



SDC
investimentos

3rd Quarter 2014 REPORT & ACCOUNTS

SDC Investimentos, SGPS, S.A.
Company with open equity to public investment

Rua de Santos Pousada, 220 4000-478 Porto

Share Capital: 160.000.000 Euros

Corporate body and register number (at the Oporto commercial registry office): 500 265 763



CONTENTS

CONSOLIDATED MANAGEMENT REPORT	3
HIGHLIGHTS	3
CONTEXT AND ACTIVITY ANALYSIS	4
RELEVANT FACTS IN THE FIRST NINE MONTHS OF THE YEAR	5
ECONOMIC AND FINANCIAL CONSOLIDATED RESULTS	6
OWN SHARES AND STOCK PERFORMANCE IN THE THIRD QUARTER OF 2014	9
 CONSOLIDATED FINANCIAL STATEMENTS	 11
CONSOLIDATED FINANCIAL POSITION STATEMENT	11
SEPARATE CONSOLIDATED INCOME STATEMENT	13
STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME	15
STATEMENT OF CHANGES IN EQUITY	16
CONSOLIDATED CASH FLOW STATEMENT	18
EXPLANATORY NOTES AND ACCOUNTING POLICIES	20



CONSOLIDATED MANAGEMENT REPORT FOR THE FIRST NINE MONTHS OF 2014

HIGHLIGHTS

- Consolidated net income attributable to the Group, by the end of the third quarter of 2014, reached -5.5 million Euros, comparing favourably with the net income by the end of the first half (-6.5 million Euros) and with the restated net income of the same period of the previous year (-16.0 million Euros);
- EBITDA amounted to -0.6 million Euros (+6.4 million Euros by the end of the third quarter of 2013, a result strongly determined by the real estate sales in Angola, without repetition in 2014);
- Gains and losses in associated companies and jointly managed investments (equity consolidated) had a positive contribution to the result of 7.6 million Euros, although significantly less than in the previous year (+12.6 million Euros);
- Financial results of -9.1 million Euros (which compares with -9.9 million Euros in the previous year), including an improvement on net financing cost (from -9.8 to -8.8 million Euros), but does not benefit from the capital gain accounted in the previous year (related with the sale of a concession held in Costa Rica);
- Already after the end of the first nine months of 2014, was contracted the sale of the participation in Indáqua (still pending external parties authorizations) and was executed the sale of the stake in Energia Própria.

Consolidated Key Figures

(million Euros)	9M 2014	9M 2013 (*)	Change
Turnover	9,165.2	35,516.8	-74.2%
Turnover from real estate business area	3,716.9	23,437.9	-84.1%
EBITDA	-570.8	6,365.0	-109.0%
Operation results from continued activities	-3,655.2	2,000.0	-
Gains and losses in associated companies and jointly managed investments	7,609.7	12,590.0	-39.6%
Financial results	-9,058.3	-9,863.2	8.2%
Earnings before taxes	-5,103.8	4,726.8	-
Net income from continued activities	-5,302.7	5,566.7	-
Net income from discontinued activities	-989.7	-21,712.4	-
Net income attributable to the Group	-5,484.3	-16,028.9	65.8%

(*) Restated

Notes:

- Continuing operations: includes fully consolidated companies (real estate, concessions, parking facilities, and energy companies in the United States except Prince);
- Associated companies and jointly managed investments with participations between 20% and 50% accounted for by the equity method (essentially subsidiaries of road and water concessions);
- Discontinued activities: construction area – Soares da Costa Construção SGPS, SA and its subsidiaries (2013) and Prince (2013 and 2014);

Please see organization chart with participations and accounting policies and notes to the financial statements.



CONTEXT AND ACTIVITY ANALYSIS

The growth estimates for the world's economy¹ were recently revised downwards by the International Monetary Fund, resulting from the combination of the legacy of the global financial crisis, that continues to impact, and by the maintenance of an uncertainty environment which is observable, in particular, in lower potential growth rates for emergent economies. Therefore, for 2014, mostly due to a lower than expected global activity during the first half of the year, is expected a 3.3% worldwide growth rate, in line with 2013, but reflecting a downward revision of 0.4 p.p. to April's estimates (-0.1 p.p. to June's), now being 3.8% the estimated growth to 2015.

