

RELEASE

- Material Information -

DISCLOSURE OF RESULTS FROM THE 2016 FINANCIAL YEAR

(Non Audited)

"TEIXEIRA DUARTE, S.A." hereby publishes information about its 2016 results through this release, which also includes other economic-financial indicators related to the same financial year.

In compliance with legislative provisions, the consolidated financial statements have been drafted in accordance with the International Accounting Standards (IAS/IFRS).

Below can be found a summary of some of the main topics that will be discussed further on:

- **Net Results Attributable to Holders of Equity** of 20.1 million euros;
- **Turnover** of 1,115 million euros;
- **External Market** accounts for 83.7% of turnover;
- **EBITDA** of 279 million euros;
- **EBITDA margin / Turnover** of 25%;
- **Net Debt** of 1.133 billion euros;
- **Net Group Assets** of 2.559 billion euros;
- **Financial Autonomy** of 17.4%;
- **Teixeira Duarte Group Orders Portfolio** for the construction sector of 2.009 billion euros.

**Statement of Results
for the periods ended on 31 December 2016 and 2015**

	2016	2015	Var (%)
Operating income	1,230,189	1,491,743	(17.5%)
Operating costs	(951,154)	(1,277,943)	(25.6%)
EBITDA	279,035	213,800	30.5%
Amortisation and depreciation	(69,458)	(76,256)	(8.9%)
Provisions and impairment losses	(18,753)	(12,638)	48.4%
EBIT	190,824	124,906	52.8%
Financial Results	(126,899)	(72,601)	74.8%
Results before taxes	63,925	52,305	22.2%
Income tax	(30,411)	(11,896)	155.6%
Net Income	33,514	40,409	(17.1%)
Attributable to:			
Shareholders	20,147	33,653	(40.1%)
Non-controlling interests	13,367	6,756	97.9%

(Values in thousand euros)

Net Results Attributable to Equity Holders were positive, amounting to 20,147 thousand euros. This represents a drop compared to the 2015 financial year, contributed to by a range of different factors that we believe should be mentioned.

In effect, aside from the performance of Group companies when compared to the previous year, this indicator was influenced by a change in exchange rate differences of 51,715 thousand euros, which stood at minus 41,212 thousand euros in 2016, whereas the figure was positive in 2015, amounting to 10,503 thousand euros.

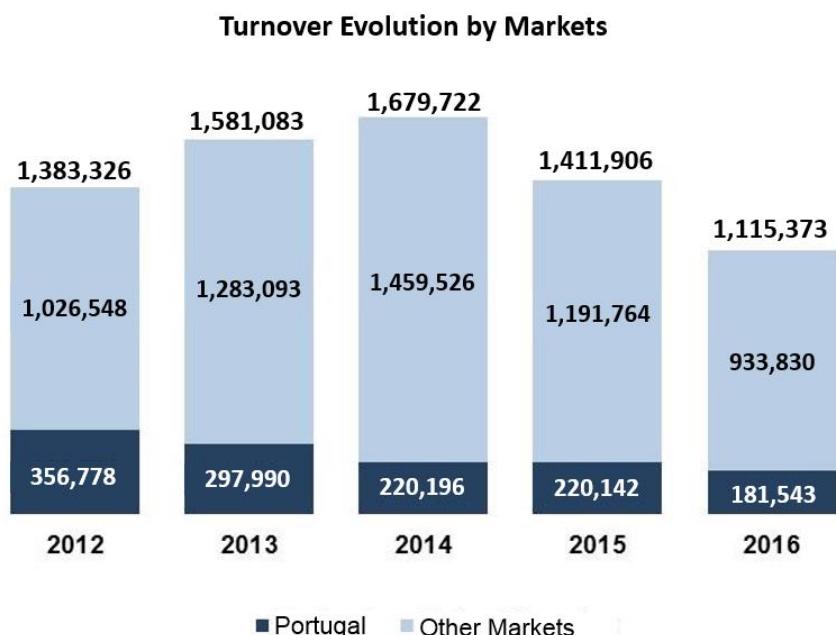
The impact, net of deferred taxes, of the impairment loss in the stake in “Banco Comercial Português, S.A.” in 2016 was 15,634 thousand euros, whereas the loss in the same company was 8,104 thousand euros in 2015.

