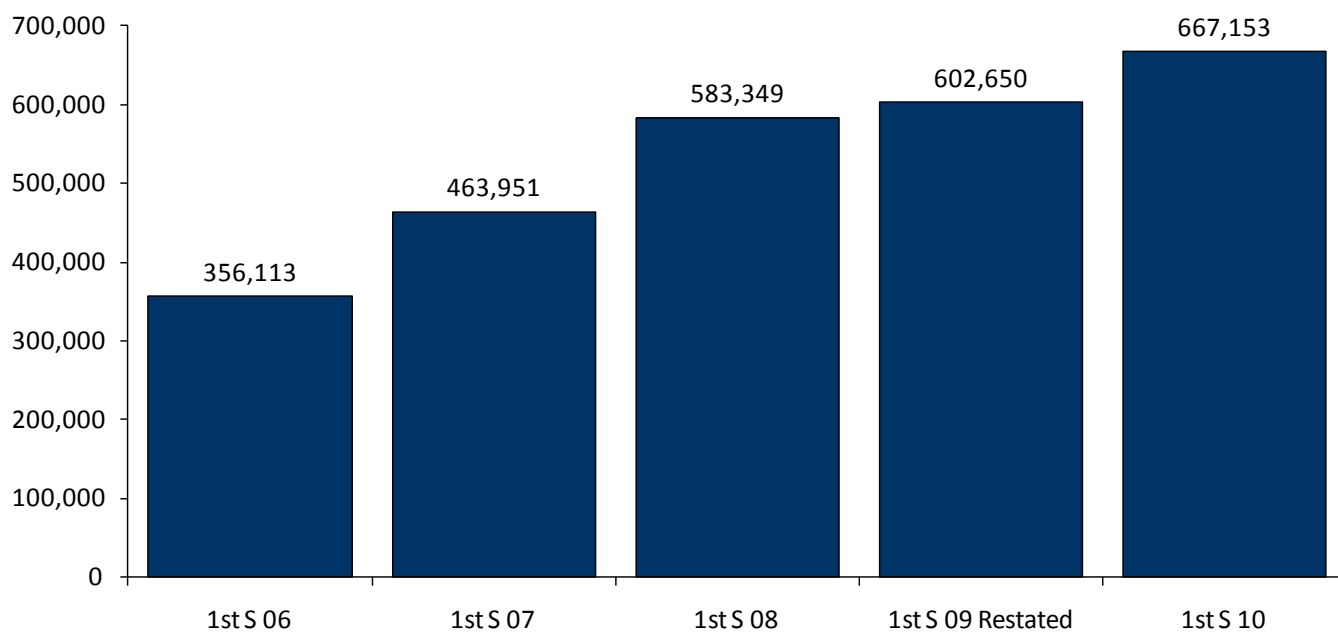
Income Statement
Quarters ended on 30 June 2010 and 2009

	2nd T 10	2nd T 09 Restated	Var (%)	2nd T 09
Operating income	384,862	333,997	15.2%	321,930
Operating costs	349,135	310,396	12.5%	298,268
EBITDA	35,727	23,601	51.4%	23,662
Amortisation and depreciation	14,531	13,665	6.3%	13,648
Provisions	7,883	(10)	-	(10)
EBIT	13,313	9,946	33.9%	10,024
Financial results	(54,296)	1,386	-	1,589
Pre-tax profit	(40,983)	11,332	-	11,613
Income tax	229	4,836	(95.3%)	4,911
Net profit	(41,212)	6,496	-	6,702
Attributable to:				
Shareholders	(39,915)	3,370	-	3,576
Minority interests	(1,297)	3,126	-	3,126

(Values in thousand euros)

Turnover increased by 10.7% percent relative to the first semester of 2009, having reached 667,153 thousand euros.

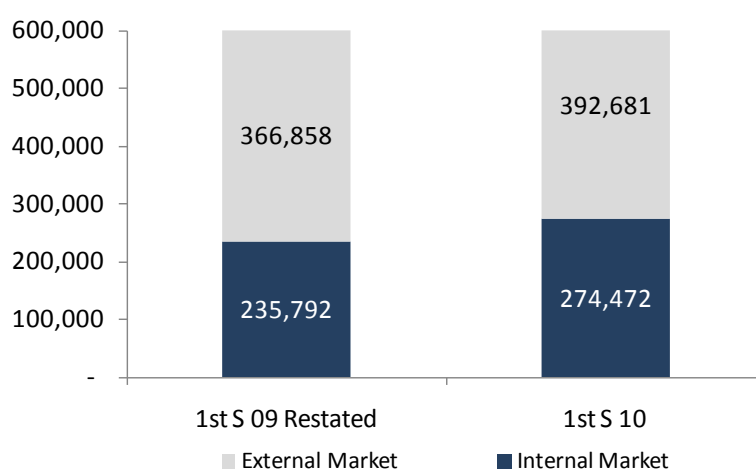
Evolution of Consolidated Turnover



(Values in thousand euros)

In the general computation of the abovementioned growth, Portugal has increased by 16,4%, while the external market has increased by 7%, and now represents 58.9% of the total Turnover of the Teixeira Duarte Group.

Evolution of Turnover by Markets



(Values in thousand euros)

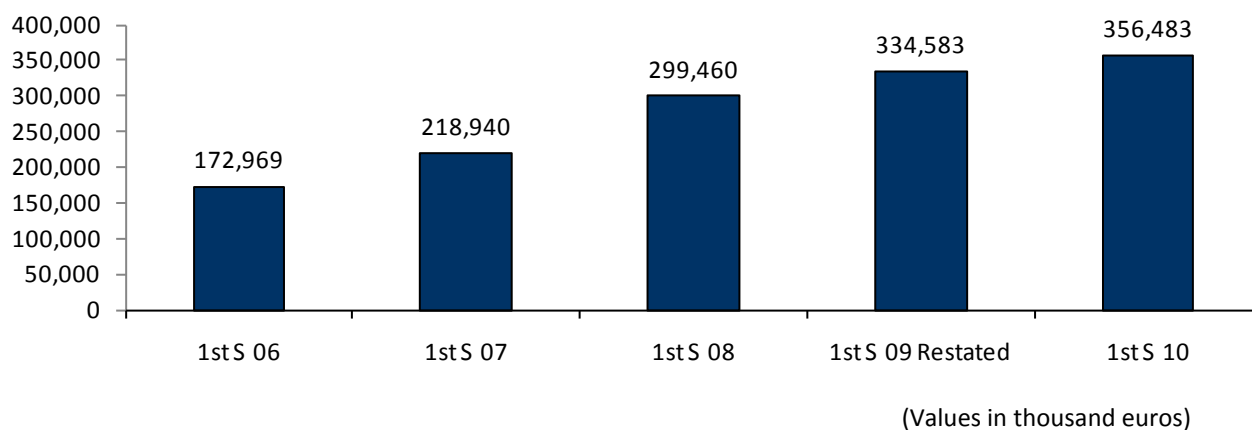
The table below presents the contribution, by country, of the contribution to consolidated total turnover, with the overall influence of the current financial and economic crisis being perceptible, counteracted only by the growth achieved in Portugal, Brazil and Mozambique.

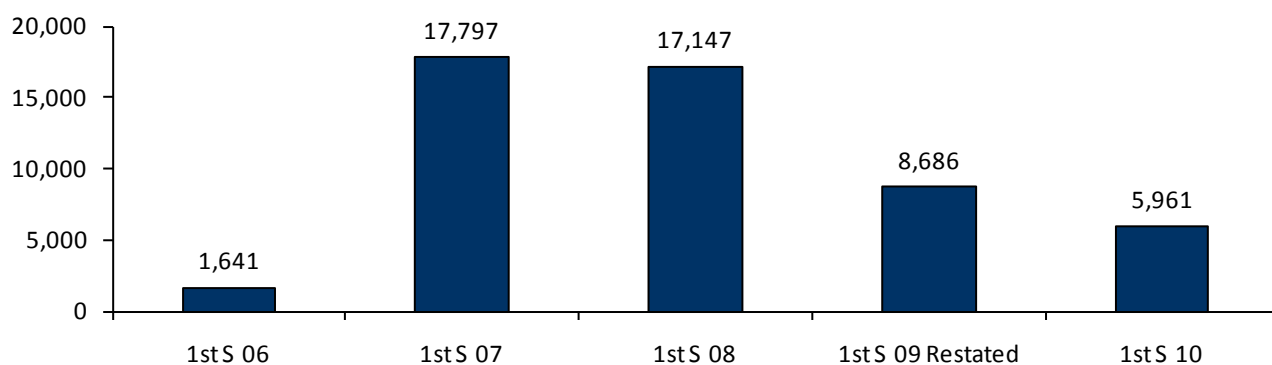
Countries	1st S 10	1st S 09 Restated	Var (%)
Portugal	274,472	235,792	16.4%
Angola	225,430	239,946	-6.0%
Algeria	29,890	53,147	-43.8%
Brazil	88,674	25,214	251.7%
Spain	12,008	12,582	-4.6%
Morocco	1,735	4,337	-60.0%
Mozambique	26,956	21,824	23.5%
Ukraine	4,511	5,579	-19.1%
Venezuela	2,124	2,340	-9.2%
Other	1,353	1,889	-28.4%
<i>Total</i>	667,153	602,650	10.7%

(Values in thousand euros)

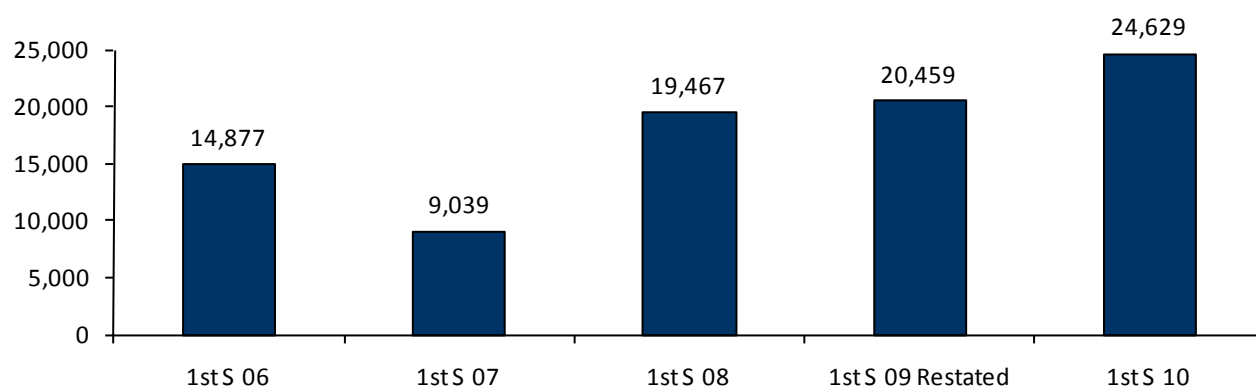
Analysing this indicator by activity sector, particular note should be made of the growth in Construction – including in Portugal, where, in spite of the unfavourable circumstances of the sector, an increase of 4.1% has been achieved -, as well as in Concessions and Services, in Real Estate and in the Fuel Trade.

Turnover of Construction

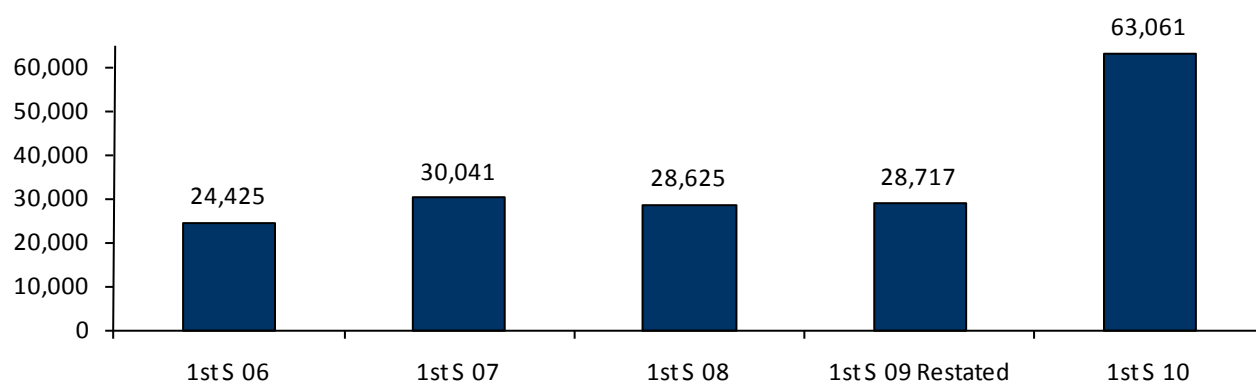


Turnover of Cement, Concrete and Aggregates

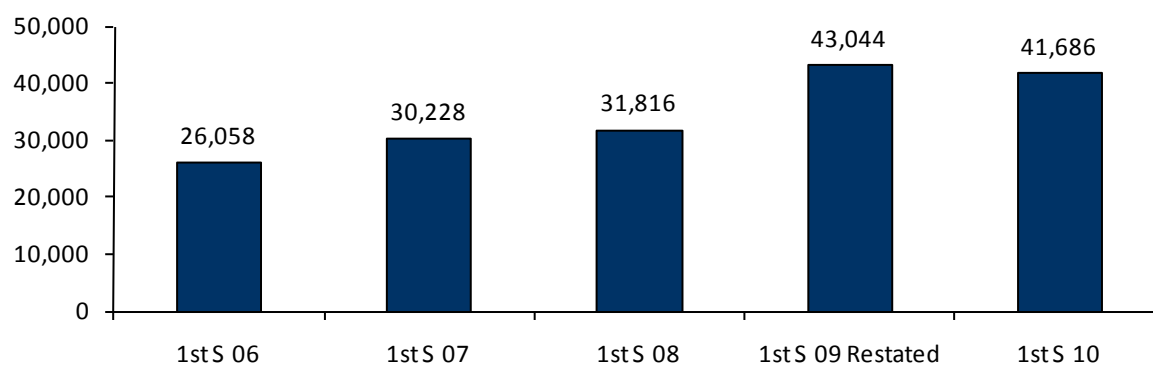
(Values in thousand euros)

Turnover of Concessions and Services

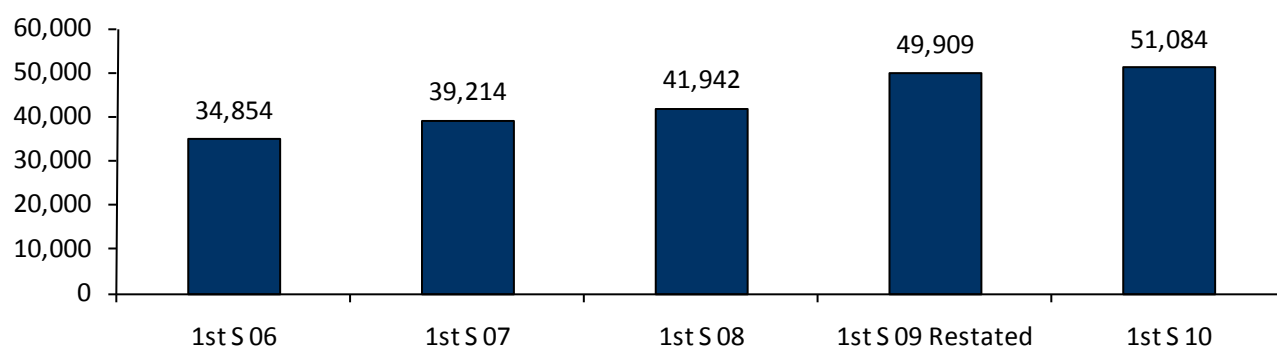
(Values in thousand euros)

Turnover of Real Estate

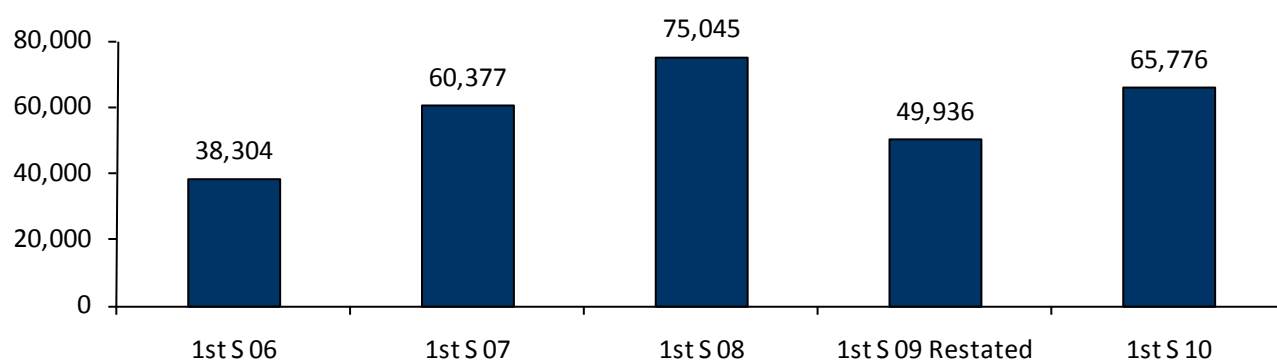
(Values in thousand euros)

Turnover of Hotel Services

(Values in thousand euros)

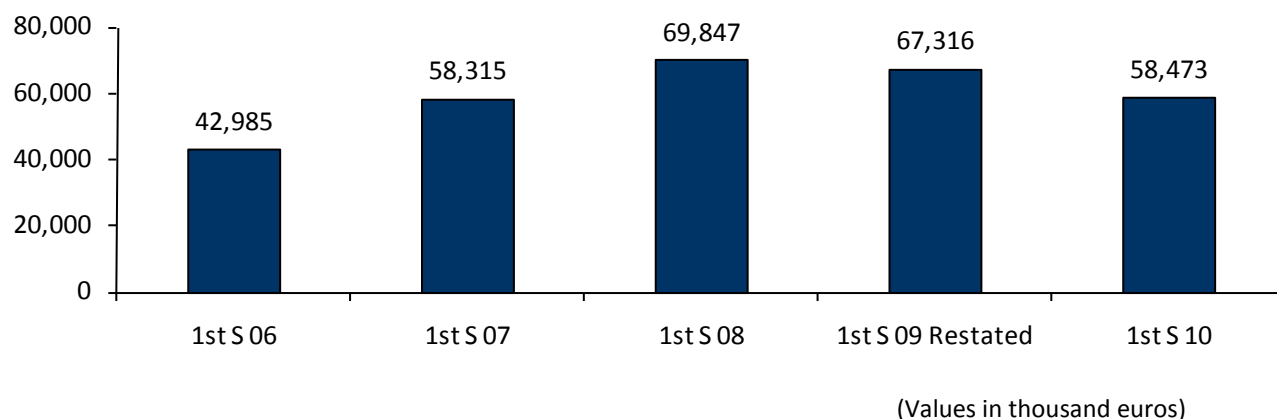
Turnover of Food Trade

(Values in thousand euros)