In Portugal, according to the Bank of Portugal's Autumn Bulletin², during the first half of 2014 the economy registered a relative stabilization compared with the previous half and presented a 0.9% growth compared with the same period of the previous year (1.0% and 0.9% in the first and second quarters, respectively). This evolution follows the rebound of the private domestic demand, highlighting the consumption and the investment in machinery, equipment and transportation materials, jointly with the exports' lower growth.

This evolution of the activity has been accompanied by a gradual decrease of the interest rates applied to new bank deposits, with a reduction of the gap to the monetary market reference rates, although still in high levels compared with its historic average. Already a consequence of the combination several effects as the banks' supervision rules, banks' solvency and available liquidity ratios, on one hand, and the deleveraging process still happening in the private sector, on the other hand, there is an aggravation of the bank's loans granted to the non-financial private sector, in particular, to the non-financial private companies whose annual change rate, was 7.6%³, in August 201, a revealing symptom of the persisting difficulties of the economy's financing.

Also according to the Bank of Portugal, to 2014, is expected a 0.9% growth to the GDP, a 0.2 p.p. downwards revision compared with the estimate presented in June's Economic Bulletin. This revision is essentially explained by a reduction in the public consumption estimates, as well as by the incorporation of updated information regarding external commerce.

In the construction sector the recessive cycle continues with the production index recording an average change in the last 12 months, in September, of -11.0%⁴ resulting from the combination of the variations of -9.9% of the "building construction" and -12.6% of the "civil engineering". During the year was been a slowdown of this decreasing pace (annual change of -6.9% in September, compared with -8.3% in the previous month and 13.8% in January) due to ever lower levels of successive production of the respective baselines, and not to effective signs of change in this trend or to a recovery of the sector.

Specifically regarding the Company's operation scope, after completed, on February 12, 2014, the shareholder restructuring operation of Soares da Costa Construção, SGPS, SA, with the inherent loss of control position by SDC Investimentos, SGPS, SA (former Grupo Soares da Costa, SGPS, SA), the activity has been focused on the management of the portfolio of participations and financial restructuring.

In the wake of the sales processes, concluded (Prince) and under realization (concession in Mozambique), which were already disclosed in previous interim reports for the current year, with the objective of deleveraging, the Company has announced the sale of its shareholdings in Indáqua (with its full realization still dependent on external parties authorizations) and Energia Própria, as communicated to the market on the 1st and 6th of October, with effects are not yet recorded in the financial statements for the third quarter.

¹ World Economic Outlook, October 2014, Legacies, Clouds, Uncertainties, IMF

² Economic Bulletin – October 2014, Bank of Portugal

³ State Budget 2015's Report, Finance Ministry, quoting the Bank of Portugal

⁴ Production, Employment and Wages in Construction Indexes, September 2014 – INE 11, November 2014



RELEVANT FACTS IN THE FIRST NINE MONTHS OF THE YEAR

- Award of works in Mozambique: on January 16 the Company informed that its subsidiary Sociedade de Construções Soares da Costa, SA was awarded by CDN - Corridor of Northern Development, another work in Nacala's Railway Corridor in northern Mozambique. This award follows the contract with the same authority announced on April 12, 2013; the works include the strengthen of four bridges and the construction of eight new railway bridges, with a value of 30.5 million Dollars (22.4 million Euros);
- Conclusion on February 12, 2014, of the capitalization operation of the construction business area. In this context was concluded a capital increase of 20,335,895.42 Euros to 90,335,895.42 Euros by contribution in cash of 70 million Euros subscribed and paid in full by the Luxembourg company law GAM Holdings, SA, following which this company now holds 66.7% of the share capital of Soares da Costa Construção, SGPS, SA, and SDC Investimentos SGPS, SA (then still called Grupo Soares da Costa SGPS, SA) the remaining 33.3%;
- In April 2014, the subsidiary Soares da Costa America, Inc. established an agreement with a subsidiary of the Dragados Group to the disposal of the entire share capital of the U.S. law company "Prince Contracting LLC", by 18 million Dollars (about 13.1 million Euros); this sales follows the Group's strategy to concentrate its construction activity in the partnership agreement with GAM Holdings, formalized on February 12, with the capitalization of construction company Soares da Costa Construção, SGPS, SA, which leads that activity. This agreement was announced as material information on April 22, 2014; the sale, once the necessary approvals from entities external to the parties were obtained, was completed on May 15, 2014;
- Release of 2013's full-year earnings on April 29, 2014;
- In May 2014 the subsidiary Soares da Costa Concessões, SGPS, SA signed an agreement with a company of Mota-Engil Group to the sale of the 40% participation the Group has in the concessionaire company of Estradas do Zambeze (Zambezi Roads) and its operator, in Mozambique, by a total amount of 4.8 million Euros. This transaction, which is still subject to the approval of the external parties, does not involve any change in the constructor group of companies of the concession works;
- Was held on May 27, 2014 the general meeting of shareholders, in which, among other resolutions, approved the management report, the annual accounts and consolidated accounts for the financial year 2013, the application of individual net earnings, authorized the acquisition and disposal of own shares and the change of the designation of the company, with the consequent amendment of its bylaws, to SDC Investimentos, SGPS, SA.