The impact of establishing provisions for other risks, specifically risks of the market where the Group operates, stood at 21,750 thousand euros in 2016, whereas the figure was 6,650 thousand euros in 2015.

The 2015 results were also influenced by the impact of the Impairment loss, of 7,806 thousand euros, of the company "C+P.A. - Cimento e Produtos Associados, S.A.", in which a stake is held.

Turnover amounted to 1,115,373 thousand euros, reflecting a 21% decrease when compared to the 2015 financial year, or a drop of 296,533 thousand euros.

Other markets, which represented 84.4% of this indicator in September last year, experienced an overall decrease of 21.6%, coming to represent 83.7% of the Teixeira Duarte Group's total turnover.



(Values in thousand euros)

The tables below present the Turnover detailed by countries and activity sectors, clearly indicating the exposure of the Group to different economic contexts.

Turnover by Country

Country	2016		2015		Variation
	Value	Contribution	Value	Contribution	
Portugal	181,543	16.3%	220,142	15.6%	(17.5%)
Angola	452,518	40.6%	682,364	48.3%	(33.7%)
Algeria	100,110	9.0%	98,138	7.0%	2.0%
Brazil	152,856	13.7%	144,090	10.2%	6.1%
Spain	31,953	2.9%	40,076	2.8%	(20.3%)
Mozambique	128,952	11.6%	194,448	13.8%	(33.7%)
Venezuela	52,080	4.7%	26,510	1.9%	96.5%
Other	15,361	1.4%	6,138	0.4%	150.3%
	1,115,373	100.0%	1,411,906	100.0%	(21.0%)

(Values in thousand euros)

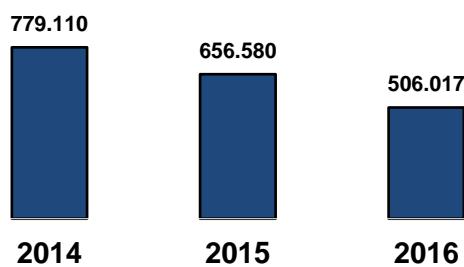
Turnover by Sector

Activity Sector	2016		2015		Variation
	Value	Contribution	Value	Contribution	
Construction	506,017	45.4%	656,580	46.5%	(22.9%)
Concessions and Services	113,089	10.1%	105,140	7.4%	7.6%
Real estate	98,815	8.9%	106,635	7.6%	(7.3%)
Hospitality	51,084	4.6%	65,829	4.7%	(22.4%)
Distribution	243,065	21.8%	291,322	20.6%	(16.6%)
Energy	16,837	1.5%	17,021	1.2%	(1.1%)
Automotive	86,466	7.8%	169,379	12.0%	(49.0%)
	1,115,373	100.0%	1,411,906	100.0%	(21.0%)

(Values in thousand euros)

Below can be found an analysis of this indicator, taking into account its evolution in each sector of activity:

Turnover of Construction Services



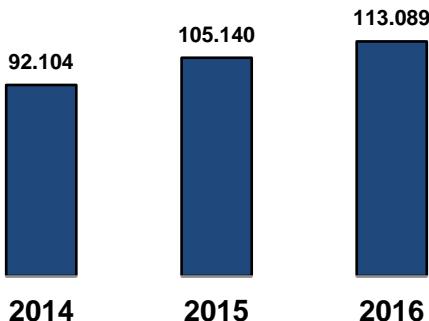
The Turnover of Construction Services decreased by 22.9% year-on-year 2015.

Portugal recorded a decline of 40.2% compared to 2015, during the period that the Group was working on the Marão Tunnel project.

In other markets, emphasis should be placed on rises seen in Algeria, Brazil and Venezuela - with rises of 2%, 28.8% and 55.3% respectively. However, these rises do not compensate for the drops seen in Angola and Mozambique, with respective decreases of 52.9% and 33.8%.