Turnover of the Fuel Trade

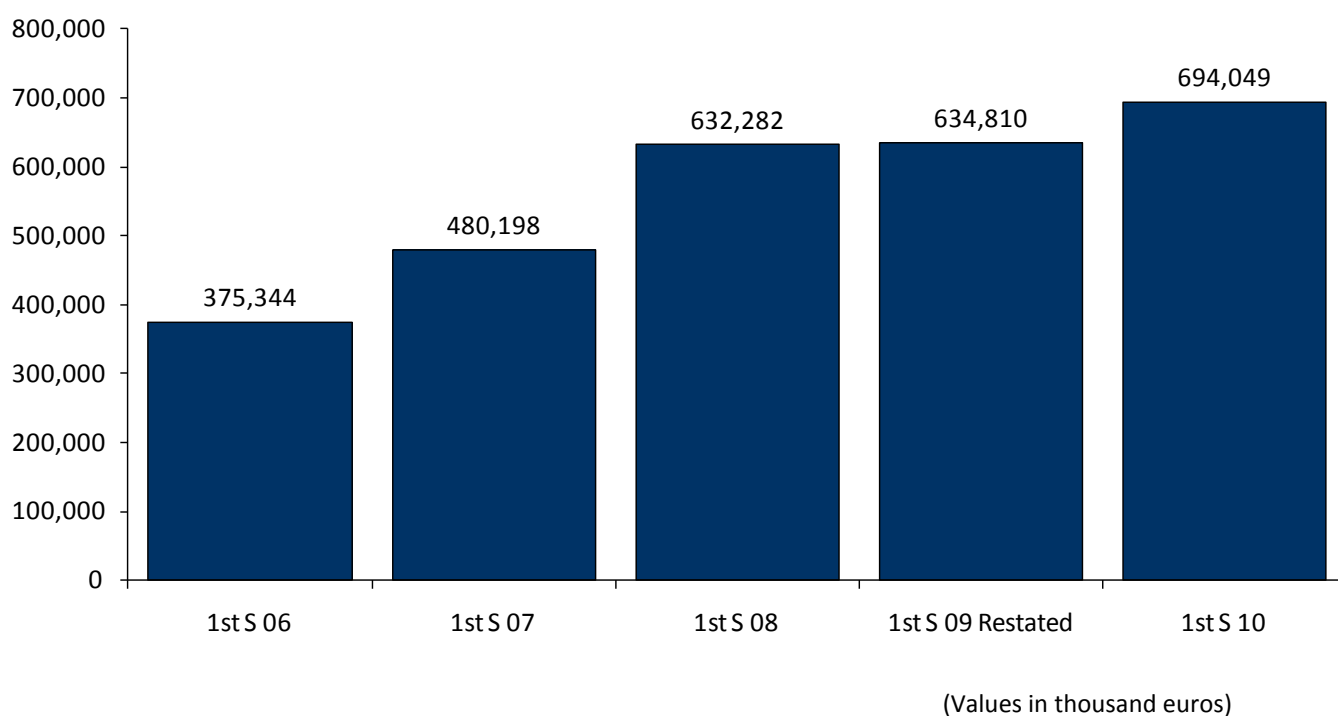
(Values in thousand euros)

Turnover of the Sale of Vehicles



Consolidated operating income has increased by 9.3% in comparison to June 2009, having reached the value of 694,049 thousand euros in these first six months of 2010.

Evolution of Consolidated Operating Income



The growth registered in the Construction sector in both internal and external markets is particularly noteworthy, in spite of the difficult circumstances that this business area has faced.

Total operating income achieved in the Cement, Concrete and Aggregates sector has been affected essentially by the depressive conditions of the Ukrainian market.

The growth in Real Estate in the internal market is due, above all, to the sale of the “Virgin Active” health club for 10 million euros – a building included within the “Santa Marinha” development, in Vila Nova de Gaia –, and in the external market results from the good performance of the activity in Brazil.

The operating income of Hotel Services has decreased, mainly due to the losses registered in the Group's units operating in the Angolan market.

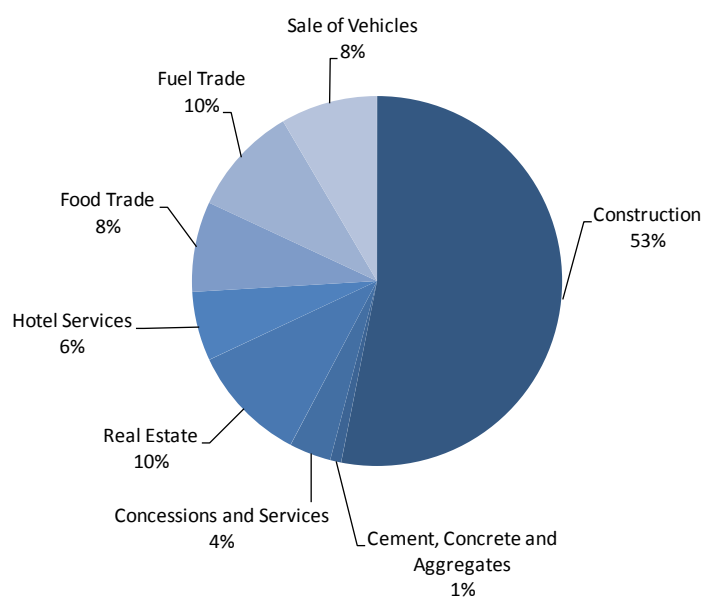
Note should also be made of the good performance achieved in Food Trade and Fuel Trade, which contributed to the positive variation of this indicator.

Operating Income by activity and geographical markets:

Activity Sector	Internal Market			External Market			Total		
	1st S 10	1st S 09 Restated	Var (%)	1st S 10	1st S 09 Restated	Var (%)	1st S 10	1st S 09 Restated	Var (%)
Construction	163,092	159,133	2.5%	205,567	189,322	8.6%	368,659	348,455	5.8%
Cement, Concrete and Aggregates	-	-	-	6,660	9,142	-27.1%	6,660	9,142	-27.1%
Concessions and Services	10,084	8,841	14.1%	15,262	12,380	23.3%	25,346	21,221	19.4%
Real Estate	41,088	31,941	28.6%	30,285	10,853	179.0%	71,373	42,794	66.8%
Hotel Services	7,361	6,887	6.9%	34,557	37,324	-7.4%	41,918	44,211	-5.2%
Food Trade	30	-	-	54,726	51,040	7.2%	54,756	51,040	7.3%
Fuel Trade	66,643	50,189	32.8%	-	22	-	66,643	50,211	32.7%
Sale of Vehicles	22	102	-78.4%	58,672	67,632	-13.2%	58,694	67,734	-13.3%
Other	-	2	-	-	-	-	-	2	-
Total of the Sectors:	288,320	257,095	12.1%	405,729	377,715	7.4%	694,049	634,810	9.3%

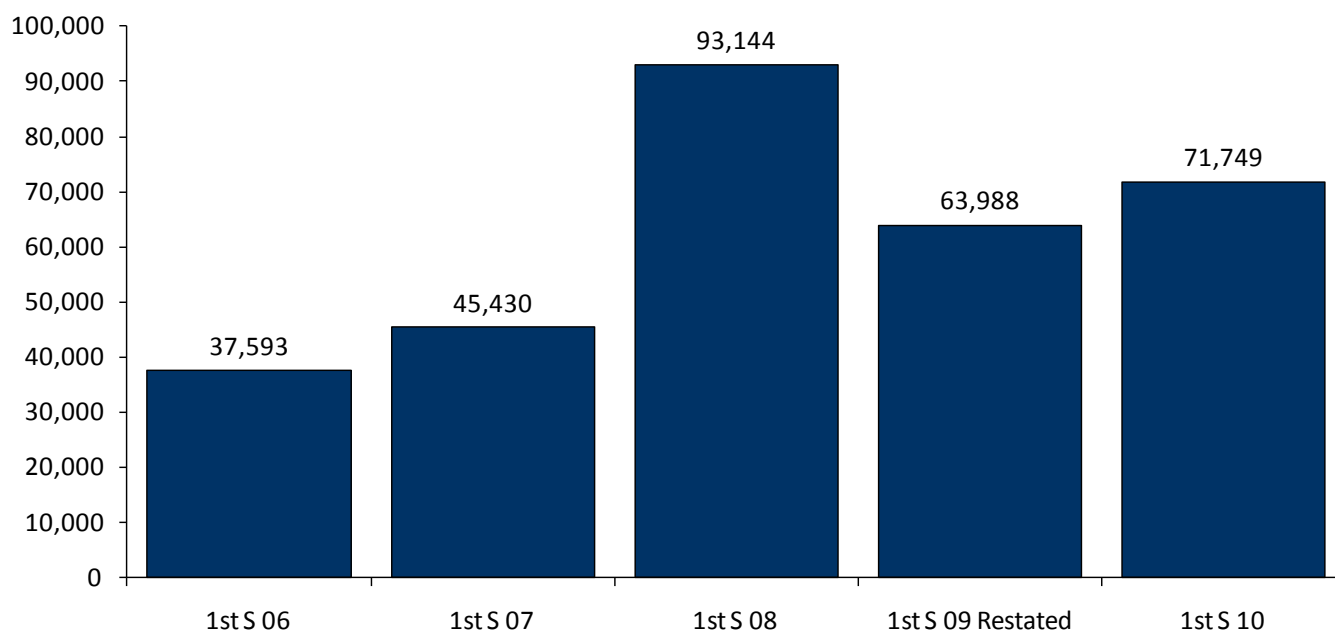
(Values in thousand euros)

In this way, the contribution of each of the activity sectors to the total value of consolidated operating income was as follows:



EBITDA has grown by 12.1% in relation to the first six months of last year, to stand at 71,749 thousand euros.

Evolution of Consolidated EBITDA



(Values in thousand euros)

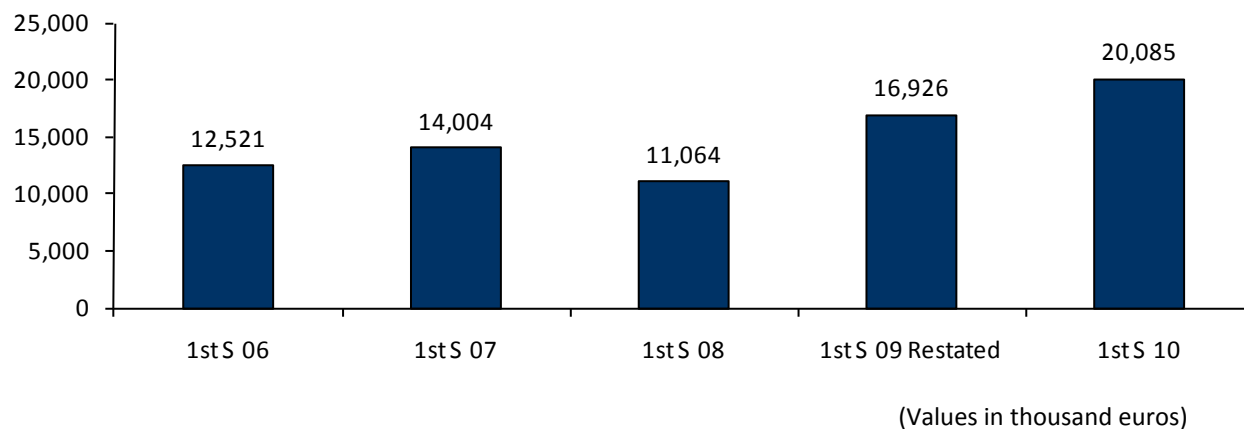
Analysing this indicator by sector of activity, the table below shows that the major instability at a global level led to a great variety of different behaviour in these business areas according to the specific characteristics of each and of the respective markets in which they operate.

Activity Sector	EBITDA		Var (%)	1st S 09
	1st S 10	1st S 09 Restated		
Construction	20,085	16,926	18.7%	17,100
Cement, Concrete and Aggregates	(2,124)	(2,642)	-	(2,642)
Concessions and Services	6,097	4,007	52.2%	3,930
Real Estate	29,453	19,995	47.3%	19,995
Hotel Services	15,785	19,353	(18.4%)	19,353
Food Trade	3,942	2,570	53.4%	2,570
Fuel Trade	5,190	5,448	(4.7%)	5,448
Sale of Vehicles	4,533	9,447	(52.0%)	9,447
Not allocated to segments	(11,260)	(11,159)	-	(11,159)
Eliminations	48	43	11.6%	43
	71,749	63,988	12.1%	64,085

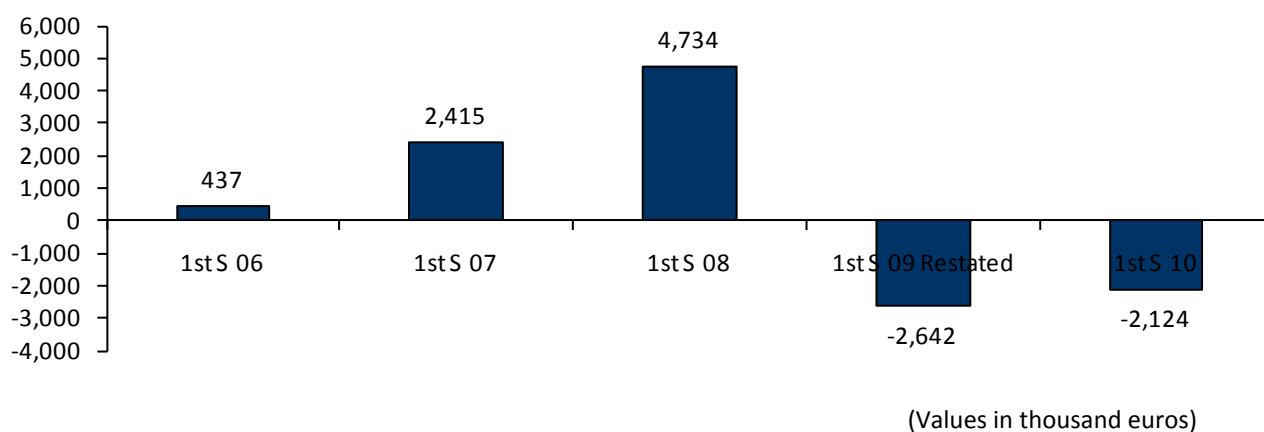
(Values in thousand euros)

EBITDA has registered good performances in the Construction, Concessions and Services, Real Estate and Food Trade sectors.

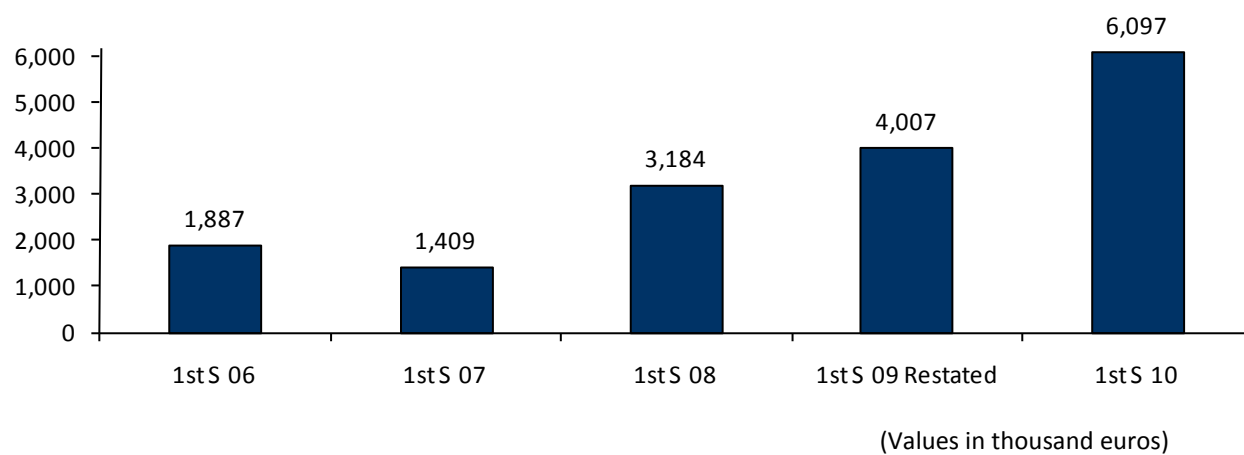
EBITDA of Construction

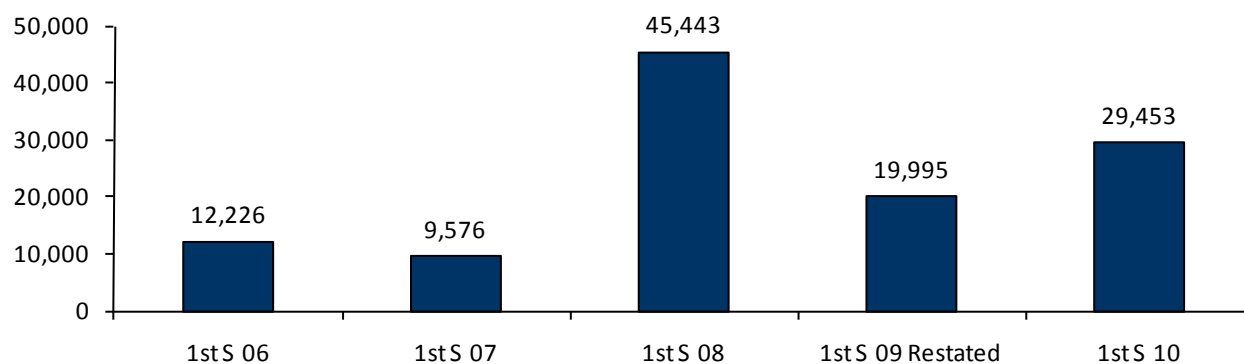


EBITDA of Cement, Concrete and Aggregates

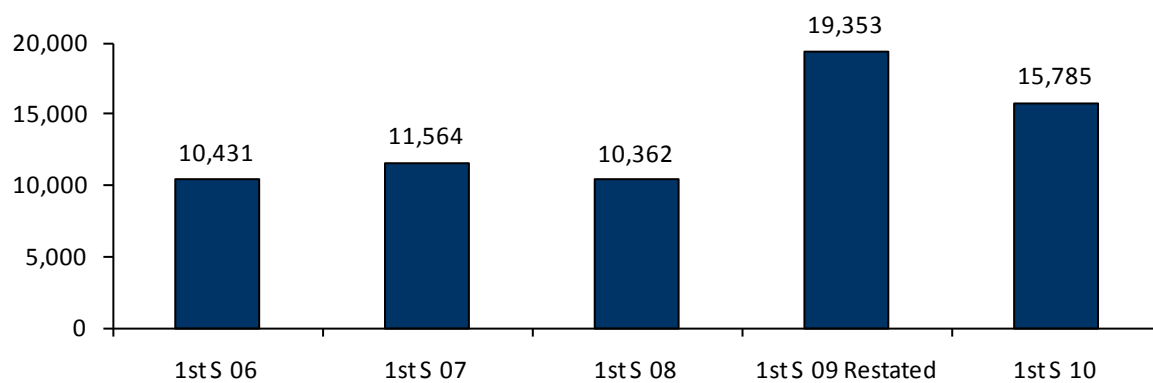


EBITDA of Concessions and Services

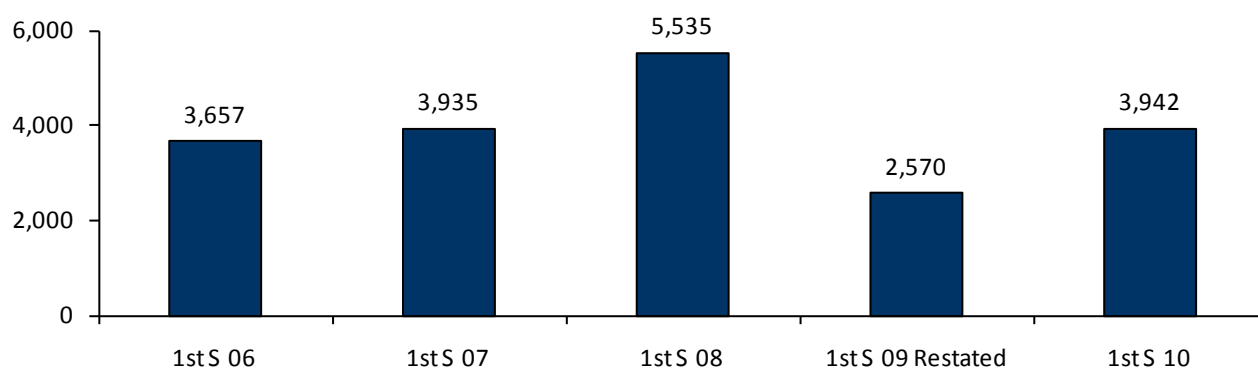


EBITDA of Real Estate

(Values in thousand euros)