Already after the end of the third quarter of 2014:

- A subsidiary of the Company, SDC - Concessões, SGPS, SA, on October 1, 2014, entered into an agreement with a company of the German group "Talanx AG" to sell its 28.57% participation in the share capital of the company "Indáqua - Indústria de Gestão de Águas, S.A." ("Indáqua"), as well as the credits held on this company. Within the same transaction, it was also agreed the sale to Indáqua of the participations and credits held in the latter subsidiaries (Indáqua Feira, Indáqua Matosinhos e Indáqua Vila do Conde), representing respectively 1%, 1% and 0.57% of their social capital. The overall price of these disposals is 29.41 million Euros, and will be paid on the date of the respective transmissions, which are still pending from authorizations or consents from external entities.
- On October 6, 2014, the Company reported the sale of its stake in the company Energia Própria, SA (EP) - which represents 57.26% of the share capital – to a company owned by one of the founders of EP. The sale was made for the price of one Euro. Under a payment agreement entered between SDC Investimentos and EP, the former keeps the ownership of the shareholders' loans and other credits that it detains on EP. This transaction is part of the financial restructuring strategy of SDC Investimentos and, is also justified by the substantial changes in the context and in the business model of EP that had motivated the acquisition of that participation.



ECONOMIC AND FINANCIAL CONSOLIDATED RESULTS

Key forming components of the results for the period ended September 30, 2014 and the same period of last year:

Income Statement

(thousand Euros)	9M 2014	% O.I.	9M 2013*	% O.I.	Change
Continued Activities:					
Turnover	9,165	99.50%	35,517	158.90%	-74.20%
Change in production	-149	-1.60%	-15,469	-69.20%	-99.00%
Other operational gains **	194	2.10%	2,299	10.30%	-91.60%
Operational gains and income (O.I.)	9,211	100.00%	22,346	100.00%	-58.80%
Cost of goods sold	21	0.20%	505	2.30%	-95.90%
External supplies	6,054	65.70%	5,997	26.80%	0.90%
Staff costs	2,177	23.60%	7,274	32.60%	-70.10%
Other operational costs	1,529	16.60%	2,205	9.90%	-30.60%
EBITDA	-571	-6.20%	6,365	28.50%	-109.00%
Depreciations, provisions and adjustments	3,084	33.50%	4,365	19.50%	-29.30%
Operational results from continued activities (EBIT)	-3,655	-39.70%	2,000	9.00%	-282.80%
Gains and losses on associated companies	7,610	82.60%	12,590	56.30%	-39.60%
Financial results	-9,058	-98.30%	-9,863	-44.10%	-8.20%
Earnings before taxes	-5,104	-55.40%	4,727	21.20%	-208.00%
Income tax	-199	-2.20%	840	3.80%	-123.70%
Net earnings from continued activities	-5,303	-57.60%	5,567	24.90%	-195.30%
Net earnings from discontinued activities	-990	-10.70%	-21,712	-235.70%	-95.40%
Consolidated net earnings	-6,292	-68.30%	-16,146	-175.30%	-61.00%
Attributable to the Group	-5,484	-59.50%	-16,029	-174.00%	-65.80%

* Restated figures

** No reversals of adjustments accounted below this line

Turnover

As already mentioned in previous reports, the combination of (i) the Company's interests in the construction area being, since late 2013, expressed at its fair value and (ii) the cessation of proportional consolidation method in jointly controlled subsidiaries or investments (with the result of these stakes now being accounted by the equity method), determined that the income statement currently reflects a turnover which is restricted nearly to (a) the recognition of real estate activity, (b) management of car parks and (c) energy services, whose subsidiaries, as of September 30, 2014, remained fully consolidated.