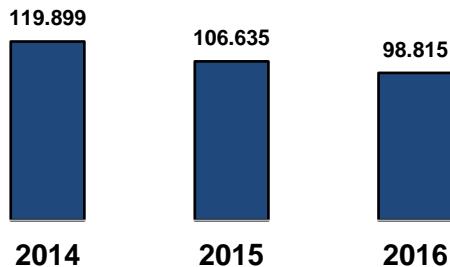
In 2016, the external market accounts for 85.5% of Construction turnover.

Turnover of Concessions and Services



In Concessions and Services, Turnover increased by 7.6% when compared to the 2015 financial year, essentially due to growth in Portugal and Belgium in the Facilities Management area.

Turnover of Real estate Services

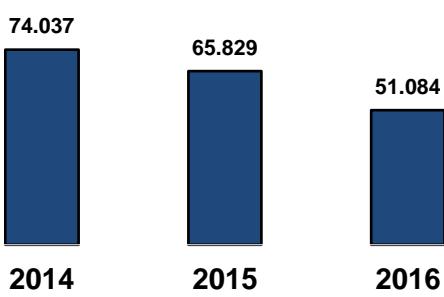


In overall terms, real estate decreased by 7.3% compared to 2015.

A 24.9% increase was seen in Portugal when compared to 2015, due to the recovery of the property market and the impact of this situation on Group ventures, particularly “Lagoas Park”.

In Brazil, emphasis should be placed on the good commercial performance of Group. However, due to the somewhat unfavourable context of this sector in the country and the devaluation of the Real, did not avoid a 23.9% drop when compared to 2015.

Turnover of Hospitality

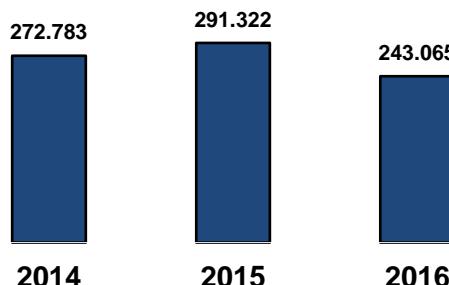


Turnover from Hospitality suffered an overall decrease of 22.4% when compared to the same period of 2015.

A 24.4% decrease when compared to 2015 was seen in Angola - the largest market where the Group operates, due to the current economic situation in that country.

A decrease of 23.5% was seen in Mozambique when compared to the previous year, whereas this sector's indicator experienced a 13.1% decrease when compared to 2015.

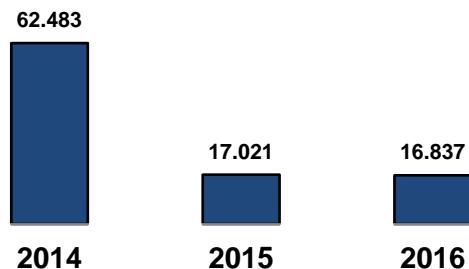
Turnover of Distribution Services



Distribution experienced a 16.6% drop when compared to last year.

In 2016, the Group continued to consolidate the business units operating in this sector and opened a new business unit with the name “Maxi”.

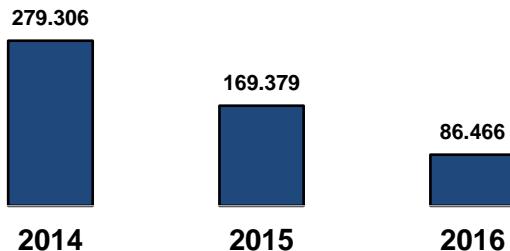
Turnover of Energy Services



In Energy, the Group's turnover decreased by 1.1% when compared to the same period of the previous year.

In 2017, the Group informed the market of an agreement to divest itself of the entity through which it participated in this sector of activity, which was realised in March 2017.