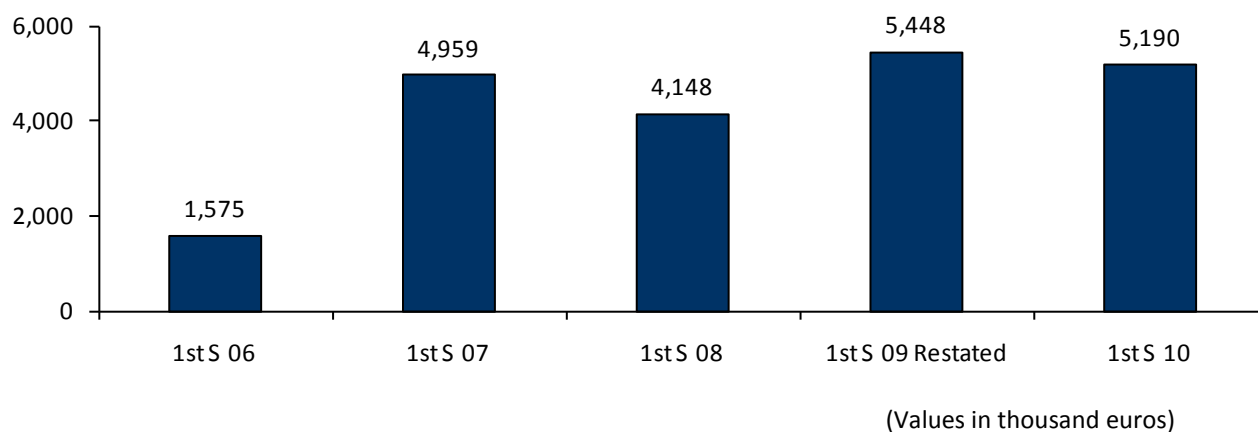
EBITDA of Hotel Services

(Values in thousand euros)

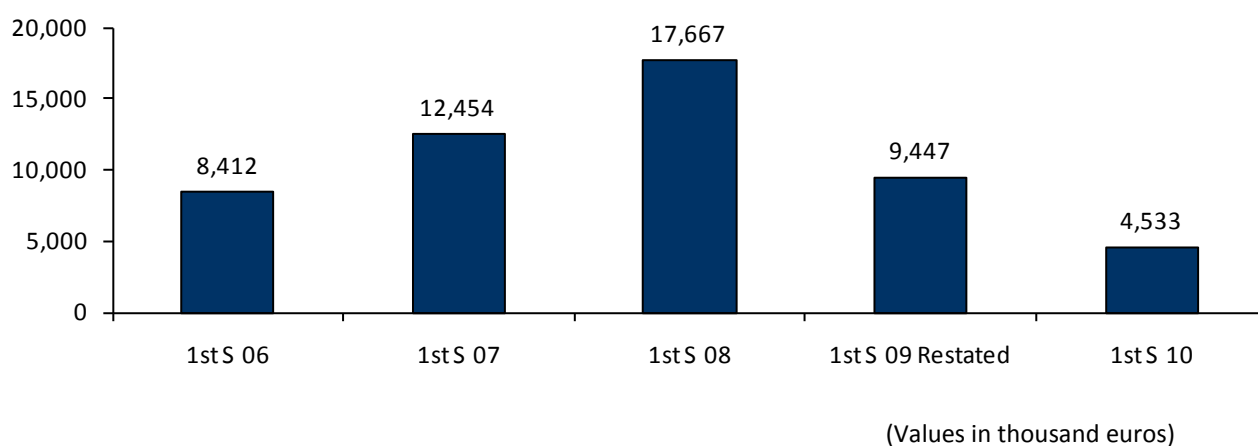
EBITDA of Food Trade

(Values in thousand euros)

EBITDA of the Fuel Trade

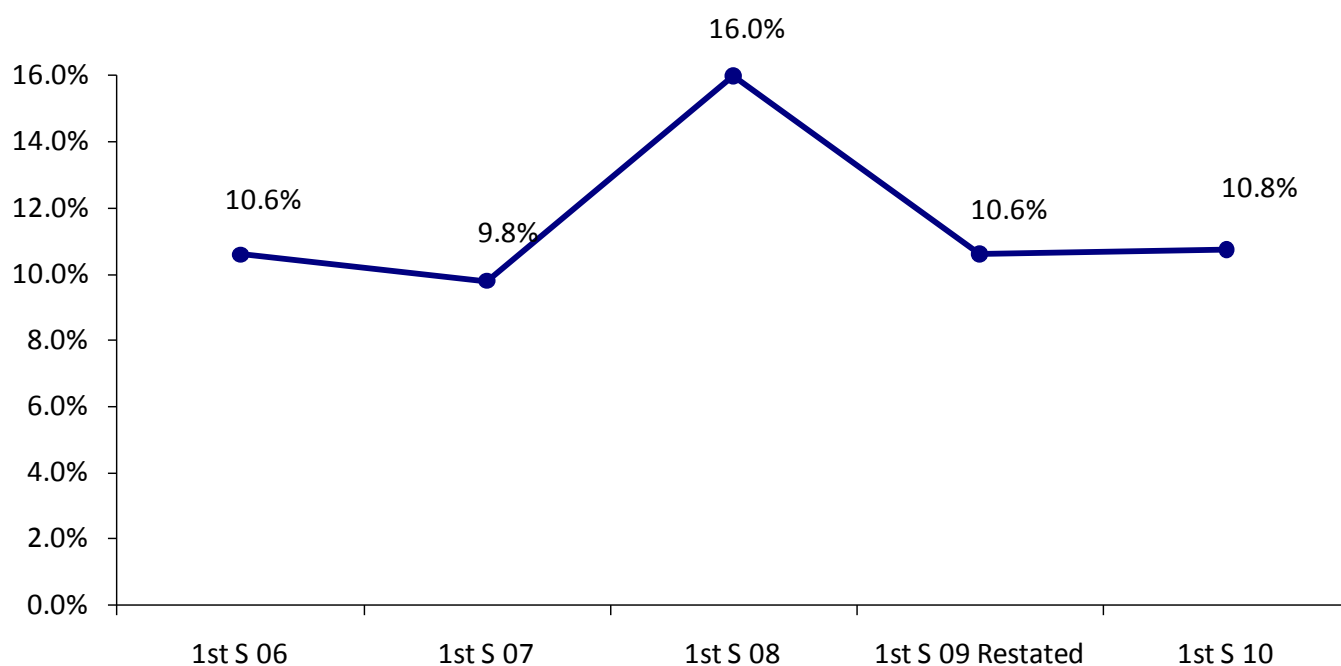


EBITDA of the Sale of Vehicles



The consolidated EBITA / Turnover margin has grown by 1.3% in relation to June 2009, having increased from 10.6% to 10.8% in June 2010.

Evolution of the EBITDA / Consolidated Turnover Margin



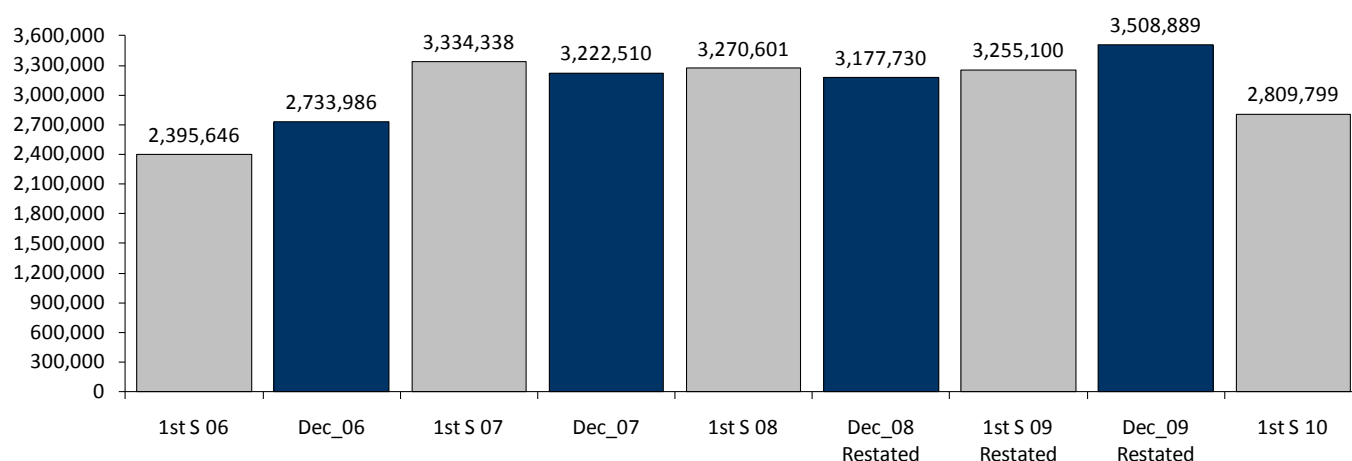
The financial results were positive by 21,035 thousand euros, in contrast to the negative results of 11,679 thousand euros as at 30 June 2009.

On this issue, it should be noted that the sale of the stake in “CIMPOR – Cimentos de Portugal, S.G.P.S., S.A.” contributed positively to the financial results by 71,183 thousand euros, with this indicator also having been influenced, by 28,032 thousand euros, by the positive currency conversion effect of the appreciation of the Currencies with which the Group operates in relation to the Euro, as well as by the recording of an impairment loss in the holding in “Banco Comercial Português, S.A.”, of the value of 61,268 thousand euros.

Income Tax reached the value of 4,497 thousand euros for the semester ended on 30 June 2010.

Total Net Assets as at 30 June 2010 stood at 2,809,799 thousand euros, having decreased by 19.9% in relation to 31 December 2009, essentially as a result of the sale of the stake in “CIMPOR – Cimentos de Portugal, S.G.P.S., S.A.”.

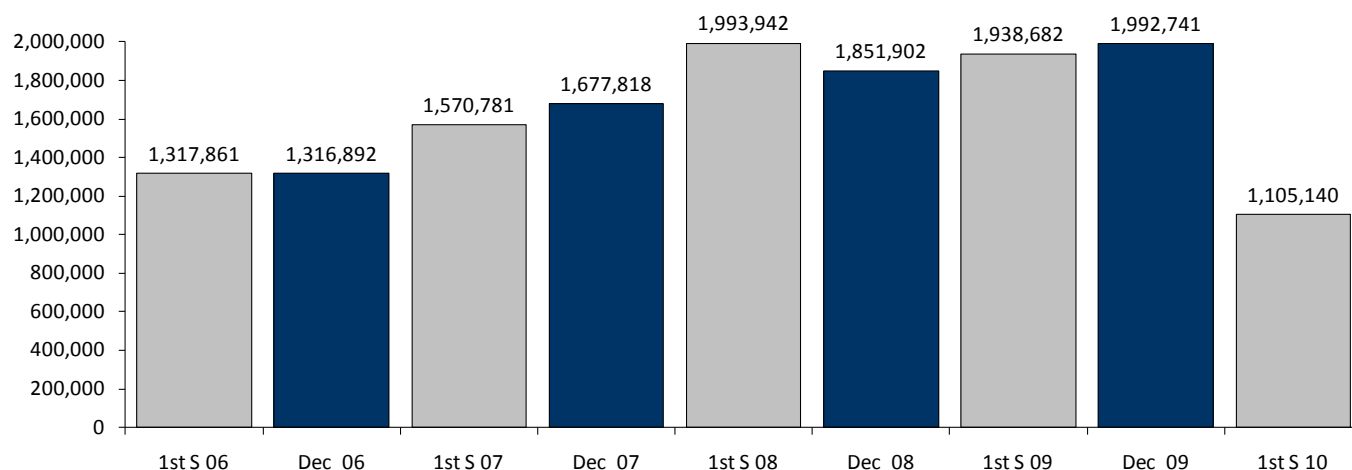
Evolution of Consolidated Net Assets



(Values in thousand euros)

The Group's net debt, which continues to be carefully controlled and integrated in the defined overall strategy, reached the value of 1,105,140 thousand euros by the end of the first semester of this year, reflecting a decrease of 887,601 thousand euros in relation to the end of 2009.

Evolution of Consolidated Net Debt



(Values in thousand euros)

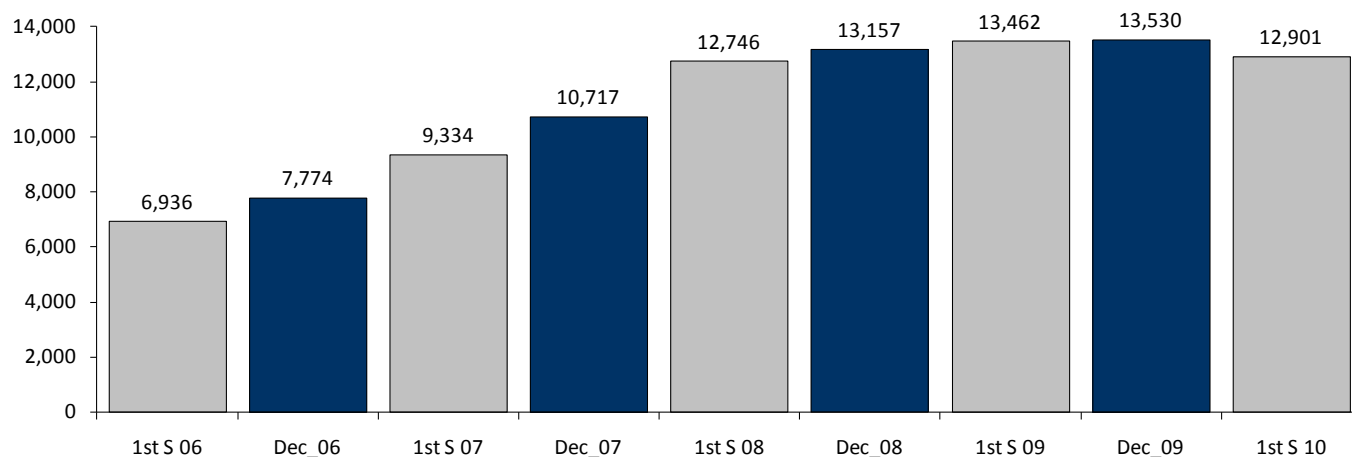
Total Equity reached 596,081 thousand euros, corresponding to growth of 16.6% in relation to 31 December 2009.

Financial Autonomy increased from 14.6% as at 31 December 2009 to 21.2% as at 30 June 2010, having grown by 45.7%.

In the area of human resources, efforts were pursued towards the minimisation of inactivity in the Construction sector as well as stronger focus on vocational training and certification.

By the end of the semester under consideration, the average number of workers was 12,901, reflecting a decrease of 4.6% compared to 31 December 2009.

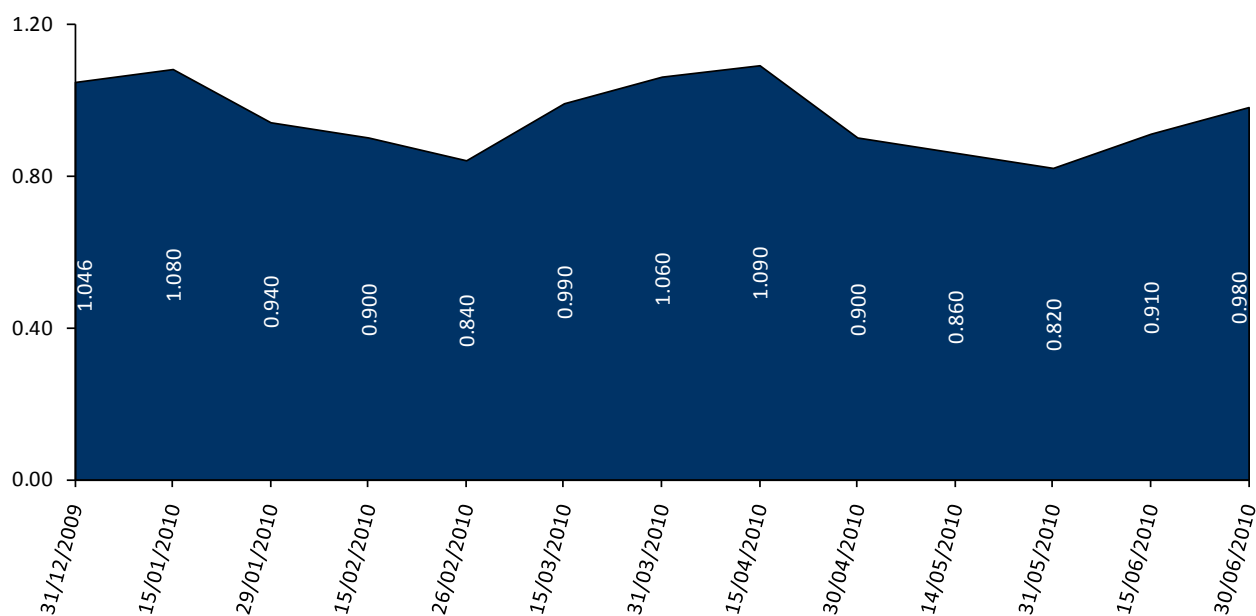
Evolution of the Average Number of the Group's Workers



"Teixeira Duarte - Engenharia e Construções, S.A." shares devalued by 6.3% over the first semester, falling from 1.046 as at 31 December 2009 to 0.98 as at 30 June 2010.

The graph below shows the evolution of the stock market prices of the shares during the first six months of the year, having varied over this period between a minimum of 0.76 euros on 26 May 2010 and maximum of 1.144 euros on 13 January 2010.