Turnover by Business Area

(thousand Euros)	9M 2014	%	9M 2013 (*)	%	Change
Concessions	4,589.7	50.1%	4,502.6	12.7%	1.9%
Real Estate	3,716.9	40.6%	23,437.9	66.0%	-84.1%
Energy	438.6	4.8%	1,087.3	3.1%	-59.7%
SDC Invetimentos and other	705.4	7.7%	8,105.2	22.8%	-91.3%
Consolidation adjustments	-285.4	-3.1%	-1,616.2	-4.6%	-82.3%
Total	9,165.2	100.0%	35,516.8	100.0%	-74.2%

(*) Restated



By the end of the first nine months of the year turnover reached 9.2 million Euros (6.5 million Euros by the end of the first half of the year), compared with 35.5 million Euros in the same period of 2013, a figure that was significantly benefited by the real estate sales in Angola related with the Talatona project, amounting to 19.2 million Euros. It is also worth mentioning that the “Shared Services” and the supporting staff that, during 2013, still belong to the direct perimeter of the Company, are not part of it in 2014, justifying the turnover’s reduction on the heading “SDC Investimentos and other”, with the simultaneous reduction in the income statement’s heading “Staff costs”. The “consolidation adjustments” decrease is also due to the same reason.

EBITDA/ EBIT

The following table shows the EBITDA and EBIT breakdown by business area.

EBITDA and EBIT by Business Area

(thousand Euros)	9M 2014	%	Margin	9M 2013 (*)	%	Margin	Change
EBITDA	-570.8	100.0%	-6.2%	6,365.0	100.0%	17.9%	-109.0%
Concessions	910.2	-159.5%	19.8%	686.4	10.8%	15.2%	32.6%
Real Estate	1,636.9	-286.8%	44.0%	5,811.6	91.3%	24.8%	-71.8%
Energia Própria	-422.0	73.9%	-96.2%	-539.7	-8.5%	-49.6%	-21.8%
SDC Investimentos and other	-2,957.3	518.1%	-419.2%	-443.2	-7.0%	-5.5%	567.2%
Consolidation adjustments	261.4	-45.8%	-91.6%	849.9	13.4%	-52.6%	-69.2%
EBIT	-3,655.2	100.0%	-39.9%	2,000.0	100.0%	5.6%	-282.8%
Concessions	-1,143.9	31.3%	-24.9%	-1,881.4	-94.1%	-41.8%	-39.2%
Real Estate	726.5	-19.9%	19.5%	4,775.3	238.8%	20.4%	-84.8%
Energia Própria	-543.3	14.9%	-123.9%	-735.5	-36.8%	-67.6%	-26.1%
SDC Investimentos and other	-2,962.7	81.1%	-420.0%	-1,093.0	-54.7%	-13.5%	170.8%
Consolidation adjustments	268.1	-7.3%	-94.0%	935.4	46.8%	-57.9%	-71.3%

(*) Restated

EBITDA during the first nine months of 2014 achieved -0.6 million Euros, below the 6.4 million Euros accounted in the same period of the previous year. Furthermore, taking into consideration the depreciation, provision and value adjustments, EBIT amounted to -3.6 million Euros, versus +2.0 million Euros in the same period of the previous year.

The already mentioned effects that influenced turnover also impacted these indicators. Therefore, there were relevant reductions on turnover – and on operational margins’ accounting – in the real estate business (transaction of assets of the Talatona project in Angola, in 2013); the heading “SDC Investimentos and other” includes the activity of Company as well as the activity of the remaining stakes in the US market, but no longer includes the “Shares Services” (and also its positive margin contribution, still recorded in 2013).

Gains and losses in associated companies and jointly managed investments

The heading “gains and losses in associated companies and jointly managed investments”, with the already mentioned accounting change, earned a more noticeable expression in the income statement, including the recognition of the Company’s proportion stakes in the results of the jointly managed investments, which, before, according to the existing option, were accounted through the proportional consolidation method.