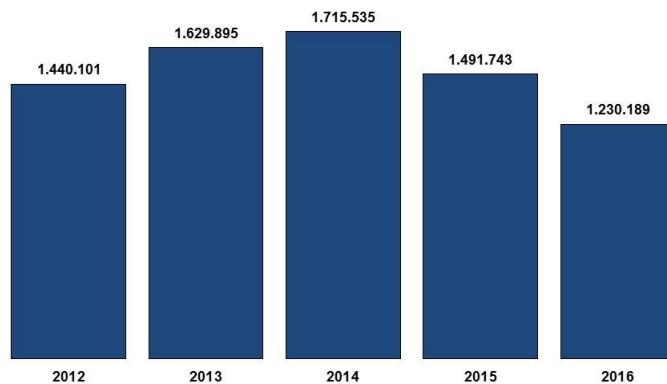
Turnover of the Automotive sector



The Automotive sector saw a 49% decrease in turnover when compared to the 2015 financial year, with a sharp drop in sales of light and heavy vehicles and the maintenance of reasonable levels of activity in the after-sales assistance area.

Operating profits suffered a decrease of 17.5% when compared to the same period of the previous year, dropping to 1,230,189 thousand euros.

Evolution of Operating Income



(Values in thousand euros)

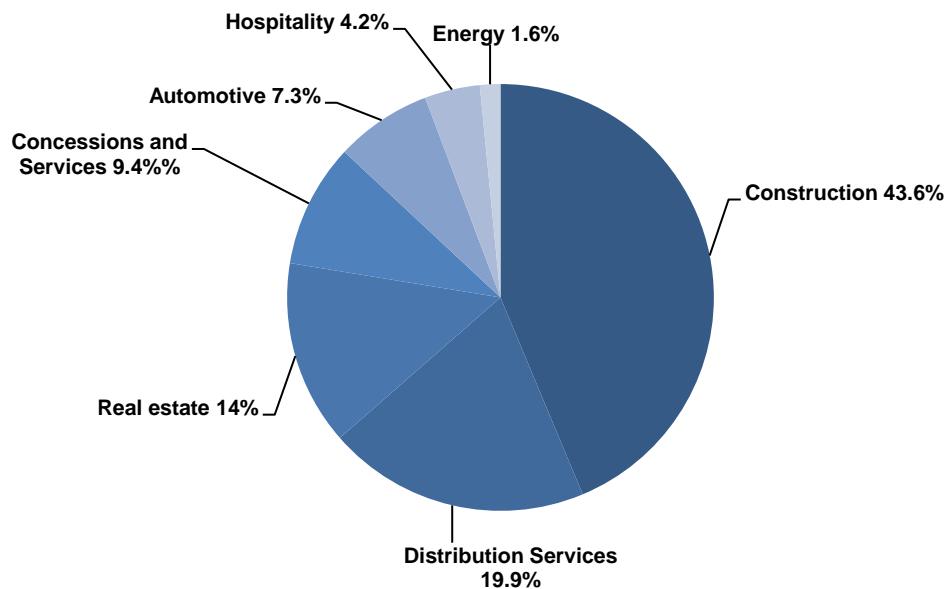
The following table shows the good performance in the Real Estate Concessions and Services sectors.

Operating Profits by activity and geographical markets

Activity Sector	Internal Market			External Market			Total		
	2016	2015	Var (%)	2016	2015	Var (%)	2016	2015	Var (%)
Construction	88,796	127,993	(30.6%)	447,250	552,985	(19.1%)	536,046	680,978	(21.3%)
Concessions and Services	41,019	38,341	7.0%	74,524	71,350	4.4%	115,543	109,691	5.3%
Real estate	79,292	49,711	59.5%	93,488	77,479	20.7%	172,780	127,190	35.8%
Hospitality	9,502	20,199	(53.0%)	42,218	59,871	(29.5%)	51,720	80,070	(35.4%)
Distribution	963	1,473	(34.6%)	243,916	300,963	(19.0%)	244,879	302,436	(19.0%)
Energy	19,004	17,622	7.8%	122	62	96.8%	19,126	17,684	8.2%
Automotive	641	-	-	89,454	173,694	(48.5%)	90,095	173,694	(48.1%)
Total	239,217	255,339	(6.3%)	990,972	1,236,404	(19.9%)	1,230,189	1,491,743	(17.5%)