Share Prices of Teixeira Duarte - Engenharia e Construções, S.A.



During this period, 84,053,090 shares were traded on the stock exchange, with a total turnover of 79,516,102 euros.

III. Facts Which Have Occurred After the End of the 1st Semester 2010

On 16 July 2010, TEIXEIRA DUARTE, S.A. announced the Notice of the Launch and Prospectus relative to the general and voluntary public offer of the acquisition of shares representing the share capital of TEIXEIRA DUARTE – Engenharia e Construções, S.A. through the delivery of shares of TEIXEIRA DUARTE, S.A.

The abovementioned public offer lasted until 06 August, and during a special session at the stock exchange, held on 09 August, the share exchange operations were carried out, with Teixeira Duarte, S.A. as of this date holding 96.75% of the share capital and voting rights of TEIXEIRA DUARTE - Engenharia e Construções, S.A..

On 18 August 2010, TEIXEIRA DUARTE - Engenharia e Construções, S.A. disclosed to the market the information received from TEIXEIRA DUARTE, S.A., with the following content:

“Following the conclusion of the public offer of exchange of shares launched by Teixeira Duarte, S.A. relative to the shares of Teixeira Duarte – Engenharia e Construções, S.A. (“TD-EC”), and in view of the circumstance that the level of acceptance of the abovementioned offer does not permit the use of the potestative mechanisms of acquisition and sale established in articles 194 and 196 of the Securities Market Code, Teixeira Duarte, S.A. reports that, as already presented in the documents of the said offer, it is currently analysing the possibility of applying to the Portuguese Securities Market Commission (CMVM) for TD-EC to no longer possess the status of public company, under the provisions in sub-paragraph a) of number 1 of article 27 of the Securities Market Code as well as, the exclusion of the trading of the shares representing the share capital of TD-EC, under ISIN code PTTDU0AM0007, on the regulated market of Euronext Lisbon.

As disclosed in due time, Teixeira Duarte, S.A. recalls that the objective of the offer, amongst other aspects, involved the acquisition by Teixeira Duarte, S.A. of the total share capital of TD-EC, and, as a consequence, that its shareholder structure should replicate the shareholder structure of TD-EC, as the senior company of the business group with shares listed on a regulated market.

In order to achieve the objective referred to above, Teixeira Duarte, S.A. intends – once the future process of the loss of the status of TD-EC as a public company has been concluded and in the case of compliance with the other legal requisites – presenting the shareholders of TD-EC with the competent acquisition offer for total control, under the terms established in article 490 of the Commercial Companies Code. Since, under the terms of the abovementioned legal provision, the counterpart may be constituted by cash, shares or bonds, the possible alternative are under analysis, in particular that of the counterpart equivalent to the public offer, that is, through the submission of shares.”

On 26 August 2010, the Brazilian participated company ALVORADA, S/A signed an Agreement with an entity of the Group “Gran Tierra Energy Inc.” (“Gran Tierra Energy”), through which the latter will pay USD 22.6 million and undertakes to comply with certain future commitments, including the drilling of two wells, receiving in exchange 70% of the Blocks REC-T-129, 142, 155 and 224, included in the concession relative to the alluded 9th Round of bids promoted by ANP.

IV. Outlook for 2010

The Teixeira Duarte Group will maintain its attitude of particular caution and vigilance in relation to cost contention and will pursue the prudent evaluation of investments in the different sectors and markets of operation.

Teixeira Duarte continues to expect growth in the Construction sector abroad and in the national market, and will focus its efforts of prudent participation in the main tenders.

The **Portfolio of Orders of the Teixeira Duarte Group** for the construction sector, which achieved the impressive total value of 2,043,617 thousand euros as at 30 June 2010, ensures good levels of activity, especially in the current context of such unfavourable economic circumstances.

Teixeira Duarte will also pursue the development of action in other activity sectors, whenever possible also giving priority to ventures in external markets, which, due to their dynamics, are becoming increasingly important in the Group.

Teixeira Duarte expects to achieve consolidated operating income of 1,500 million euros for 2010.

V. LIST OF OWNERS OF QUALIFYING HOLDINGS AS AT 30 JUNE 2010

In compliance with the applicable legal and regulatory provisions, namely those established in sub-paragraph c), of number 1 of article 9 of CMVM Regulation number 5/2008, and based on the Company's records and the information which has been received, TEIXEIRA DUARTE - Engenharia e Construções, S.A. discloses the list of the owners of qualifying holdings in its share capital as at 30 June 2010, indicating the number of shares owned and corresponding percentage voting rights, calculated under the terms of article 20 of the Securities Market Code.

1. **TEIXEIRA DUARTE - Sociedade Gestora de Participações Sociais, S.A.** is imputed, under the terms of the provisions in article 20 of the Securities Market Code and in conformity with the interpretation of the CMVM – with which it disagrees in relation to the matter presented in sub-paragraphs b) and c) below –, a qualifying holding in the share capital and voting rights of the company TEIXEIRA DUARTE - Engenharia e Construções, S.A. of 290,259,724 (two hundred and ninety million, two hundred and fifty-nine thousand and seven hundred and twenty-four) shares, corresponding to **69.11%** of the share capital and respective voting rights, as a result of:
 - a) 287,880,799 shares owned by its participated company **TEIXEIRA DUARTE, S.A.**, corresponding to **68.54%** of the share capital;
 - b) 2,000 shares owned by members of the Board of Directors of TEIXEIRA DUARTE – Sociedade Gestora de Participações Sociais, S.A., corresponding to 0.0005% of the share capital;
 - c) 2,390,382 shares owned by members of the Board of Directors of TDG – Sociedade Gestora de Participações Sociais, S.A., corresponding to 0.57% of the share capital, with this imputation having been made in conformity with the interpretation of the CMVM, where there is disagreement;
 - d) 678,543 shares owned by members of the Board of Directors of TEIXEIRA DUARTE, S.A., who are not members of the Board of Directors of the company indicated in sub-paragraph b) above, corresponding to 0.16% of the share capital, with this imputation having been made in conformity with the interpretation of the CMVM, where there is disagreement.
2. **Banco Comercial Português, S.A.** is imputed, under the terms of the provisions in article 20 of the Securities Market Code and in conformity with the interpretation of the CMVM, the qualifying holding of 42,049,716 shares, corresponding to **10.0000%** of the share capital and voting rights, as a result of:
 - a) 500 shares owned by Banco Millennium BCP Investimento, S.A., corresponding to 0.0001% of the share capital and voting rights;
 - b) 41,999,716 shares owned by **Fundo de Pensões do Grupo Banco Comercial Português**, corresponding to **9.9999%** of the share capital and voting rights *.

3. **Miguel Calainho de Azevedo Teixeira Duarte** is imputed, under the terms of article 20 of the Securities Market Code, the qualifying holding of **16,408,273** shares, corresponding to **3.91%** of the share capital and voting rights, as a result of:
- a) 33,000 shares owned directly by him, corresponding to 0.01% of the share capital and voting rights;
 - b) 16,373,373 shares owned by the company controlled indirectly by him **CIMILE – Sociedade Gestora de Participações Sociais, S.A.**, corresponding to **3.90%** of the share capital and voting rights;
- * Through communication received from “Banco Comercial Português, S.A.” on 08 February 2007, it was indicated that the holding company of the Pensions Fund of the BCP Group exercises its voting rights in an independent manner.

VI. INFORMATION REQUIRED BY LEGAL DIPLOMAS

I. Number of securities of the Members of the Governing Bodies:

In compliance with the duties of information to which the Company is bound under various rules in force, in particular article 9, number 1, sub-paragraph a) of CMVM Regulation number 5/2008, "Teixeira Duarte - Engenharia e Construções, S.A." presents, below, the number of securities issued by the Company and by companies with which it is in a relationship of control or group, owned by members of the governing bodies as at 30 June 2010.

Name	Capacity	No. of Shares
Pedro Maria Calainho Teixeira Duarte	Chairman of the Board of Directors	-
Manuel Maria Calainho de Azevedo Teixeira Duarte	Director	-
Joel Vaz Viana de Lemos	Director	433.862
Jorge Ricardo de Figueiredo Catarino	Director	180.000
Carlos Gomes Baptista	Director	25.634
João José Gouveia Capelão	Director	10.387
João José do Carmo Delgado	Director	28.660
António Gonçalves Monteiro	Chairman of the Supervisory Board	-
Mateus Moreira	Member of the Supervisory Board	-
Miguel do Carmo Pereira Coutinho	Member of the Supervisory Board	(a) 10,000
Rogério Paulo Castanho Alves	Chairman of the Board of the General Meeting of Shareholders	-
João Torres Ágoas Martinho Lopes	Deputy Chairman of the Board of the General Meeting of Shareholders	-
José Gonçalo Pereira de Sousa Guerra Costenla	Secretary of the Board of the General Meeting of Shareholders	-
Mariquito, Correia & Associados, SROC	Statutory Auditor	-

(a) shares owned under a regime of joint ownership with his wife.

II. List of share transactions carried out by senior staff:

Under the terms and for the effects of the provisions in number 7 of article 14 of CMVM Regulation number 5/2008, "TEIXEIRA DUARTE - Engenharia e Construções, S.A." reports that, during the semester, no transactions were carried out in relation to its shares or financial instruments related to them by the senior staff of the issuer, by a company controlling the issuer and by the persons strictly related to them.

STATEMENT OF CONFORMITY

(under the terms of sub-paragraph c) of number 1 of article 246 of the Securities Market Code)

As far as is to our knowledge: the information established in sub-paragraph a) of number 1 of article 246 of the Securities Market Code has been prepared in conformity with the applicable accounting standards, presenting a true and appropriate image of the assets and liabilities, financial situation and net income of TEIXEIRA DUARTE – Engenharia e Construções, S.A., and of the companies included in the consolidation perimeter (TEIXEIRA DUARTE GROUP); and the interim management report faithfully discloses the information required under the terms of number 2 of the same article.

Lagoas Park, 30 August 2010

The Board of Directors,

Pedro Maria Calainho Teixeira Duarte

Manuel Maria Calainho de Azevedo Teixeira Duarte

Joel Vaz Viana de Lemos

Jorge Ricardo de Figueiredo Catarino

Carlos Gomes Baptista

Consolidated Financial Statements - 1st Semester **2010**



CONSOLIDATED STATEMENT OF THE FINANCIAL POSITION
AS AT 30 JUNE 2010 AND 31 DECEMBER 2009

(Values in thousand euros)

	Notes	30-06-2010	31-12-2009 Restated	01-01-2009 Restated
Non-current assets:				
Goodwill		57,944	58,084	58,646
Intangible assets		11,218	10,183	9,807
Tangible fixed assets	13	527,014	490,585	492,484
Investment property	14	505,916	492,066	418,296
Investments in associates	15	92,979	977,196	891,625
Financial assets available for sale	17	219,567	284,880	266,753
Other investments		8,847	9,968	9,576
Deferred tax assets	18	113,037	98,862	117,451
Customers		82,928	61,051	14,049
Other receivables		519	410	790
Other non-current assets		13,023	10,967	5,395
Total non-current assets		1,632,992	2,494,252	2,284,872
Current assets:				
Stocks		314,382	391,778	365,717
Customers		439,570	331,737	270,734
Other receivables		66,494	43,821	49,267
Cash and equivalent	20	148,993	132,051	105,478
Other investments		7,148	-	-
Other current assets		200,220	115,250	101,662
Total current assets		1,176,807	1,014,637	892,858
TOTAL ASSETS	7	2,809,799	3,508,889	3,177,730
Equity:				
Share Capital	21	210,000	210,000	210,000
Adjustments - investments in associates		261	(71,246)	(112,959)
Currency conversion adjustments		10,782	(41,413)	(50,472)
Reserves and retained earnings		226,487	202,794	543,532
Consolidated net income		51,947	116,284	(347,244)
Equity attributable to shareholders		499,477	416,419	242,857
Minority interests		96,604	94,648	95,905
TOTAL EQUITY		596,081	511,067	338,762
Non-current liabilities:				
Loans	22	639,782	1,492,360	1,421,049
Provisions		37,280	15,083	8,382
Financial leases		224,830	233,752	247,106
Deferred tax liabilities	18	70,090	66,831	53,070
Other payables		24,655	25,423	25,342
Other non-current liabilities		58,124	24,963	47,127
Total non-current liabilities		1,054,761	1,858,412	1,802,076
Current liabilities:				
Loans	22	614,351	632,432	536,331
Provisions		1,750	5,292	3,011
Suppliers		222,724	234,512	222,631
Financial leases		18,098	18,920	13,395
Other payables		61,232	44,574	31,508
Other current liabilities		240,802	203,680	230,016
Total current liabilities		1,158,957	1,139,410	1,036,892
TOTAL LIABILITIES	7	2,213,718	2,997,822	2,838,968
TOTAL LIABILITIES AND EQUITY		2,809,799	3,508,889	3,177,730

The annexed notes are an integral part of the statement on the financial position as at 30th June 2010.

CONSOLIDATED INCOME STATEMENT
FOR THE SEMESTERS AND QUARTERS ENDED ON 30 JUNE 2010 AND 2009

(Values in thousand euros)

	Notes	1st Semester 2010	1st Semester 2009 Restated	2nd Quarter 2010	2nd Quarter 2009 Restated
Operating income:					
Sales and services rendered	7 and 8	667,153	602,650	368,107	319,057
Other operating income	8	26,896	32,160	16,755	14,940
Total operating income	8	694,049	634,810	384,862	333,997
Operating costs:					
Cost of sales		(221,549)	(203,012)	(132,213)	(107,218)
Variation in production		(6,148)	(6,191)	(5,400)	(3,610)
External supplies and services		(244,089)	(226,860)	(132,906)	(130,490)
Personnel costs		(122,383)	(116,450)	(64,360)	(60,416)
Amortisation and depreciation	7	(27,336)	(27,162)	(14,531)	(13,665)
Provisions and impairment losses	7	(9,552)	(2)	(7,883)	10
Other operating costs		(28,131)	(18,309)	(14,256)	(8,662)
Total operating costs		(659,188)	(597,986)	(371,549)	(324,051)
Net operating income	7	34,861	36,824	13,313	9,946
Financial costs and losses	7 and 9	(113,082)	(75,474)	(65,410)	(28,021)
Financial income and gains	7 and 9	111,014	35,406	66,914	7,528
Earnings from investment activities					
Net income of associates	7 and 9	77,800	22,413	(573)	16,573
Other	7 and 9	(54,697)	5,976	(55,227)	5,306
Financial results		21,035	(11,679)	(54,296)	1,386
Pre-tax profit	7	55,896	25,145	(40,983)	11,332
Income tax	10	(4,497)	(6,224)	(229)	(4,836)
Net income for the period		51,399	18,921	(41,212)	6,496
Net income attributable to:					
Shareholders	11	51,947	18,210	(39,915)	3,370
Minority interests		(548)	711	(1,297)	3,126
Earnings per share:					
Basic	11	0.12	0.04	(0.10)	0.01
Diluted	11	0.12	0.04	(0.10)	0.01

The notes are an integral part of the consolidated income statement of the semester ended on 30 June 2010.

CONSOLIDATED FULL INCOME STATEMENT
FOR THE SEMESTERS AND QUARTERS ENDED ON 30 JUNE 2010 AND 2009

(Values in thousand euros)

	1st Semester 2010	1st semester 2009 Restated	2nd Quarter 2010	2nd Quarter 2009 Restated
Net income for the period	51,399	18,921	(41,212)	6,496
Variation in currency conversion adjustments	52,195	6,576	43,854	3,721
Variation in fair value and disposal of financial assets available for sale	(13,846)	(23,497)	(4,407)	32,106
Effects of the application of the equity method	3,093	28,565	(448)	22,902
Other	(7,827)	(16,846)	(18,192)	(19,357)
	33,615	(5,202)	20,807	39,372
Full income for the period	85,014	13,719	(20,405)	45,868
Full income attributable to:				
Shareholders	83,058	16,437	(23,552)	54,790
Minority interests	1,956	(2,718)	3,147	(8,922)

The notes are an integral part of the consolidated full income statement of the semester ended on 30 June 2010.

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY
FOR THE SEMESTERS ENDED ON 30 JUNE 2010 AND 2009

(Values in thousand euros)

Notes	Share Capital	Adjustments of investments in associates	Currency conversion adjustments	Reserves and retained earnings					Consolidated Net income	Minority interests	Total
				Legal reserve	Free reserves	Fair value reserve	Other reserves	Retained earnings			
Balance as at 1st January 2010	210,000	(71,246)	(41,413)	18,100	197,546	13,980	10,132	(36,794)	116,629	94,648	511,582
Effect of the restatement	-	-	-	-	-	-	-	(170)	(345)	-	(515)
Balance as at 1st January 2010 (Restated)	210,000	(71,246)	(41,413)	18,100	197,546	13,980	10,132	(36,964)	116,284	94,648	511,067
Full income for the period:											
Consolidated net income for the period	-	-	-	-	-	-	-	-	51,947	(548)	51,399
Variation in currency conversion adjustments	-	-	52,195	-	-	-	-	-	-	-	52,195
Variation in fair value and disposal of financial assets available for sale	17	-	-	-	-	(13,846)	-	-	-	-	(13,846)
Effects of the application of the equity method	15	-	3,093	-	-	-	-	-	-	-	3,093
Other	-	68,414	-	-	-	-	-	(78,745)	-	2,504	(7,827)
Operations with shareholders in the period:											
Application of the consolidated net income of 2009: Transfer to retained earnings	-	-	-	-	-	-	-	116,284	(116,284)	-	-
Balance as at 30 June 2010	210,000	261	10,782	18,100	197,546	134	10,132	575	51,947	96,604	596,081
Balance as at 1st January 2009	210,000	(112,959)	(50,472)	18,100	197,546	-	10,587	317,469	(347,244)	95,905	338,932
Effect of the restatement	-	-	-	-	-	-	-	(170)	-	-	(170)
Balance as at 1st January 2009 (Restated)	210,000	(112,959)	(50,472)	18,100	197,546	-	10,587	317,299	(347,244)	95,905	338,762
Full income for the period:											
Consolidated net income for the period	-	-	-	-	-	-	-	-	18,210	711	18,921
Variation in currency conversion adjustments	-	-	6,576	-	-	-	-	-	-	-	6,576
Variation in fair value and disposal of financial assets available for sale	17	-	-	-	-	(19,614)	-	-	-	(3,883)	(23,497)
Effects of the application of the equity method	15	-	28,565	-	-	-	-	-	-	-	28,565
Other	-	-	-	-	-	-	(469)	(16,831)	-	454	(16,846)
Operations with shareholders in the period:											
Application of the consolidated net income of 2008: Transfer to retained earnings	-	-	-	-	-	-	-	(347,244)	347,244	-	-
Balance as at 1st January 2009	210,000	(84,394)	(43,896)	18,100	197,546	(19,614)	10,118	(46,776)	18,210	93,187	352,481

The notes are an integral part of the consolidated statement of change in equity for the semester ended on 30th June 2010.