This heading had a positive impact on the first nine months of 2014’s results of 7.6 million Euros (versus 12.6 million Euros in the restated accounts of the first nine months of 2013). The following table details the main contributions by participated company.



Gains and losses in associated companies and jointly managed investments

(thousand Euros)	9M 2014	9M 2013
SCUTVIAS - Autoestradas da Beira Interior, S.A.	6,798.5	7,767.0
MRN - Manutenção de Rodovias Nacionais, S.A.	1,287.7	2,192.7
Auto-Estradas XXI - Subconcessionária Transmontana, S.A.	-1,339.0	1,212.9
OPERESTRADAS XXI S.A.	324.8	847.0
Other	537.7	570.4
Total	7,609.7	12,590.0

Financial results

During the first nine months of the current year, consolidated financial results accounted to -9.1 million Euros, compared with -9.9 million Euros by the end of the same period in the previous year.

We highlight the net financing cost reduction, amounting to -8.8 million Euros versus -9.8 million Euros in the same period of the previous year, although, on the other hand, in the previous year the capital gains had a positive relevant contribution of 3.4 million Euros⁵, without parallel in 2014.

The sum of the costs with collaterals and banking services was 2.9 million Euros, slightly decreasing compared with the 3.2 million Euros of the first nine months of 2013.

In the current year, foreign exchange differences had a positive net contribution to the financial results of 2.6 million Euros (in opposition to a negative contribution of 0.2 million Euros in 2013), which complete the range of the items with most significant contributions to the financial results.

Earnings before taxes and Net income attributable to the Group

Earnings before taxes (continued activities), from the combination of the above analyzed operational and financial aspects, reveals a net loss of 5.1 million Euros (versus the positive restated figure of 4.7 million Euros in the previous year). Taking into consideration the income taxes, as well as the discontinued activities results, that particularly in 2013 had a substantial negative effect (related with the construction activity), net earnings attributable to the Group reached, in the first nine months of the current year, -5.5 million Euros, considerably less unfavorable than the previous year's figure of -16.0 million Euros.

Net debt

Net debt reflected on the consolidated financial position statement as of September 30, 2014 was 315.7 million Euros, corresponding to a reduction when compared with the equivalent (restated) figure as of December 31, 2013 of 323.1 million Euros. This evolution was mainly due to the debt repayment in the subsidiary SDC América, Inc., following Prince's sale.

The nominal debt of the debt contacted by the holding company, SDC Investimentos, SGPS, SA as of September 30, 2014, was 162.5 million Euros, corresponding to financial liabilities that the board of directors aims to be restructured, which is an advance stage of negotiation with the main creditors.

⁵ Essentially from the sale in the San Jose - San Ramon concession, Costa Rica.



OWN SHARES AND STOCK PERFORMANCE IN THE THIRD QUARTER OF 2014

Own shares

As of September 30, 2014, the Company did not hold any own stocks, a situation unchanged to December 31, 2013 and June 30, 2014.

Performance in the Stock Exchange

During the third quarter of 2014, the stock price of SDC Investimentos marginally decreased 1.1% compared with the end of the first half. The stock price closed the period at 0.183 Euros, however recovering from the 0.141 minimum reached during this quarter (also a year's minimum). On a comparable basis, the Portuguese market main index, PSI20, declined 15% in the July-September quarter, with the year-to-date evolution being -12%.

Regarding liquidity, the number of shares traded decreased in this quarter compared with the previous, when the same trend was recorded. On average, were traded 422 thousand shares by trading session, compared with 786 thousand in the second quarter and 1,392 thousand shares in the first quarter. Still, the third quarter's figure surpasses 2013's average number, confirming that 2014's continues to be a strong year to the stock in what concerns liquidity.