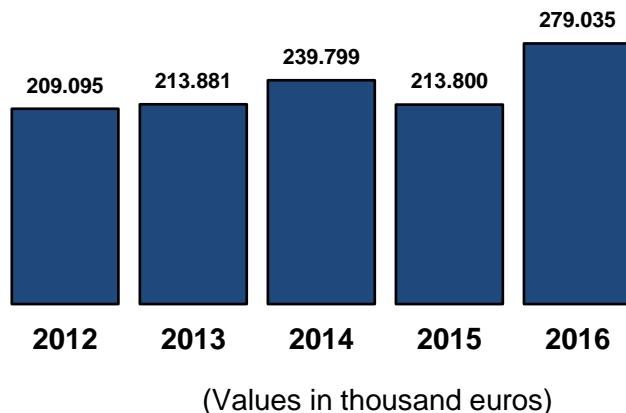
(Values in thousand euros)

As a result of the evolutions mentioned above, the contributions of each of the sectors of activity to the global value of operating profits achieved on 2016 were as follows:



A 30.5% increase in **EBITDA** was seen when compared to the previous year, to 279,035 thousand euros.

Evolution of EBITDA



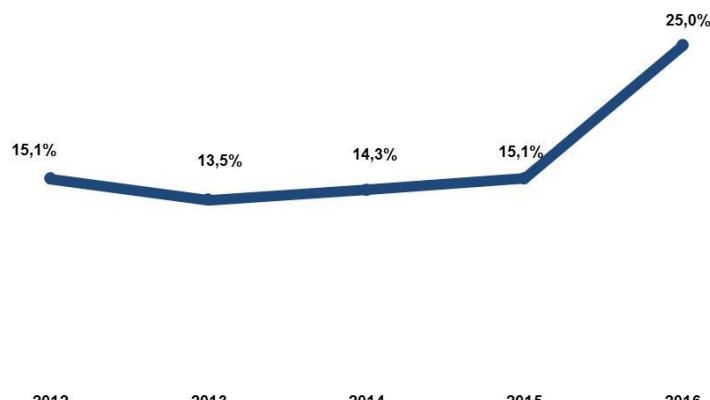
An analysis of this indicator by sector, on the map shown below, shows very disparate behaviour of the different business areas, depending on the unique features of each activity and the respective markets in which the company operates.

EBITDA by Sectors of Activity

Activity Sector	2016	2015	Var (%)
Construction	74,236	36,611	102.8%
Concessions and Services	18,662	17,930	4.1%
Real estate	106,191	63,375	67.6%
Hospitality	9,191	28,378	(67.6%)
Distribution	43,234	38,751	11.6%
Energy	4,025	3,188	26.3%
Automotive	32,672	32,600	0.2%
Not allocated to segments	(8,956)	(7,083)	26.4%
Elimination ¹²	(220)	50	-
	279,035	213,800	30.5%

(Values in thousand euros)

And increase was seen in the **EBITDA / Turnover Margin** when compared to the previous year, which increased from 15.1% to 25% in 2016.



Financial results were negative in 2016, amounting to minus 126,899 thousand euros, whereas the financial results in 2015 were minus 72,601 thousand euros.

Financial Results

	2016	2015	Var (%)
Financial costs and losses:	(295,643)	(372,483)	(20.6%)
Supported interests	(83,488)	(94,277)	(11.4%)
Unfavourable exchange rate differences	(200,695)	(251,682)	(20.3%)
Other expenses and financial losses	(11,460)	(26,524)	(56.8%)
Financial income and gains:	179,020	282,755	(36.7%)
Obtained interests	16,881	14,546	16.1%
Favourable exchange rate differences	159,483	262,185	(39.2%)
Cash discounts obtained	50	245	(79.6%)
Other profits and financial gains	2,606	5,779	(54.9%)
Earnings from investment activities:	(10,276)	17,127	(160.0%)
Earnings from associates and joint works	8,570	9,740	(12.0%)
Dividends	1,652	1,013	63.1%
Other investments	1,048	11,628	(91.0%)
Gains / loss in assets available for sale	(21,546)	(5,254)	310.1%
Financial Results	(126,899)	(72,601)	74.8%

(Values in thousand euros)