CONSOLIDATED CASH FLOW STATEMENT
FOR THE SEMESTERS AND QUARTERS ENDED ON 30 JUNE 2010 AND 2009

(Values in thousand euros)

	Notes	1st Semester 2010	1st Semester 2009	2nd Quarter 2010	2nd Quarter 2009
OPERATING ACTIVITIES:					
Receipts from customers		595,660	533,479	319,801	234,637
Payments to suppliers		(465,988)	(429,532)	(263,750)	(198,679)
Personnel payments		(114,395)	(109,857)	(62,481)	(56,576)
Cash flow generated by operations		15,277	(5,910)	(6,430)	(20,618)
Payment/receipt of income tax		(13,374)	(916)	(3,482)	12,437
Other receipts/payments relative to operating activity		(18,969)	4,930	(1,227)	(9,733)
Cash flow from operating activities (1)		(17,066)	(1,896)	(11,139)	(17,914)
INVESTMENT ACTIVITIES:					
Receipts derived from:					
Financial investments	20	985,046	-	11,346	-
Tangible fixed assets		2,412	684	794	(2,231)
Interest and similar income		4,325	3,686	1,849	2,688
Dividends	20	7,629	34,217	7,358	33,266
		999,412	38,587	21,347	33,723
Payments relative to:					
Financial investments	20	(43,024)	(10,191)	(32,756)	(6,991)
Tangible fixed assets		(31,815)	(69,799)	(16,947)	(23,120)
Intangible fixed assets		(480)	(4,173)	-	(1,137)
		(75,319)	(84,163)	(49,703)	(31,248)
Cash flows from investment activities (2)		924,093	(45,576)	(28,356)	2,475
FINANCING ACTIVITIES:					
Receipts derived from:					
Loans raised		2,704,183	2,669,694	918,878	1,302,254
Payments relative to:					
Loans raised		(3,574,842)	(2,582,751)	(857,800)	(1,296,909)
Interest and similar costs		(30,950)	(38,509)	(18,032)	(13,164)
		(3,605,792)	(2,621,260)	(875,832)	(1,310,073)
Cash flow from financing activities (3)		(901,609)	48,434	43,046	(7,819)
Variation in cash and equivalent (4)=(1)+(2)+(3)		5,418	962	3,551	(23,258)
Effect of exchange rate differences		11,524	(799)	7,425	(2,229)
Cash and equivalent at the beginning of the period	20	132,051	105,478	138,017	131,128
Cash and equivalent at the end of the period	20	148,993	105,641	148,993	105,641

The notes are an integral part of the cash flow statement of the semester ended on 30 June 2010

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 JUNE 2010

1 - INTRODUCTORY NOTE

Teixeira Duarte - Engenharia e Construções, S.A. ("Teixeira Duarte" or "Company"), with head office in Porto Salvo, was constituted on 04 January 1934 and its core business is Construction.

The business group of Teixeira Duarte ("Group") is composed of the participated companies indicated in Notes 4, 15 and 16. The main activities of the Group are the following: Construction, Cement, Concrete and Aggregates; Concessions and Services; Real Estate; Hotel Services; Food Trade; Fuel Trade and the Sale of Vehicles (Note 7).

The values indicated are expressed in thousand euros.

2 - MAIN ACCOUNTING PRINCIPLES

2.1 - Basis of presentation

The consolidated financial statements as at 30 June 2010 were prepared using the accounting policies consistent with the International Financial Reporting Standards ("IAS / IFRS"), as adopted by the European Union, effective for the financial years started on 01 January 2010 and in conformity with IAS 34 - Interim Financial Reporting.

2.2 – Accounting policies

The financial statements were prepared based on the assumption of business continuity according to the historic cost convention with respect to investment property, the financial assets available for sale, other investments at fair value through profit or loss and derivative financial instruments.

The accounting policies adopted, including the financial risk management policies, are consistent with those followed for the preparation of the financial statements for the financial year ended on 31 December 2009 and referred to in the respective notes, except in relation to the adoption of IFRIC 12 - Service concession arrangements ("IFRIC 12"), which establishes the provisions to be applied to the measurement, recognition and disclosure of activities developed under public service concession contracts. The application of this interpretation has introduced some amendments to the provisions and interpretations of the rules which had been in force, the impact of which on the attached consolidated financial statements occurs essentially from the recognition through the financial model of the concession contract for the construction and management of the new Hospital of Cascais. As a result of the application of this rule, the financial statements presented for comparative effects were restated so as to incorporate the new treatment in the accounting of this contract.

Following this alteration, the Group proceeded with the retrospective restatement of the previously disclosed financial information, through adjustment of the opening balances of the financial position as at 01 January 2009 and 2010 and of the net income for the semester and quarter ended on 30 June 2009, as shown below:

	<u>Values disclosed</u>	<u>Values restated</u>	<u>Effect restatement</u>
Effect through profit or loss (semester ended on 30 June 2009):			
Sales and services rendered	585,138	602,650	17,512
Cost of sales	(201,321)	(203,012)	(1,691)
External supplies and services	(211,592)	(226,860)	(15,268)
Personnel costs	(115,800)	(116,450)	(650)
Amortisation and depreciation	(27,116)	(27,162)	(46)
Financial costs and losses	(74,043)	(75,474)	(1,431)
Income tax	(6,642)	(6,224)	418
Net income attributable to:			
Shareholders	19,366	18,210	<u><u>(1,156)</u></u>

	Values disclosed	Values restated	Effect restatement
Effect on assets as at 01 January 2009:			
Tangible fixed assets (Note 13)	506,670	492,484	(14,186)
Deferred tax assets (Note 18)	117,389	117,451	62
Customers	270,734	284,783	14,049
Other current assets	101,894	101,662	(232)
Total assets as at 01 January 2009	3,178,037	3,177,730	(307)
Effect on equity as at 01 January 2009:			
Reserves and Retained Earnings	543,702	543,532	(170)
Effect of equity as at 01 January 2009	338,932	338,762	(170)
Effect on liabilities as at 01 January 2009:			
Other current liabilities	230,153	230,016	(137)
Total liabilities as at 01 January 2009	2,839,105	2,838,968	(137)

	Values disclosed	Values restated	Effect restatement
Effect on assets as at 1 de January de 2010:			
Tangible fixed assets (Note 13)	545,685	490,585	(55,100)
Deferred tax assets (Note 18)	98,626	98,862	236
Customers	340,758	392,788	52,030
Other current assets	116,046	115,250	(796)
Total assets as at 1 de January de 2010	3,512,519	3,508,889	(3,630)
Effect on equity as at 01 January 2010:			
Reserves and Retained Earnings	202,964	202,794	(170)
Consolidated net income	116,629	116,284	(345)
Effect of equity as at 01 January 2010	511,582	511,067	(515)
Effect on liabilities as at 01 January 2010:			
Deferred tax liabilities (Note 18)	66,782	66,831	49
Other current liabilities	206,844	203,680	(3,164)
Total liabilities as at 01 January 2010	3,000,937	2,997,822	(3,115)

3 - ALTERATIONS OF POLICIES, ESTIMATES AND ERRORS

During the semester ended on 30 June 2010, with the exception of the aspect noted above relative to the first application of IFRIC 12, there were no alterations to the accounting policies considered in the preparation of the financial information relative to the financial year ended on 31 December 2009 and referred to in the respective notes, and no material errors were registered or alterations made to the accounting estimates relative to previous years.

4 - COMPANIES INCLUDED IN THE CONSOLIDATION PERIMETER

As at 30 June 2010, the Parent-company, Teixeira Duarte - Engenharia e Construções, S.A. and the following controlled companies were included in the consolidation, by the full method:

Corporate name	Head office	Effective percentage holding
INTERNAL 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%
CONCESSIONS AND SERVICES		
BONAPAPPEL - Artigos de Papelaria e Equipamentos Informáticos - Unipessoal, Lda.	Edifício 2, Lagoas Park Porto Salvo	100.00%
INVICTAAMBIENTE - Recolha de Resíduos e Limpeza Pública, S.A.	Praça do Bom Sucesso, nº 61 - Escritórios 501 e 502 Porto	100.00%
RECOLTE - Recolha, Tratamento e Eliminação de Resíduos, S.A.	Edifício 1, Lagoas Park Porto Salvo	100.00%
SATU-Oeiras - Sistema Automático de Transporte Urbano, S.A.	Edifício Paço de Arcos, E.N. 249/3 Paço de Arcos	49.00%
TDGI - Tecnologia de Gestão de Imóveis, S.A.	Edifício 1, Lagoas Park Porto Salvo	100.00%
TDHOSP - Gestão de Edifício Hospitalar, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
REAL ESTATE		
BONAPARTE - Imóveis Comerciais e Participações, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
Fundo de Investimento Imobiliário Fechado TDF	Edifício 2, Lagoas Park Porto Salvo	100.00%
IMOPEDROUÇOS - Sociedade Imobiliária, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
IMOTD - SGPS, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
PARCAUTO - Sociedade Imobiliária, S.A.	Edifício 2, Lagoas Park Porto Salvo	99.80%
QUINTA DE CRAVEL - Imobiliária, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%

Corporate name	Head office	Effective percentage holding
TDE - Empreendimentos Imobiliários, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
TD VIA - Sociedade Imobiliária, S.A.	Edifício 2, Lagoas Park Porto Salvo	93.75%
TDF - Sociedade Gestora de Fundos de Investimento Imobiliário, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
TRANSBRITAL - Transportes e Britas Pio Monteiro & Filhos, S.A.	Pedreira das Perdigueiras - Laveiras Paço de Arcos	100.00%
V8 - Gestão Imobiliária, S.A.	Edifício 2, Lagoas Park Porto Salvo	99.90%
HOTEL SERVICES		
ESTA - Gestão de Hotéis, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
EVA - Sociedade Hoteleira, S.A.	Av. República, nº 1 Faro	100.00%
LAGOASFUT - Equipamento Recreativo e Desportivo, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
LAGOAS HOTEL, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
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 TRADE		
ACG - Distribuição e Comércio de Gás, S.A. (a)	Rua das Lagoas - Campo Raso Sintra	34.72%
AP GÁS - Distribuição e Comércio de Gás, S.A. (a)	Rua das Lagoas - Campo Raso Sintra	34.72%
DIGAL - Distribuição e Comércio, S.A. (a)	Rua das Lagoas - Campo Raso Sintra	34.72%
DNGÁS - Distribuição e Comércio de Gás, S.A. (a)	Rua das Lagoas - Campo Raso Sintra	49.60%
GOMES & OLIVEIRA, S.A. (a)	Rua das Lagoas - Campo Raso Sintra	34.72%
LUBRILAMEIRÃO, Lda. (a)	Av. da Liberdade, nº 666 Fafe	48.26%
MERCAPETRO - Produtos Petrolíferos, S.A. (a)	Rua Óscar da Silva, 2243 Leça da Palmeira	28.14%
MULTIGÁS - Sociedade Comercial e Distribuidora de Gás, S.A. (a)	Rua das Lagoas - Campo Raso Sintra	34.72%
PETRIN - Petróleos e Investimentos, S.A. (a)	Edifício 1, Lagoas Park Porto Salvo	47.50%
PPS - Produtos Petrolíferos, S.A. (a)	Edifício 1, Lagoas Park Porto Salvo	49.60%
PTG - SGPS, S.A.	Edifício 1, Lagoas Park Porto Salvo	99.20%
TANQUIGÁS - Distribuição e Comércio de Gás, S.A. (a)	Rua das Lagoas - Campo Raso Sintra	34.72%
TDARCOL - SGPS, S.A.	Edifício 1, Lagoas Park Porto Salvo	49.60%

Corporate name	Head office	Effective percentage holding
SALE OF VEHICLES		
TDO - Investimento e Gestão, S.A.	Rua das Pretas, 4 - Fracção 4 D Funchal	100.00%
VTD - Veículos Automóveis, S.A.	Edifício 1, Lagoas Park Porto Salvo	100.00%
OTHER		
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	76.00%
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%
TEIXEIRA DUARTE – TRADING, S.A.	Edifício 1, Lagoas Park Porto Salvo	100.00%
EXTERNAL MARKET		
ANGOLA		
CONSTRUCTION		
BEL-ere – Engenharia e Reabilitação de Estruturas Angola, Lda.	Alameda Manuel Van-Dúnem, 318 Luanda	100.00%
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		
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%

Corporate name	Head office	Effective percentage holding
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		
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%
SALE OF VEHICLES		
AUTO COMPETIÇÃO Angola, Lda.	Rua Eugénio de Castro, Instalações do Cine Atlântico - Luanda	100.00%
COMÉRCIO DE AUTOMÓVEIS, Lda.	Rua Frederich Engels, 9 Luanda	100.00%
TDA - Comércio e Indústria, Lda.	Rua Amilcar Cabral, nº 27 R/C, Letra C Luanda	100.00%
TOPCAR - Aluguer de Viaturas, Lda.	Rua Amilcar 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	100.00%
ALGERIA		
CONSTRUCTION		
TEIX.CO, SPA	BP 62B Zone D'Active Dar El Beida Algiers	50.00%
TEIXEIRA DUARTE ALGERIE, SPA	Parc Miremont, Rue A, nº 136 Bouzareah Algiers	99.94%
BRAZIL		
CONSTRUCTION		
EMPA - Serviços de Engenharia, S.A.	Rua Major Lopes, 800 Bairro São Pedro - Belo Horizonte	76.00%
SOMAFEL Brasil – Obras Ferroviárias, Ltda.	Rua Major Lopes, 800 – sala 306 Bairro São Pedro – Belo Horizonte	60.00%
CONCESSIONS AND SERVICES		
EMPA Logística, Ltda.	Rua Major Lopes, 800 - sala 410 Bairro São Pedro - Belo Horizonte	74.73%

Corporate name	Head office	Effective percentage holding
GONGOJI Montante Energia, S.A.	Rua Major Lopes, 800 - sala 310 Bairro São Pedro - Belo Horizonte	75.99%
PAREDÃO de Minas Energia, S.A.	Rua Major Lopes, 800 - sala 306 Bairro São Pedro - Belo Horizonte	75.99%
TABOQUINHA Energia, S.A..	Rua Major Lopes, 800 - sala 308 Bairro São Pedro - Belo Horizonte	75.99%
REAL ESTATE		
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 Iguatemi, nº 448, 14º andar, Conjunto 1401 Itaim Bibi - 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%
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	95.00%
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%
MACAU		
CONSTRUCTION		
Teixeira Duarte - Engenharia e Construções (Macau), Lda.	Rua de Xangai, 175 Edifício Assoc. Comercial de Macau, 10 A Macau	100.00%

Corporate name	Head office	Effective percentage holding
MOZAMBIQUE		
CONSTRUCTION		
Teixeira Duarte - Engenharia e Construções (Moçambique), Lda.	Av. 24 de Julho, 141 Maputo	72.66%
CONCESSIONS AND SERVICES		
TDGI - Tecnologia de Gestão de Imóveis, Lda.	Av. 24 de Julho, 141 Maputo	67.41%
REAL ESTATE		
IMOPAR - Centro Comercial de Maputo, S.A.R.L.	Av. 24 de Julho, 135 Maputo	100.00%
HOTEL SERVICES		
AVENIDA - Empreendimentos Turísticos e Hoteleiros, Lda.	Av. 24 de Julho, 135 Maputo	100.00%
Sociedade Hotel Tivoli, Lda.	Av. 25 de Setembro, 1321 Maputo	65.00%
TIVOLI BEIRA - Hotelaria e Serviços, Lda.	Av. 24 de Julho, 141 Maputo	98.63%
NAMIBIA		
CEMENT, CONCRETE AND AGGREGATES		
KARIBIB Portland Cement (PTY) (b)	P O Box 9574 Windhoek Namíbia	49.40%
KPC Tranding and Services (b)	P O Box 2143 Windhoek Namíbia	29.64%
RUSSIA		
CEMENT, CONCRETE AND AGGREGATES		
MMK Cement, Limited Liability Company (b)	Murmansk Russia	36.40%
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 controls these subsidiaries through the subsidiary TDARCOL - SGPS, S.A.

(b) The Group controls the subsidiary through the subsidiary C+P.A., S.A.

5 - CHANGES IN THE CONSOLIDATION PERIMETER

During the semester ended on 30 June 2010, no companies entered or left the consolidation perimeter.

6 - EXCHANGE RATES

The following exchange rates were used to convert the assets and liabilities expressed in foreign currency into euros as at 30 June 2010 and 31 December 2009, as well as the results of the operations developed in countries where the functional currency is different from the euro, for the semesters ended on 30 June 2010 and 2009:

Currency	Closing rate			Average rate		
	30/06/2010	31/12/2009	Var.	30/06/2010	31/12/2009	Var.
Venezuelan Bolivar	5.2700	3.0934	2.1766	5.2831	2.8940	2.3891
Algerian Dinar	91.5064	103.5086	-12.0022	97.5290	98.1205	-0.5915
Tunisian Dinar	1.8614	1.9009	-0.0395	1.8843	1.8592	0.0251
Moroccan Dirham	10.9973	11.3480	-0.3507	11.1641	11.1987	-0.0346
São Tomé Dobra	n/a	n/a	-	n/a	21,923.47	-
American Dollar	1.2271	1.4406	-0.2135	1.3331	1.3456	-0.0125
Namibian Dollar	9.3808	10.6660	-1.2852	10.0332	12.1305	-2.0973
Cape Verdean Escudo	110.2650	n/a	-	110.2650	n/a	-
Ukrainian Hryvnia	9.7604	11.5968	-1.8364	10.6649	10.7160	-0.0511
Angolan Kwanza	113.6845	128.5360	-14.8515	121.6933	103.0440	18.6493
Mozambican Metical	43.2300	44.1500	-0.9200	44.1157	35.6086	8.5071
Macau Pataca	9.8415	11.5060	-1.6645	10.6677	10.7435	-0.0758
Brazilian Real	2.2082	2.5113	-0.3031	2.3895	2.9654	-0.5759
Russian Rouble	38.2820	43.1540	-4.8720	40.1535	44.1087	-3.9552

7 – SEGMENTAL INFORMATION

The main activities developed by the Group are classified into the following operating segments:

- Construction
- Cement, concrete and aggregates
- Concessions and services
- Real estate
- Hotel services
- Food trade
- Fuel trade
- Sale of vehicles

The sales and services rendered and the results of each of the abovementioned operating segments for the semesters ended on 30 June 2010 and 2009, were as follows:

Segment	Sales and services rendered						Net operating income	
	1st Semester 2010			1st semester 2009 Restated			1st Semester 2010	1st semester 2009 Restated
	External customers	Inter - segmental	Total	External customers	Inter - segmental	Total		
Construction	356,483	39,476	395,959	334,583	50,723	385,306	(4,112)	2,007
Cement, concrete and aggregates	5,961	9,222	15,183	8,686	4,504	13,190	(4,211)	(4,890)
Concessions and services	24,629	6,541	31,170	20,459	5,003	25,462	3,634	1,648
Real estate	63,061	7,368	70,429	28,717	7,559	36,276	27,828	18,403
Hotel services	41,686	4,825	46,511	43,044	2,166	45,210	12,470	15,786
Food trade	51,084	3,150	54,234	49,909	3,969	53,878	2,782	2,031
Fuel trade	65,776	1,113	66,889	49,936	894	50,830	4,040	4,151
Sale of vehicles	58,473	4,653	63,126	67,316	10,755	78,071	3,644	8,806
Not allocated to segments	-	-	-	-	-	-	(11,262)	(11,161)
Eliminations	-	(76,348)	(76,348)	-	(85,573)	(85,573)	48	43
	667,153	-	667,153	602,650	-	602,650	34,861	36,824
Financial costs and losses							(113,082)	(75,474)
Financial income and gains							111,014	35,406
Earnings from investment activities							23,103	28,389
Pre-tax profit							55,896	25,145

Inter-segment transactions are carried out at market prices.