These results were 54,298 thousand euros worse when compared to 2015, with an emphasis on the contribution of the following changes:

- A negative change of 51,715 thousand euros, resulting from the impact of exchange rate differences, which stood at minus 41,212 thousand euros in 2016, whereas the figure was positive in 2015, amounting to 10,503 thousand euros.
- A negative change of 16,292 thousand euros, resulting from the negative impact of the impairment loss in the company “Banco Comercial Português, S.A.”, in which a stake is held, amounting to 20,165 thousand euros in 2016 and 10,453 thousand euros in 2015, as well as the negative impact of the divestment of shares in “Banco Comercial Português, S.A.”, amounting to 1,381 thousand euros in 2016, whereas a positive impact of 5,200 thousand euros was recorded in 2015 from the divestment of the share in “Banco Bilbao Vizcaya Argentaria, S.A.”;
- A negative change amounting to 10,580 thousand euros of “Other Investments”, due to the divestment of financial stakes in unlisted companies, valued at cost on the Group's accounts;
- Positive change resulting from the 10,789 thousand euro decrease in interest paid.
- Positive change resulting from the 15,064 thousand euro decrease in other financial costs.

In 2016, **Income Tax** amounted to 30,411 thousand euros, whereas it was set at 11,896 thousand euros for the previous financial year.

Income tax

	2016	2015	Var (%)
Current Tax	(40,339)	(33,576)	20.1%
Deferred tax	9,928	21,680	(54.2%)
	(30,411)	(11,896)	155.6%

(Values in thousand euros)

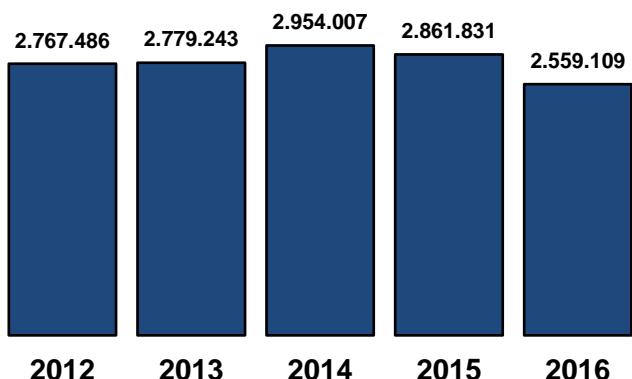
As at 31 December 2016 and December 31 December 2015

	2016	2015	Var (%)
Asset			
Non-current assets	1,418,027	1,546,498	(8.3%)
Current assets			
Cash and cash-equivalent	180,908	252,693	(28.4%)
Other current assets	921,397	1,040,068	(11.4%)
Assets for sale	38,777	22,572	71.8%
Total Assets	2,559,109	2,861,831	(10.6%)
Equity attributable to:			
Shareholders	395,769	467,927	(15.4%)
Non-controlling interests	49,041	50,290	(2.5%)
Total Equity	444,810	518,217	(14.2%)
Liability			
Loans	1,314,007	1,400,133	(6.2%)
Provisions	62,637	52,441	19.4%
Other liabilities	713,293	891,040	(19.9%)
Assets for sale	24,362	-	-
Total Liabilities	2,114,299	2,343,614	(9.8%)
Total Liabilities and Equity	2,559,109	2,861,831	(10.6%)

(Values in thousand euros)

Total Net Assets decreased by 10.6% in relation to 31 December 2015, having reached EUR 2,559,109 thousand.

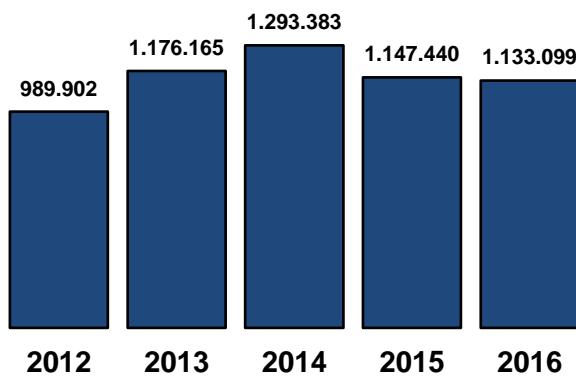
Evolution of Net asset



(Values in thousand euros)

Net debt dropped by 14,341 thousand euros, when compared to the end of last year, to 1,133,099 thousand euros on 31 December 2016.