Other information:

Segment	Fixed capital expenditures		Depreciation and amortisation through profit or loss		Provisions and impairment losses	
	1st Semester 2010	1st semester 2009 Restated	1st Semester 2010	1st semester 2009 Restated	1st Semester 2010	1st semester 2009 Restated
Construction	7,933	16,928	14,810	14,921	9,387	(2)
Cement, concrete and aggregates	3,708	10,338	1,926	2,248	161	-
Concessions and services	2,927	5,828	2,459	2,355	4	4
Real estate	3,841	9,491	1,625	1,592	-	-
Hotel services	2,699	1,679	3,315	3,567	-	-
Food trade	-	10,052	1,160	539	-	-
Fuel trade	891	915	1,150	1,297	-	-
Sale of vehicles	1,075	2,228	889	641	-	-
Not allocated to segments	-	-	2	2	-	-
	23,074	57,459	27,336	27,162	9,552	2

The asset and liability items by segment, as at 30 June 2010 and 31 December 2009, and their respective reconciliation with the consolidated total are as follows:

Segment	Assets								Liabilities	
	30/06/2010				31-12-2009 Restated				30/06/2010	31-12-2009 Restated
	Investments in associates	Financial assets available for sale	Other assets	Total	Investments in associates	Financial assets available for sale	Other assets	Total		
Construction	28,638	-	1,382,159	1,410,797	25,008	-	1,486,704	1,511,712	1,000,516	1,102,859
Cement, concrete and aggregates	45,255	-	110,730	155,985	46,952	-	99,631	146,583	65,695	44,522
Concessions and services	-	18,377	238,248	256,625	-	27,164	210,517	237,681	226,210	200,345
Real estate	1,552	189,100	1,502,842	1,693,494	1,490	257,716	2,186,729	2,445,935	1,286,114	2,120,750
Hotel services	8	-	294,310	294,318	292	-	232,578	232,870	203,520	164,680
Food trade	-	-	150,399	150,399	-	-	120,377	120,377	91,075	100,974
Fuel trade	1,578	-	73,522	75,100	1,190	-	67,950	69,140	50,538	47,076
Sale of vehicles	-	-	200,131	200,131	-	-	193,878	193,878	135,311	138,911
Not allocated to segments	15,948	12,090	461,081	489,119	902,264	-	317,551	1,219,815	13,996	20,515
Eliminations	-	-	(1,916,169)	(1,916,169)	-	-	(2,669,102)	(2,669,102)	(859,257)	(942,810)
	92,979	219,567	2,497,253	2,809,799	977,196	284,880	2,246,813	3,508,889	2,213,718	2,997,822

The sales and services rendered and information on non-monetary non-current assets, by geographical segment, were composed as follows for the semesters ended on 30 June 2010 and 2009 and on 30 June 2010 and 31 December 2009, respectively:

Geographical segment	Sales and services rendered		Non-monetary non-current assets	
	1st Semester 2010	1st semester 2009 Restated	30/06/2010	31-12-2009 Restated
Portugal	274,472	235,792	658,590	668,162
Angola	225,430	239,946	333,529	285,115
Algeria	29,890	53,147	16,635	16,676
Brazil	88,674	25,214	21,886	19,868
Spain	12,008	12,582	16,287	16,497
Morocco	1,735	4,337	2,118	2,802
Mozambique	26,956	21,824	16,989	14,081
Ukraine	4,511	5,579	30,754	25,066
Venezuela	2,124	2,340	101	171
Other	1,353	1,889	5,203	2,480
	667,153	602,650	1,102,092	1,050,918

8 - OPERATING INCOME

For the semesters and quarters ended on 30 June 2010 and 2009, operating income was as follows:

	1st Semester 2010	1st semester 2009 Restated	2nd Quarter 2010	2nd Quarter 2009 Restated
Sales and services rendered:				
Sales	460,522	486,244	242,884	257,694
Services rendered	206,631	116,406	125,223	61,363
	667,153	602,650	368,107	319,057
Other operating income:				
Gains in stocks	4,128	2,317	1,763	612
Supplementary income	3,043	1,522	1,135	435
Own work capitalised (a)	2,754	7,775	1,724	5,096
Disposal of assets (b)	1,276	753	687	291
Variation in the fair value of investment properties	5,722	6,771	5,152	1,427
Correction of previous years' estimates	497	240	271	25
Reversal of adjustments to accounts receivable	1,987	19	1,905	5
Benefits from contractual penalties	37	40	33	35
Reversal of adjustments to stocks	63	2,989	63	1,377
Other operating income	7,389	9,734	4,022	5,637
	26,896	32,160	16,755	14,940
	694,049	634,810	384,862	333,997

(a) Own work capitalised essentially corresponds to costs associated to the construction of property.

(b) The gains indicated were mainly obtained through the sale of tangible fixed assets of the value of 1,268 thousand euros (753 thousand euros as at 30 June 2009).

9 - FINANCIAL RESULTS

The financial results for the semesters and quarters ended on 30 June 2010 and 2009 were as follows:

	1st Semester 2010	1st semester 2009 Restated	2nd Quarter 2010	2nd Quarter 2009 Restated
Financial costs and losses:				
Interest paid	31,855	44,154	16,700	17,583
Unfavourable currency conversion differences	73,053	21,832	47,299	3,767
Other financial costs and losses	8,174	9,488	1,411	6,671
	113,082	75,474	65,410	28,021
Financial income and gains:				
Interest received	7,508	7,978	5,166	5,398
Favourable currency conversion differences	101,085	23,641	60,062	(1,163)
Cash discounts obtained	410	619	181	383
Other financial income and gains	2,011	3,168	1,505	2,910
	111,014	35,406	66,914	7,528
Earnings from investment activities:				
Earnings from associate companies (a)	77,800	22,413	(573)	16,573
Dividends (b)	7,199	5,976	6,928	5,306
Other investments	(628)	-	(887)	-
Gains / losses in assets available for sale (Note 17)	(61,268)	-	(61,268)	-
	23,103	28,389	(55,800)	21,879
Financial results	21,035	(11,679)	(54,296)	1,386

(a) The earnings from associated companies relative to the semester ended on 30 June 2010 include the effect of the application of the equity method to the investments in associates of 6,616 thousand euros (22,413 thousand euros as at 30 June 2009) (Note 15).

Furthermore, during the semester ended on 30 June 2010, the Group sold its entire stake in CIMPOR – Cimentos de Portugal, S.G.P.S., S.A., registering capital gains of 71,183 thousand euros.

(b) As at 30 June 2010, the values presented correspond to dividends received from "Financial assets available for sale" of 6,114 thousand euros and the rest refer to "Other Investments", while as at 30 June 2009, the values presented correspond essentially to dividends received from "Financial assets available for sale" of 5,536 thousand euros and rest to "Other Investments".

During the semesters ended on 30 June 2010 and 2009, interest was capitalised on the acquisition cost of qualifying assets of the total value of 2,002 thousand euros and 755 thousand euros, respectively.

During the semesters ended on 30 June 2010 and 2009, for the effects of the capitalisation of financial costs at the acquisition cost of the qualifying assets, an average rate of 3.86% and 3.6% was used, respectively.

10 - INCOME TAX

Teixeira Duarte - Engenharia e Construções, S.A. and most of its participated companies in Portugal are subject to Corporate Income Tax (Imposto sobre o Rendimento das Pessoas Colectivas - "IRC") at the rate of 12.5% of taxable profit up to 12,500 euros, with the rate of 25% being applicable for the rest of the taxable profit. In addition to Corporate Income Tax, the Municipal Tax (Derrama) is also applied, incident on taxable profit and whose rate may vary to the maximum of 1.5%, as well as autonomous taxation on costs and at the rates established in article 88 of the Corporate Income Tax Code. In the calculation of the taxable amount, to which the abovementioned tax rates are applied, the non-acceptable amounts for tax purposes are added and subtracted from the book value results. These differences between the book value results and the results for tax purposes may be of temporary or permanent nature.

The Company and the participated companies at least 90% held, located in Portugal, are subject to the special taxation regime of groups of companies (since the financial year of 2003). This regime consists in the aggregation of the taxable profits of all the companies included in the tax perimeter, as established in article 63 of the Corporate Income Tax Code, deducted by the dividends distributed, with the Corporate Income Tax rate being then applied to the overall result, increased by the individually calculated municipal tax.

In accordance with the legislation in force, tax statements are subject to review and correction by the tax authorities for a period of four years (ten years for Social Security, up to 2000, inclusive, and five years as of 2001), except when tax losses have been reported, or inspections, complaints or impugnations are in progress, in which case, depending on the circumstances, the periods of time are prolonged or suspended. Hence, the Group's tax statements for the years of 2006 to 2009 may still be subject to review. The Board of Directors believes that any corrections which might arise from any tax reviews/inspections to these tax statements should not significantly affect the financial statements as at 30 June 2010.

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

The tax charge registered for the semesters and quarters ended on 30 June 2010 and 2009 may be presented as follows:

	1st Semester 2010	1st semester 2009 Restated	2nd Quarter 2010	2nd Quarter 2009 Restated
Current tax:				
Income tax in Portugal	8,487	8,669	1,602	5,786
Income tax in other jurisdictions	4,191	3,653	2,268	1,782
	<u>12,678</u>	<u>12,322</u>	<u>3,870</u>	<u>7,568</u>
Deferred tax (Note 18):	<u>(8,181)</u>	<u>(6,098)</u>	<u>(3,641)</u>	<u>(2,732)</u>
	<u>4,497</u>	<u>6,224</u>	<u>229</u>	<u>4,836</u>

In addition to the amounts of deferred taxes recorded directly in the income statement, deferred taxes amounting to 4,712 thousand euros were also recorded as at 30 June 2010 (3,366 thousand euros as at 30 June 2009) directly as positive change in equity (Note 18)

11 - EARNINGS PER SHARE

The earnings per share for the semesters and quarters ended on 30 June 2010 and 2009 were calculated taking into consideration the following amounts:

	1st Semester 2010	1st semester 2009 Restated	2nd Quarter 2010	2nd Quarter 2009 Restated
Basic earnings per share:				
Earnings for the effect of calculating net earnings per basic share (net income of the period)	51,947	18,210	(39,915)	3,370
Weighted average number of shares for the effect of calculating net earnings per basic share (thousand)	420,000	420,000	420,000	420,000
 Net earnings per basic share	 0.12	 0.04	 (0.10)	 0.01

Due to the fact that for the semesters and quarters ended on 30 June 2010 and 2009 there were no dilution effects of the earnings per share, the diluted earnings per share are the same as the basic earnings per share.

12 - DIVIDENDS

The General Meeting of Shareholders, held on the 27 May 2010, deliberated not to distribute any dividends.

13 - TANGIBLE FIXED ASSETS

During the semesters ended on 30 June 2010 and 2009, the movements which occurred in the tangible fixed assets, as well as in the respective accumulated depreciation and impairment losses, were as follows:

	Land and natural resources	Buildings and other constructions	Basic equipment	Transport equipment	Tools & utensils	Administrative equipment	Other tangible fixed assets	Tangible fixed assets in progress	Advances on account of tangible fixed assets	Total
Gross assets:										
Balance as at 01 January 2009	49,905	232,570	297,419	50,645	32,075	30,029	14,095	139,755	-	846,493
Restatement effect (Note 2.2)	-	-	-	-	-	-	-	(14,186)	-	(14,186)
Balance as at 01 January 2009 (Restated)	49,905	232,570	297,419	50,645	32,075	30,029	14,095	125,569	-	832,307
Currency conversion effect	236	(1,973)	2,178	(673)	(215)	(278)	(96)	(1,252)	-	(2,073)
Additions	708	269	7,438	5,722	379	489	5,348	21,136	-	41,489
Transfers and write-offs	(83)	384	1,234	2	(46)	(842)	3,813	(25,952)	-	(21,490)
Disposals	-	(29)	(308)	(271)	(6)	(3)	(120)	-	-	(737)
Balance as at 30 June 2009	50,766	231,221	307,961	55,425	32,187	29,395	23,040	119,501	-	849,496
Balance as at 01 January 2010	52,627	276,358	335,826	61,502	35,447	33,946	20,858	124,757	320	941,641
Restatement effect (Note 2.2)	-	-	-	-	-	-	-	(55,100)	-	(55,100)
Balance as at 01 January 2010 (Restated)	52,627	276,358	335,826	61,502	35,447	33,946	20,858	69,657	320	886,541
Currency conversion effect	446	29,348	19,129	7,239	946	3,537	3,537	9,205	60	73,447
Additions	-	332	8,972	699	379	659	4,629	6,514	-	22,184
Transfers and write-offs	(11,560)	13,165	(616)	527	(730)	4,970	(7,989)	(4,106)	(380)	(6,719)
Disposals	(45)	(205)	(4,054)	(485)	(24)	(56)	(2)	(5)	-	(4,876)
Balance as at 30 June 2010	41,468	318,998	359,257	69,482	36,018	43,056	21,033	81,265	-	970,577
Accumulated depreciation & impairment losses:										
Balance as at 01 January 2009	187	64,795	198,929	25,810	25,857	22,481	1,764	-	-	339,823
Currency conversion effect	-	(612)	1,483	(302)	(49)	(199)	-	-	-	321
Top-ups	-	5,966	13,593	4,929	698	1,340	420	-	-	26,946
Transfers and write-offs	-	(138)	(2,479)	(908)	20	(397)	2,342	-	-	(1,560)
Disposals	-	(20)	(205)	(253)	(4)	(2)	(120)	-	-	(604)
Balance as at 30 June 2009	187	69,991	211,321	29,276	26,522	23,223	4,406	-	-	364,926
Balance as at 01 January 2010	164	73,103	231,311	34,370	28,175	25,288	3,545	-	-	395,956
Currency conversion effect	-	6,941	9,694	4,366	304	2,358	167	-	-	23,830
Top-ups	-	5,781	14,172	4,890	793	1,112	264	-	-	27,012
Transfers and write-offs	-	(439)	1,838	(1,971)	(268)	4,161	(3,005)	-	-	316
Disposals	-	(152)	(2,868)	(457)	(24)	(49)	(1)	-	-	(3,551)
Balance as at 30 June 2010	164	85,234	254,147	41,198	28,980	32,870	970	-	-	443,563
Net value:										
As at 30 June 2009	50,579	161,230	96,640	26,149	5,665	6,172	18,634	119,501	-	484,570
As at 30 June 2010	41,304	233,764	105,110	28,284	7,038	10,186	20,063	81,265	-	527,014

The additions to the tangible fixed assets made during the semester ended on 30 June 2010 essentially refer to investments made in premises and equipment.

As at 30 June 2010 the tangible assets under construction include 70,975 thousand euros relative to buildings and other constructions in progress, in particular the following:

- Construction of Colégio São Francisco de Assis in Luanda;

- Development of the Tancagem project in Aveiro;
- Expansion of the network of “Cash & Carry” shops in Angola;
- Construction of a new four star Hotel in Luanda Sul – Angola;
- Construction of a building integrated in Empreendimento Lagoas Park;
- New cement mill, new silos, a coal mill to replace the fuel of the burners and a new building where a laboratory has been installed with the very latest technology available for the cement industry. Furthermore, we are at an advanced stage in the licensing of a new clinker line in the Ukraine;

14 - INVESTMENT PROPERTIES

During the semesters ended on 30 June 2010 and 2009, the movement which occurred in investment properties was as follows:

	2010	2009
Balance as at 01 January	492,066	418,296
Currency conversion effect	12,042	(674)
Increases / disposals	(457)	15,998
Variation in fair value	5,721	6,583
Transfer of tangible assets	(3,456)	13,242
Balance as at 30 June	505,916	453,445

The income gained from investment properties arising from operating leasing contracts reached 14,131 thousand euros as at 30 June 2010 (14,423 thousand euros as at 30 June 2009). In the semester ended on 30 June 2010, the direct operating costs related to investment properties reached 2,853 thousand euros (4,123 thousand euros as at 30 June 2009).

The fair value of each operational investment property is periodically determined through an assessment, in some cases made by specialised and independent entities and in accordance with the evaluation methodologies generally accepted for the real estate market, namely income methods, comparatively with market prices or replacement costs, depending on the specific situations of each property.

In the remaining cases, the determination of the market value is carried out internally, based on criteria similar to those considered by external evaluators, taking into account the expected discounted cash flows.

The main assumptions and methods inherent to the evaluations supporting the market value of the investment properties are as follows:

- Yield between 7% and 10%;
- Average of the comparative method and income multiples;
- Average of the comparative method and cost.

IAS 40 - Investment property, does not require that the fair value of the investment property is determined based on a valuation made by an independent evaluator. However, approximately 85% of the fair value of the Group's investment properties is determined through independent evaluators with relevant and recognised professional qualification (registered at the CMVM) and with recent experience in the location and category of the investment properties valued. These evaluators used methodologies currently applied in this market, based on the use of the income method, replacement cost method or market price comparisons, according to the specific situation of each property. In the case under consideration where the assets are leased, the income method was used, but also taking into consideration the rest of the methods used to evaluate the reasonableness of the results achieved through this method. According to this method, the income of the current leasing contracts under current conditions was used and, once the period of these contracts has ended, a yield adapted to each property was applied. For the rest of the evaluations carried out internally, yields adapted in accordance with the indications given by independent professionals were used.

15 - INVESTMENTS IN ASSOCIATE COMPANIES

The following associated companies were recorded through the equity method as at 30 de June de 2010:

Corporate name	Head office	Effective percentage holding
ALVORADA PETRÓLEO, S.A.	Rua Major Lopes, 800, 3º andar Belo Horizonte - Minas Gerais - Brazil	35.87%
ALSOMA, GEIE.	3 Av André Malraux Levallois Peret	27.00%
ARENOR, S.L.	Calle Monte Carmelo, nº 1, 5ºC Seville	25.26%
AVIA PORTUGAL - Produtos Petrolíferos, S.A.	Edifício 1, Lagoas Park Porto Salvo	21.14%
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 Lisbon	20.00%
Concessionária de Rodovias TEBE, S.A.	Praça Barão do Rio Branco, nº 48, S/L Bebedouro - São Paulo	25.33%
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	25.33%
ISA - Intelligent Sensing Anywhere, S.A. (b)	Rua D. Manuel I, 92 Coimbra	15.25%
SCP AK10 - Empreendimentos e Participações SPE Ltda.	Avenida Alameda Santos, nº 960 - 19º, Edifício CYK, Cerqueira César, São Paulo	25.00%
STELGEST - Gestão Hoteleira, S.A.	Edifício 2, Lagoas Park Porto Salvo	45.00%
TRAVERSOFFER - Industrie et Service Ferroviaire, S.A.R.L.	27, Cheminndu Réservoir, hydra, Alger, Algeria	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.

The holdings in associated companies registered the following movements in the semesters ended on 30 June 2010 and 2009:

	Holdings	Goodwill	Total
Balance as at 01 January 2009	386,873	504,752	891,625
Effects of the application of the equity method:			
- Effect on net income for the year (Note 9)	22,413	-	22,413
- Effect on equity	28,565	-	28,565
- Dividends received (Note 20)	(28,241)	-	(28,241)
Increases	10,191	-	10,191
Currency conversion effect	1,344	1,094	2,438
Other	807	-	807
Balance as at 30 June 2009	421,952	505,846	927,798
Balance as at 01 January 2010	470,746	506,450	977,196
Effects of the application of the equity method:			
- Effect on net income for the year (Note 9)	6,616	-	6,616
- Effect on equity	3,093	-	3,093
- Dividends received (Note 20)	(430)	-	(430)
Increases	219	-	219
Disposals	(415,041)	(482,108)	(897,149)
Currency conversion effect	2,524	1,073	3,597
Other	(163)	-	(163)
Balance as at 30 June 2010	67,564	25,415	92,979

As indicated in note 9, during the semester ended on 30 June 2010, the Group sold its entire stake in CIMPOR – Cimentos de Portugal, SGPS, S.A. for the value of 968,332 thousand euros (Note 20), having recorded capital gains of 71,183 thousand euros (Note 9).

The investments in associate companies as at 30 June 2010 and 31 December 2009 are analysed as follows:

	30-Jun-10			31-Dec-09		
	Holdings	Goodwill	Balance sheet value	Holdings	Goodwill	Balance sheet value
Associates						
Arenor, S.L.	29,316	16,033	45,349	30,187	16,033	46,220
Alvorada Petróleos, S.A.	14,150	8,815	22,965	12,237	7,751	19,988
Cimpor Macau Investment Company, S.A.	9,506	-	9,506	10,332	-	10,332
IMOC - Empreendimentos Imobiliários, S.A.R.L.	6,313	-	6,313	4,719	-	4,719
Concessionária de Rodovias TEBE, S.A.	5,129	-	5,129	4,399	-	4,399
SCP AK-10 Empreendimentos e Participações SPE LTDA.	1,478	74	1,552	1,425	65	1,490
ISA - Intelligent Sensing Anywhere, S.A.	1,062	493	1,555	675	493	1,168
Infraenge Construções, Ltda.	270	-	270	312	-	312
Cimpor - Cimentos de Portugal, S.G.P.S., S.A.	-	-	-	405,804	482,108	887,912
Other	340	-	340	657	-	657
	67,564	25,415	92,979	470,746	506,450	977,196

The Goodwill in associate companies as at 30 June 2010 and 31 December 2009 is broken down as follows:

Participated company	30-Jun-10			31-Dec-09		
	Book value of the goodwill	Discount rate	Growth rate in perpetuity	Book value of the goodwill	Discount rate	Growth rate in perpetuity
Arenor, S.L.	16,033	5.0%	1.5%	16,033	5.0%	1.5%
Alvorada Petróleos, S.A.	8,815	9.7%	1.5%	7,751	9.7%	1.5%
ISA - Intelligent Sensing Anywhere, S.A.	493	4.8%	1.5%	493	4.8%	1.5%
SCP AK-10 Empreendimentos e Participações SPE LTDA.	74	10.0%	1.5%	65	10.0%	1.5%
Cimpor - Cimentos de Portugal, S.G.P.S., S.A.	-	-	-	482,108	7.4%	1.5%
	25,415			506,450		

The abovementioned holdings are recorded through the equity method which, in the semesters ended on 30 June 2010 and 2009, had the following impacts:

30 June 2010

Associates	Gains and losses in associate companies (Note 9)	Adjustments of holdings	Dividends	Total
Cimpor - Cimentos de Portugal, S.G.P.S., S.A.	9,237	-	-	9,237
Arenor, S.L.	(956)	85	-	(871)
Alvorada Petróleos, S.A.	(490)	545	-	55
Cimpor Macau Investment Company, S.A.	(2,043)	1,218	-	(825)
Concessionária de Rodovias TEBE, S.A.	334	(235)	-	99
Infraenge Construções, Ltda.	(75)	(3)	-	(78)
IMOC - Empreendimentos Imobiliários, S.A.R.L.	712	882	-	1,594
SCP AK-10 Empreendimentos e Participações SPE LTDA.	265	-	(430)	(165)
ISA - Intelligent Sensing Anywhere, S.A.	(247)	634	-	387
Other	(121)	(33)	-	(154)
Metrotunnel				-
Link				-
Avia Portugal - Produtos Petrolíferos, S.A.	1	-	-	1
Lima Petróleos, Lda.				-
Stelgest	(124)			(124)
TRAVESOFER				-
Alsoma	(2)	(33)		(35)
Construlink				-
Other	4			4
	6,616	3,093	(430)	9,279

30 June 2009

Associates	Gains and losses in associate companies (Note 9)	Adjustments of holdings	Dividends	Total
Cimpor - Cimentos de Portugal, S.G.P.S., S.A.	23,743	29,023	(27,560)	25,206
Arenor, S.L.	318	(549)	-	(231)
Alvorada Petróleos, S.A.	(1,910)	496	-	(1,414)
Cimpor Macau Investment Company, S.A.	(9)	(94)	-	(103)
Concessionária de Rodovias TEBE, S.A.	406	(242)	-	164
Infraenge Construções, Ltda.	(51)	-	(400)	(451)
IMOC - Empreendimentos Imobiliários, S.A.R.L.	263	(3)	-	260
SCP AK-10 Empreendimentos e Participações SPE LTDA.	204	-	-	204
ISA - Intelligent Sensing Anywhere, S.A.	(112)	(63)	-	(175)
Other	(439)	(3)	(281)	(723)
	22,413	28,565	(28,241)	22,737

The main consolidated financial information with respect to the associate companies as at 30 June 2010 and 31 December 2009 is as follows:

	Total assets		Total liabilities		Total net assets		Share of the Group in net assets	
	30/06/2010	31/12/2009	30/06/2010	31/12/2009	30/06/2010	31/12/2009	30/06/2010	31/12/2009
Alvorada Petróleos, S.A.	35,069	26,867	5,413	6,576	29,656	20,291	14,150	12,237
ARENOR, S.L.	63,443	70,732	22,851	28,346	40,592	42,386	29,316	30,187
CIMPOR - Cimentos de Portugal, SGPS, S.A.	-	4,927,362		3,096,859	-	1,830,503	-	405,804
Cimpor Macau Investment Company, S.A.	201,151	140,057	197,266	132,873	3,885	7,184	9,507	10,332
Concessionária de Rodovias TEBE, S.A.	39,661	30,608	24,272	17,409	15,389	13,199	5,129	4,399
IMOC - Empreendimentos Imobiliários, S.A.R.L.	14,058	10,553	452	382	13,606	10,171	6,313	4,719
INFRAENGE Construções, Ltda.	1,807	1,612	997	675	810	936	270	312
ISA - Intelligent Sensing Anywhere, S.A.	5,821	5,502	3,552	4,113	2,269	1,389	1,062	675
SCP AK-10 Empreendimentos e Participações SPE LTDA.	11,109	7,612	5,198	1,911	5,911	5,701	1,478	1,425
Other	2,459	4,119	2,273	3,602	186	517	339	656
	374,578	5,225,024	262,274	3,292,746	112,304	1,932,277	67,564	470,746

	Sales and services rendered		Net income for the period		Share of the Group in net income for the period	
	1st Semester	1st Semester	1st Semester	1st Semester	1st Semester	1st Semester
	2010	2009	2010	2009	2010	2009
Alvorada Petróleos, S.A.	608	-	(1,038)	(4,123)	(490)	(1,910)
ARENOR, S.L.	57	303	(1,969)	655	(956)	318
CIMPOR - Cimentos de Portugal, SGPS, S.A.	-	1,023,000	-	107,100	9,237	23,743
Cimpor Macau Investment Company, S.A.	-	-	(8,172)	(37)	(2,043)	(9)
Concessionária de Rodovias TEBE, S.A.	9,859	5,934	1,002	1,218	334	406
IMOC - Empreendimentos Imobiliários, S.A.R.L.	-	-	1,534	566	712	263
INFRAENGE Construções, Ltda.	3,587	432	(225)	(153)	(75)	(51)
ISA - Intelligent Sensing Anywhere, S.A.	939	1,241	(563)	(256)	(247)	(112)
SCP AK-10 Empreendimentos e Participações SPE LTDA.	3,188	1,332	1,062	816	265	204
Other	519	677	(277)	224	(121)	(439)
	18,757	1,032,919	(8,647)	106,010	6,616	22,413

16 - JOINT VENTURES

As at 30 June 2010, the following participated companies were consolidated through the proportional method, since their management and control is exercised jointly with the other partners/shareholders:

Corporate name	Head office	Effective percentage 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%
CONBATE, ACE	Edifício 2, Lagoas Park Porto Salvo	20.00%
DOURO LITORAL, ACE	Edifício 8, Lagoas Park Porto Salvo	40.00%
D.L.O.E.A.C.E. – Douro Litoral Obras Especiais, ACE	Edifício 2, 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%
GMP – Grupo Marítimo Português, ACE	Edifício 1, Lagoas Park Porto Salvo	20.04%
GMP – Grupo Marítimo Português MEK, ACE	Edifício 1, Lagoas Park Porto Salvo	20.04%
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%
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	Edifício 1, Lagoas Park Porto Salvo	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 these participated companies, through the proportional consolidation method, as at 30 June 2010 and 31 December 2009, the following amounts were included in the consolidated financial statements of the Group:

	Current assets		Non-current assets		Current liabilities		Non-current liabilities	
	30/06/2010	31/12/2009	30/06/2010	31/12/2009	30/06/2010	31/12/2009	30/06/2010	31/12/2009
ACESTRADA - Construção de Estradas, ACE	19	113	-	-	2	2	-	-
CAIS DOS CRUZEIROS - 2ª Fase, ACE	1,237	1,679	-	-	869	1,064	22	-
CONBATE, ACE	2,121	1,736	4	5	1,737	889	337	813
DOURO LITORAL, ACE	42,949	30,571	23	27	38,264	27,953	-	1,934
DOURO LITORAL OBRAS ESPECIAIS, ACE	3,181	3,576	109	130	3,253	3,493	-	-
ENGIL/MOTA/TEIXEIRA DUARTE - Requalificações Urbanas, ACE	21	22	-	-	21	22	-	-
FERROVIAL / TEIXEIRA DUARTE - Obras Hidráulicas do Alqueva, ACE	123	191	-	5	99	420	151	-
GMP - Grupo Marítimo Português, ACE	2,222	1,933	43	70	2,291	1,957	-	-
GMP – Grupo Marítimo Português MEK, ACE	803	65	25	8	809	68	-	-
GPCC - Grupo Português de Construção de Infraestruturas de Gás Natural, ACE	71	71	-	-	73	71	-	-
GPCIE - Grupo Português de Construção de Infraestruturas da Expo, ACE	27	30	-	-	27	30	-	-
METROLIGEIRO - Construção de Infraestruturas, ACE	1,031	4,059	-	4	1,031	4,063	-	-
METROPAÇO - Trabalhos de Construção da Estação do Metropolitano do Terreiro do Paço, ACE	186	186	-	-	186	186	-	-
NOVA ESTAÇÃO, ACE	2,701	1,966	24	8	2,038	1,305	-	-
SOMAFEL E OFM - Obras do Metro, ACE	46	46	-	-	46	46	-	-
Somafel/Ferrovias, ACE	70	71	8	16	21	23	-	-
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	78	102	-	-	53	102	50	-
TEIXEIRA DUARTE - SOPOL - Metro Superfície, ACE	164	348	2	4	166	352	-	-
TEISOMAR - Obras Marítimas, ACE	1	1	-	-	-	-	-	-
TRÊS PONTO DOIS - Trabalhos Gerais de Construção Civil, Via e Catenária de Modernização da Linha do Norte, ACE	894	529	-	-	364	378	-	-
	57,945	47,295	238	277	51,350	42,424	560	2,747

As a result of the consolidation of these participated companies, through the proportional consolidation method, as at 30 June 2010 and 2009, the following amounts were included in the consolidated financial statements of the Group:

	Income		Costs	
	1st Semester 2010	1st Semester 2009	1st Semester 2010	1st Semester 2009
ACESTRADA - Construção de Estradas, ACE	-	6	-	2
CAIS DOS CRUZEIROS - 2ª Fase, ACE	1,470	748	1,124	593
CONBATE, ACE	1,309	256	1,258	252
DOURO LITORAL, ACE	40,888	11,354	36,893	11,190
DOURO LITORAL OBRAS ESPECIAIS, ACE	5,899	1,356	5,884	1,143
FERROVIAL / TEIXEIRA DUARTE - Obras Hidráulicas do Alqueva, ACE	116	(63)	18	(20)
GMP - Grupo Marítimo Português, ACE	1,116	-	1,223	5
GMP – Grupo Marítimo Português MEK, ACE	331	-	308	-
GPCC - Grupo Português de Construção de Infraestruturas de Gás Natural, ACE	-	-	2	3
Metropolitano do Terreiro do Paço, ACE	-	417	-	11
NOVA ESTAÇÃO, ACE	2,175	565	1,489	550
SOMAFEL E OFM - Obras do Metro, ACE	-	122	-	122
Somafel/Ferrovias, ACE	41	18	27	13
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	1	3	26	16
TEIXEIRA DUARTE - SOPOL - Metro Superfície, ACE	19	862	19	862
TEISOMAR - Obras Marítimas, ACE	322	-	322	-
TRÊS PONTO DOIS - Trabalhos Gerais de Construção Civil, Via e Catenária de Modernização da Linha do Norte, ACE	344	-	(35)	-
	54,031	15,644	48,558	14,742

Included in the information indicated in Note 23, the Group had provided bank guarantees, fidelity guarantee insurance and letters of comfort as an entrepreneur in these joint ventures to the total value of 33,862 thousand euros as at 30 June 2010 (38,557 thousand euros as at 31 December 2009).

17 - FINANCIAL ASSETS AVAILABLE FOR SALE

During the semesters ended on 30 June 2010 and 2009, the movements which occurred in the valuation of the financial assets available for sale, recorded at their respective fair value, were as follows:

	2010	2009
Fair value as at 01 January	284,880	266,753
Acquisitions during the period	13,612	-
Decrease in fair value	(78,925)	(26,863)
Fair value as at 30 June	219,567	239,890

The decrease in the fair value of the financial assets available for sale of the semester ended on 30 June 2010, includes the reversal of previously recorded fair value reserves and the recognition of a loss in the profit for the semester of the value of 61,268 thousand euros (Note 9).

As at 30 June 2010 and 31 December 2009, the Group owned 324,500,000 and 304,989,864 shares in Banco Comercial Português, S.A., respectively.

The financial assets available for sale, and the respective cost and market values, as at 30 June 2010 and 31 December 2009, are as follows:

	Jun-10		Dec-09	
	Cost value	Market value	Cost value	Market value
Banco Comercial Português, S.A.	738,282	201,190	724,670	257,716
Banco Bilbao Vizcaya Argentaria, S.A.	33,075	18,377	33,075	27,164
	771,357	219,567	757,745	284,880

18 - DEFERRED TAXES

All situations which might significantly affect future taxes are revealed through the application of the deferred tax rule.

During the semesters ended on 30 June 2010 and 2009, the movements which occurred in deferred tax assets and liabilities, in accordance with the temporary differences which generated them, are as follows:

	Deferred tax assets		Deferred tax liabilities	
	2010	2009	2010	2009
Balance as at 01 January	98,626	117,389	66,782	53,070
Restatement effect (Note 2.2)	236	62	49	-
Balance as at 01 January (Restated)	98,862	117,451	66,831	53,070
Constitution / Reversal				
Net income (Note 10)	5,962	7,468	(2,219)	1,370
Equity	3,811	3,366	(901)	-
Adjustment	4,402	(7,844)	6,379	175
Balance as at 30 June	113,037	120,441	70,090	54,615

The deferred taxes were evaluated and recognised only to the extent that it is considered likely that there will be taxable profits in the future which 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.

19 - RELATED PARTIES

The transactions and balances between Teixeira Duarte - Engenharia e Construções, S.A. ("Parent-company") and the companies of the Group, which are related parties, were eliminated during the consolidation process, and are not disclosed in the present Note. The balances and transactions between the Group and the associate companies, related and individual with significant voting rights with their own companies, are detailed below.

The terms or conditions practiced between Teixeira Duarte - Engenharia e Construções, S.A. and the related parties are substantially identical to those which would normally be contracted, accepted and practiced between independent entities in comparable operations.