Evolution of Net Debt



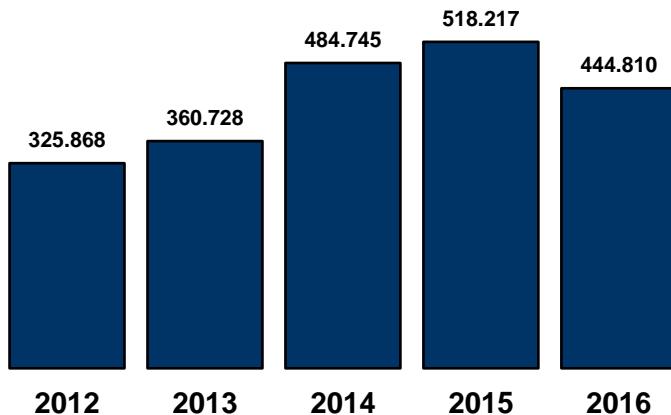
(Values in thousand euros)

Equity Attributable to Shareholders decreased by 72,158 thousand euros, from 467,927 thousand euros to 395,769 thousand euros, corresponding to a 15.4% decrease when compared to 31 December 2015.

A drop of 14.2% was recorded in **Total Equity**, to 444,810 thousand euros, essentially influenced by the following factors:

- Positive net income of 33,514 thousand euros;
- Negative effect of 98,857 thousand euros, resulting from the currency conversion recorded as a result of the devaluation of the Currencies in which the Group operates in relation to the Euro;
- The negative effect of 7,477 thousand euros, resulting from adjustments to equity holdings in associates and joint ventures;
- Distribution of 1,680 thousand euros worth of dividends.

Evolution of total Equity



(Values in thousand euros)

Financial Autonomy dropped from 18.1% on 31 December 2015, to 17.4% on 31 December 2016.

Evolution of Financial Autonomy



In conclusions, notwithstanding other aspects that may be presented in the management report to be disclosed at the end of April, it is deemed appropriate to provide some information in advance about the **general perspectives for the Construction sector**:

The activity is forecast to grow in 2017 in several countries, with an impact on the activities of Teixeira Duarte on overseas markets.

In addition to possible new contracts, the Group has ensured adequate levels of activity in Construction on the overseas market. Despite the fact that the Teixeira Duarte Group's Order Book for the construction sector has decreased by 10% when compared to the end of 2015, this meant that it stood at 2,008,665 thousand euros on 31 December 2016, of which 560,757 thousand euros are for 2020 and following years.

For a more detailed analysis of more immediate periods, that is, for the remaining 1,447,908 thousand euros that have already been contracted, and whose execution is forecast for 2017, 2018 and 2019, below can be found a map of additional elements regarding its distribution by countries of activity:

	2017		2018		2019	
	Value	Contribution (%)	Value	Contribution (%)	Value	Contribution (%)
Portugal	90,370	14.4%	36,475	7.8%	21,006	6.0%
Angola	67,689	10.8%	1,815	0.4%	21,370	6.1%
Algeria	193,338	30.8%	258,534	55.1%	144,678	41.4%
Brazil	220,948	35.1%	105,007	22.4%	37,310	10.7%
Mozambique	40,225	6.4%	22,111	4.7%	15,425	4.4%
Venezuela	5,273	0.8%	43,189	9.2%	106,138	30.3%
Other Markets	10,911	1.7%	2,136	0.4%	3,960	1.1%
Total	628,754	100.0%	469,267	100.0%	349,887	100.0%

(Values in thousand euros)

It should be stated that the figures shown above are reported for the Group's Construction Order book, ascertained with reference to 31 December 2016. Therefore, projects contracted after that date are not included in the Order Book that has been presented.

Lagoas Park, April 7, 2017

Market Relations Representative

José Pedro Poires Cobra Ferreira