The main balances with related entities as at 30 June 2010 and 31 December 2009 are analysed as follows:

	Balances receivable		Balances payable		Loans granted		Other debts	
	30/06/2010	31/12/2009	30/06/2010	31/12/2009	30/06/2010	31/12/2009	30/06/2010	31/12/2009
Agrepor Agregados - Extração Inertes, S.A.	-	32	-	-	-	-	-	-
ALVORADA PETRÓLEO, S.A.	-	-	-	-	156	2,838	-	-
Cimpor - Indústria de Cimentos, S.A.	-	136	-	16	-	-	-	-
Cimpor Betão - Indústria de Betão, S.A.	-	-	-	23	-	-	-	-
IMOC - Empreendimentos Imobiliários, S.A.R.L.	-	-	-	-	-	-	(247)	(247)
ISA - Intelligent Sensing Anywhere, S.A.	-	-	32	53	65	65	-	-
Cimpor Macau Investment Company, S.A.	-	-	-	-	8,536	8,536	-	-
STELGEST - Gestão Hoteleira, S.A.	14	32	-	-	8	237	(691)	(381)
TRAVERSOFFER - Industrie et Service Ferroviaire, SA	5	5	-	-	-	-	-	-
	19	205	32	92	8,765	11,676	(938)	(628)

The main transactions carried out in the semesters ended on 30 June 2010 and 2009, with related entities were as follows:

	Sales and services rendered		Purchases and services obtained		Interest debited	
	1st Semester 2010	1st Semester 2009	1st Semester 2010	1st Semester 2009	1st Semester 2010	1st Semester 2009
Agrepor Agregados - Extração Inertes, S.A.	-	2,764	-	-	-	-
AVIA PORTUGAL, S.A.	-	-	-	20	-	-
Cimpor - Indústria de Cimentos, S.A.	-	358	-	294	-	-
Cimpor Betão - Indústria de Betão, S.A.	-	-	-	778	-	-
ISA - Intelligent Sensing Anywhere, S.A.	-	-	30	27	-	-
Lima Petróleos - Combustíveis do Lima, Lda	-	708	-	-	-	-
STELGEST - Gestão Hoteleira, S.A.	39	95	-	-	7	32
	39	3,925	30	1,119	7	32

The remunerations attributed to the members of the governing bodies of Teixeira Duarte - Engenharia e Construções, S.A., in the semesters ended on 30 June 2010 and 2009, were as follows:

	1st Semester 2010	1st Semester 2009
Executive directors:		
Short term benefits	1,025	584
Long term benefits	-	-
Supervisory board:		
Short term benefits	17	17
Chartered accountant:		
Short term benefits	33	33
	1,075	634

The remunerations attributed to the members of the senior management boards of Teixeira Duarte - Engenharia e Construções, S.A., in the semesters ended on 30 June 2010 and 2009, were as follows:

	1st Semester 2010	1st Semester 2009
Senior management staff:		
Short term benefits	3,862	3,858
Long term benefits	-	-
	3,862	3,858

20 - NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

Cash and cash equivalent

As at 30 June 2010 and 31 December 2009, this heading is broken down as follows:

	30/06/2010	31/12/2009
Sight deposits	116,586	110,888
Term deposits	24,830	15,236
Other cash investments	-	1
Cash	7,577	5,926
	148,993	132,051

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

Cash flow from investment activities

The receipts derived from financial investments in the semesters ended on 30 June 2010 and 2009, refer to the sale of holdings in the following entities:

	1st Semester 2010	1st Semester 2009	2nd Quarter 2010	2nd Quarter 2009
CIMPOR - Cimentos de Portugal, S.G.P.S., S.A.	968,332	-	-	-
Banco Bilbao Vizcaya Argentaria, S.A.	16,714	-	11,346	-
	985,046	-	11,346	-

The payments relative to financial investments in the semesters ended on 30 June 2010 and 2009, refer to the acquisition of holdings in the following entities:

	1st Semester 2010	1st Semester 2009	2nd Quarter 2010	2nd Quarter 2009
Banco Bilbao Vizcaya Argentaria, S.A.	24,490	-	14,252	-
Banco Comercial Português, S.A.	13,612	-	13,612	-
IMOPEDROUÇOS - Sociedade Imobiliária, S.A.	3,500	-	3,500	-
DIGAL - Distribuição e Comércio, S.A.	665	-	665	-
TDEMPA - Gestão de Participações e Investimentos, S.A.	500	-	500	-
Alvorada Petróleos, S.A.	219	827	219	827
ARENOR, S.L.	-	6,400	-	3,200
Cimpor Macau Investment Company, S.A.	-	2,900	-	2,900
Other	38	64	8	64
	43,024	10,191	32,756	6,991

The dividends received in the semesters and quarters ended on 30 June 2010 and 2009, were as follows:

	1st Semester 2010	1st Semester 2009	2nd Quarter 2010	2nd Quarter 2009
Banco Comercial Português, S.A.	5,794	5,185	5,794	5,185
Banco Bilbao Vizcaya Argentaria, S.A.	383	351	383	-
CIMPOR - Cimentos de Portugal, SGPS, S.A.	-	27,560	-	27,560
Other	1,452	1,121	1,181	521
	7,629	34,217	7,358	33,266

21 - SHARE CAPITAL

As at 30 June 2010, the share capital was fully underwritten and paid-up and represented by 420,000,000 shares each at the nominal value of fifty-five euro cents. In the semesters ended on 30 June 2010 and 2009, there were no movements in the issued share capital.

As at 30 June 2010, Teixeira Duarte, S.A. directly owned 287,880,799 shares representing the share capital of Teixeira Duarte - Engenharia e Construções, S.A., corresponding to 68.54% of the respective share capital.

22 - LOANS

As at 30 June 2010 and 31 December 2009, the loans raised were as follows:

	<u>30/06/2010</u>	<u>31/12/2009</u>
Non-current liabilities:		
Bank loans a)	242,248	707,447
Commercial paper b)	397,534	784,913
	639,782	1,492,360
Current liabilities:		
Bank loans a)	520,597	532,018
Commercial paper b)	93,754	100,414
	614,351	632,432
	1,254,133	2,124,792

a) Bank loans

As at 30 June 2010, the internal bank loans, bank overdrafts and secured current accounts earned interest at the weighted annual average rate of 2.35% (3.33% as at 30 June 2009).

The bank loans contracted by the Group essentially correspond to:

- Loan raised by the Group from Banco Comercial Português, on 31 December 2004, of the current value of 80,000 thousand euros, the repayment of which shall be made on 31 December 2010.
- Loan raised from Banco Bilbao Vizcaya Argentaria, contracted on 12 April 2007 of the value of 63,300 thousand euros, the repayment of which shall be made on 16 March 2012.
- Loan from Banco Popular Portugal, contracted on 18 December 2008, of 25,000 thousand euros, the maturity of which shall occur on 18 December 2011.
- Loan contracted by the Group on 30 December 2008 from Caixa Geral de Depósitos, of the current value of 45,813 thousand euros, the repayment of which shall be made in 162 equal and successive instalments, ending on 30 December 2023.

As at 30 June 2010 and 31 December 2009, the bank loans also include the secured current accounts of the value of 322,855 and 365,589 thousand euros, respectively.

b) Commercial paper

As at 30 June 2010, the Group had negotiated the following commercial paper programmes:

- Grouped contract programme, for the placing and underwriting of private commercial paper with Banco Comercial Português on 14 October 2005, of the total amount of 150,000 thousand euros, in which Teixeira Duarte - Engenharia e Construções, S.A. and its associate Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A. are participants, to the amounts of 15,000 thousand euros and 135,000 thousand euros, respectively. The participation of each company in the programme may vary each time the programme is used, with Teixeira Duarte - Engenharia e Construções, S.A. being required to participate with at least 10% of the total value. Sixteen six-monthly and successive issues have been contracted for the total nominal value of the programme, earning interest on a six-monthly basis and in arrears at a rate indexed to the six-month Euribor increased by a spread of 0.875%, and with the repayment of the last issue being on 14 October 2013.

- Grouped programme, for the placing and underwriting of private commercial paper contracted 06 January 2006 with Banco Comercial Português, with the total amount used being 20,750 thousand Euros, in which Teixeira Duarte - Engenharia e Construções, S.A. and its associate Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A. take part, to the amounts of 18,650 thousand euros and 2,100 thousand euros, respectively. The participation of each company in the programme may vary each time the programme is used, with Teixeira Duarte - Engenharia e Construções, S.A. being required to participate with at least 10% of the total value. The duration of the programme is five years, counting from the contract signature date, the interest is earned on a six-monthly basis in arrears, with the reference rate being indexed to the one to six-month Euribor under competitive auction for periods of 7 to 180 days via direct placement, increased by 2,25% an determined according to the date of each auction, with the repayment of the last issue being made on 06 January 2011.
- Grouped programme, for the placing and underwriting of commercial paper contracted on 14 February 2006 with Banco Comercial Português, of the total amount of 50,000 thousand Euros, in which Teixeira Duarte - Engenharia e Construções, S.A. and its associate Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A. take part, to the amounts of 5,000 thousand euros and 45,000 thousand euros, respectively. The participation of each company in each programme may vary each time it is used, with Teixeira Duarte - Engenharia e Construções, S.A. being required to participate with at least 10% of the total value. Sixteen six-monthly and successive issues have been contracted for the total nominal value of the programme, earning interest on a six-monthly basis in arrears at a rate indexed to the six-month Euribor increased by 0.875% and determined according to the date of the auction, with the repayment of the last issue being on 14 February 2014.
- Grouped contract programme, for the placing and underwriting of commercial paper with Banco Espírito Santo de Investimento and Banco Espírito Santo on 21 August 2006, of the sum of 50,000 thousand euros, in which Teixeira Duarte - Engenharia e Construções, S.A. and its associate Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A. take part, with the entire amount being used by its associate Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A.. The participation of each company in the programme may vary each time it is used. The duration of the programme is five years minus one day, counting from the contract signature date, the interest is earned in advance and every six months, with the reference rate being indexed to the Euribor for the respective issue period, increased by 0.65% and determined according to the date of each auction.
- Grouped contract programme, for the placing and underwriting of commercial paper with Banco Espírito Santo Investimento on 21 April 2008, of the sum of 120,000 thousand euros, in which Teixeira Duarte - Engenharia e Construções, S.A. and its associate Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A. take part, with the entire amount being used by its associate Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A.. The participation of each company in each programme may vary each time it is used. The duration of the programme is five years minus one day, counting from the contract signature date, the interest falls due on each repayment date, with the reference rate being indexed to the Euribor for the respective maturity period, in force on the second business day prior to the subscription date, increased by 0.65% and determined according to the date of the auction.
- Programme for the placing and underwriting of commercial paper, contracted with Banco Comercial Português, S.A. on 20 August 2009, of 20,000 thousand euros. The commercial paper is issued with an issue period of 1, 3 and 6 months with the maturity period of the programme being 1 year, renewable, earning interest at a rate indexed to the Euribor of the issue period, increased by 2.45%.
- Programme for the placing and underwriting of commercial paper, contracted with Banco Comercial Português, S.A. on 20 August 2009, of 25,000 thousand euros. The commercial paper is issued with an issue period of 1, 3 and 6 months with the maturity period of the programme being 1 year, renewable, earning interest at a rate indexed to the Euribor of the issue period, increased by 2.45%.
- Grouped contract programme, for the placing and underwriting of commercial paper with Banco Espírito Santo Investimento on 23 December 2008, of the sum of 60,000 thousand euros, in which Teixeira Duarte - Engenharia e Construções, S.A. and its associate Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A. take part, with the entire amount being used by its associate Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A.. The participation of each company in each programme may vary each time it is used. The duration of the programme is five years minus one day, counting from the contract signature date, the interest falls due on each repayment date, with the reference rate being indexed to the Euribor for the respective maturity period, in force on the second business day prior to the subscription date, increased by 0.65% and determined according to the date of the auction.

As a result of the commitment of successive renewal during the period of the programme contracts, the existing issues as at 30 June 2010 are classified as non-recurrent liabilities.

The non-recurrent bank loans are repayable in the following years:

	<u>30/06/2010</u>	<u>31/12/2009</u>
2011	58,798	115,141
2012	84,288	726,411
2013	360,726	520,622
2014	58,850	56,862
2015 and following	77,120	73,324
	<u>639,782</u>	<u>1,492,360</u>

As at 30 June 2010 and 31 December 2009, the funding in foreign currency were expressed as follows:

<u>Currency</u>	<u>30/06/2010</u>		<u>31/12/2009</u>	
	<u>Currency</u>	<u>Euros</u>	<u>Currency</u>	<u>Euros</u>
BRL	85,188	38,578	31,252	12,444
MAD	5,429	494	3,859	340
USD	132,179	107,717	176,139	122,268

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

23 - CONTINGENT LIABILITIES, GUARANTEES AND COMMITMENTS

Guarantees:

As at 30 June 2010 and 31 December 2009, the group of companies included in the consolidation had provided the following guarantees to third parties:

	<u>30/06/2010</u>	<u>31/12/2009</u>
Bank guarantees provided	<u>559,733</u>	<u>607,390</u>
Fidelity insurance	<u>166,879</u>	<u>106,379</u>

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

EMPA – Serviços de Engenharia, S.A. provided a real guarantee, corresponding to the mortgage of land to third parties for its construction activity.

To secure the loan contract signed with Banco Caixa Geral, of 19,820 thousand euros, granted by GSC – Compañía General de Servicios y Construcción, S.A., GSC – Compañía General de Servicios y Construcción, S.A., pledged 2,133,870 shares in Banco Bilbao Vizcaya Argentaria, S.A. and mortgaged land situated in Madrid, at C/ Amália, 4 and 6.

Also constituted in favour of Caixa Geral de Depósitos, was a mortgage on lot 3, situated in Lagoas Park, owned by Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A., to secure a loan contract granted by Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A. of the sum of 45,813 thousand euros.

A promissory mortgage was also constituted on lots 7, 8, 9, 10, 11, 12, 15, 16 and 23, situated in Lagoas Park, owned by Banco Comercial Português, S.A., to secure a loan contract granted by Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A. of the current value of 80,000 thousand euros, with the exercise of the right to purchase by Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A., associated to the financial leasing contracts of the abovementioned properties.

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 – Companhia General de Servicios y Construcción, S.A. and EMPA – Serviços de Engenharia, S.A. have provided fidelity guarantee insurance as a completion bonds for works and services.

Apart from the guarantees indicated above, the following pledges were also provided:

To secure a loan contract signed with Banco Bilbao Vizcaya Argentaria, of the value of 63,300 thousand euros, granted by Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A., Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A. and TEDAL - Sociedade Gestora de Participações Sociais, S.A. pledged 114,505.992 and 10,029,008 shares in Banco Comercial Português, S.A., respectively.

To secure the commercial paper contract signed with Banco Espírito Santo, of 50,000 thousand euros, granted by Teixeira Duarte – Engenharia e Construções, S.A. and Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A., Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A. and TEDAL - Sociedade Gestora de Participações Sociais, S.A. pledged 41,800,000 and 970,992 shares in Banco Comercial Português, S.A., respectively, and TEDAL - Sociedade Gestora de Participações Sociais, S.A. pledged 2,205,882 shares in EPOS – Empresa Portuguesa de Obras Subterrâneas, S.A..

To secure the commercial paper contract signed with Banco Espírito Santo, of 120,000 thousand euros, granted by Teixeira Duarte – Engenharia e Construções, S.A. and Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A., Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A. and TEDAL - Sociedade Gestora de Participações Sociais, S.A. pledged 98,200,000 and 2,100,000 shares in Banco Comercial Português, S.A., respectively, and TEDAL - Sociedade Gestora de Participações Sociais, S.A. pledged 5,294,118 shares in EPOS – Empresa Portuguesa de Obras Subterrâneas, S.A..

To secure the commercial paper contract signed with Banco Espírito Santo, of 60,000 thousand euros, granted by Teixeira Duarte – Engenharia e Construções, S.A. and Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A., Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A. and TEDAL - Sociedade Gestora de Participações Sociais, S.A. pledged 50,000,000 and 5,400,000 shares in Banco Comercial Português, S.A., respectively, and TEDAL - Sociedade Gestora de Participações Sociais, S.A. pledged 104,000,000 shares in C+P.A. – Cimentos e Produtos Associados, S.A..

To secure debts to third parties, of the value of 15,109 thousand euros, IMOTD - SGPS, S.A. pledged 47,870 shares in V8, S.A. and 47,780 shares in Parcauto, S.A..

To secure the loan contract granted by TDHOSP – Gestão de Edifício Hospitalar, S.A., Teixeira Duarte - Engenharia e Construções, S.A. pledged to Caixa Geral de Depósitos and Caixa Banco de Investimentos, 1,472,000 shares in TDHOSP – Gestão de Edifício Hospitalar, S.A.. Under the same financing contract Teixeira Duarte - Engenharia e Construções, S.A., as shareholder, pledged the credit rights over TDHOSP – Gestão de Edifício Hospitalar, S.A., arising from the realisation of investments established in the management contract, of the value of 7,773 thousand euros.

Financial commitments:

Most of the contracts of the financing operations taken by operational companies or by sub-holdings do not foresee the maintenance of the control of the majority of their capital by Teixeira Duarte - Engenharia e Construções, S.A.. However, the letters of comfort which are requested from the Parent-company for the effects of the contracting of these operations usually contain the commitment not to dispose of the control (direct and/or indirect) of these associate companies.

As at 30 June 2010 and 31 December 2009, the letters of comfort provided by the Parent-company and other affiliated companies reached 452,664 and 416,400 thousand euros, respectively.

As at 30 June 2010 and 31 December 2009, factoring contracts without right of recourse were in force, which were recorded as reductions in accounts receivable of the value of 115,241 and 130,058 thousand euros, respectively. According to the contractual conditions, the Group's liability is essentially restricted to guaranteeing the acceptance of the invoices object of the factoring on the part of the customers.

24 - APPROVAL OF THE FINANCIAL STATEMENTS

The interim financial statements for the semester ended on 30 June 2010 were approved by the Board on Directors on 30 August 2010.

25 - SUBSEQUENT EVENTS

On 16 July 2010, TEIXEIRA DUARTE, S.A. announced the Notice of the Launch and Prospectus relative to the general and voluntary public offer of the acquisition of shares representing the share capital of TEIXEIRA DUARTE – Engenharia e Construções, S.A. through the delivery of shares of TEIXEIRA DUARTE, S.A.

The abovementioned public offer lasted until 06 August, and during a special session at the stock exchange, held on 09 August, the share exchange operations were carried out, with Teixeira Duarte, S.A. as of this date holding 96.75% of the share capital and voting rights of TEIXEIRA DUARTE - Engenharia e Construções, S.A..

On 18 August 2010, TEIXEIRA DUARTE - Engenharia e Construções, S.A. disclosed to the market the information received from TEIXEIRA DUARTE, S.A., with the following content:

“Following the conclusion of the public offer of exchange of shares launched by Teixeira Duarte, S.A. relative to the shares of Teixeira Duarte – Engenharia e Construções, S.A. (“TD-EC”), and in view of the circumstance that the level of acceptance of the abovementioned offer does not permit the use of the potestative mechanisms of acquisition and sale established in articles 194 and 196 of the Securities Market Code, Teixeira Duarte, S.A. reports that, as already presented in the documents of the said offer, it is currently analysing the possibility of applying to the Portuguese Securities Market Commission (CMVM) for TD-EC to no longer possess the status of public company, under the provisions in sub-paragraph a) of number 1 of article 27 of the Securities Market Code as well as, the exclusion of the trading of the shares representing the share capital of TD-EC, under ISIN code PTTDU0AM0007, on the regulated market of Euronext Lisbon.

As disclosed in due time, Teixeira Duarte, S.A. recalls that the objective of the offer, amongst other aspects, involved the acquisition by Teixeira Duarte, S.A. of the total share capital of TD-EC, and, as a consequence, that its shareholder structure should replicate the shareholder structure of TD-EC, as the senior company of the business group with shares listed on a regulated market.

In order to achieve the objective referred to above, Teixeira Duarte, S.A. intends – once the future process of the loss of the status of TD-EC as a public company has been concluded and in the case of compliance with the other legal requisites – presenting the shareholders of TD-EC with the competent acquisition offer for total control, under the terms established in article 490 of the Commercial Companies Code. Since, under the terms of the abovementioned legal provision, the counterpart may be constituted by cash, shares or bonds, the possible alternative are under analysis, in particular that of the counterpart equivalent to the public offer, that is, through the submission of shares.”

On 26 August 2010, the Brazilian participated company ALVORADA, S/A signed an Agreement with an entity of the Group “Gran Tierra Energy Inc.” (“Gran Tierra Energy”), through which the latter will pay USD 22.6 million and undertakes to comply with certain future commitments, including the drilling of two wells, receiving in exchange 70% of the Blocks REC-T-129, 142, 155 and 224, included in the concession relative to the alluded 9th Round of bids promoted by ANP.