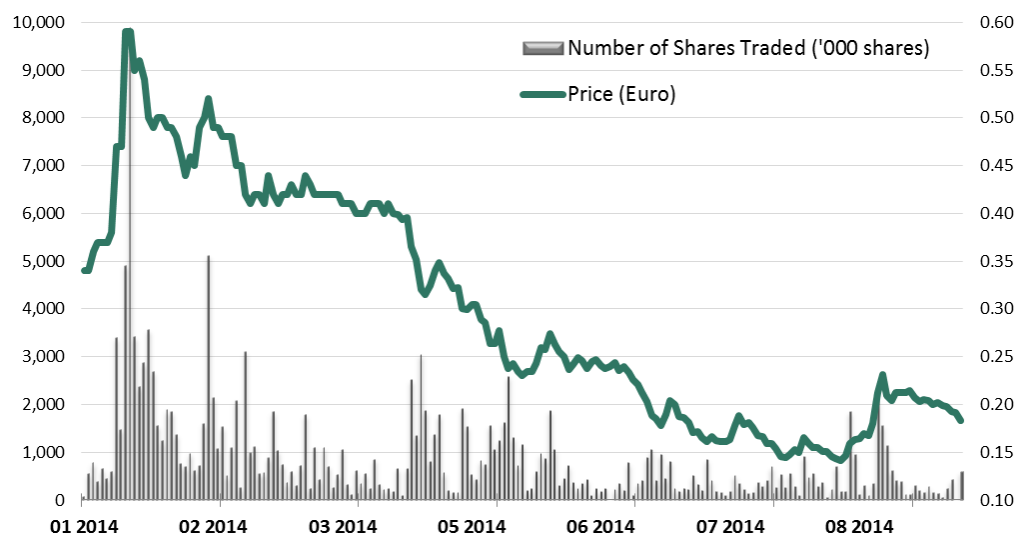
Stock's Key Performance Indicators

	2014			2013	2013				2012
	3Q	2Q	1Q		4Q	3Q	2Q	1Q	
Stock Price, beginning of the period (Euro)	0.185	0.410	0.330	0.130	0.250	0.210	0.190	0.130	0.370
Stock Price, end of the period (Euro)	0.183	0.185	0.410	0.330	0.330	0.250	0.210	0.190	0.130
Higher Stock Price (Euro)	0.231	0.410	0.590	0.390	0.390	0.290	0.250	0.290	0.440
Lower Stock Price (Euro)	0.141	0.185	0.340	0.130	0.250	0.190	0.160	0.130	0.130
Traded shares (thousand shares)	27,821	48,730	87,673	87,075	22,947	18,932	16,647	28,549	12,902
Turnover (million Euros)	4.9	14.1	43.3	21.9	7.5	4.8	3.5	6.1	2.6
Average traded shares (average; thousand shares)	422	786	1.392	341	359	287	264	460	50
Average turnover (average; thousand Euros)	74.9	226.8	687.2	85.8	117.9	72.7	55.1	97.7	10.3

Source: NYSE Euronext



Stock Price Evolution and Number of Shares Traded per Session (thousand shares) in 2014



Source: NYSE Euronext

Porto, November 20, 2014

The board of directors,

António Sarmento Gomes Mota, António Manuel Pereira Caldas Castro Henriques, Pedro Gonçalo de Sotto-Major de Andrade Santos, Jorge Domingues Grade Mendes, José Manuel Baptista Fino, Jorge Armindo de Carvalho Teixeira, Manuel Fernando de Macedo Alves Monteiro



CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL POSITION STATEMENT

30 SEPTEMBER 2014 and 31 DECEMBER 2013

(Euro)				
ASSETS	Notes	30.9.2014	31.12.2013 restated	31.12.2013
NON CURRENT				
Goodwill		-	-	28.128.844
Intangible assets		39.928.280	40.988.969	216.957.192
	8 and 10	39.928.280	40.988.969	245.086.036
Fixed tangible assets:				
Land and buildings	11	65.908.232	66.886.366	66.886.366
Basic equipment	11	1.230.347	1.645.756	1.736.062
Other fixed tangible assets	11	443.093	514.715	1.038.515
	8	67.581.672	69.046.837	69.660.943
Investment properties	8 and 12	26.515.139	26.349.207	26.349.207
Associated companies:				
Financial investments	7 and 8	87.271.530	79.152.056	9.401.069
Loans	7 and 8	44.691.086	64.183.207	18.772.421
		131.962.616	143.335.264	28.173.490
Other financial investments	8 and 13	3.647.819	3.647.819	3.647.819
Other financial assets	8 and 14	38.500.000	38.500.001	38.500.001
Deferred taxes (assets)	8 and 29	19.886.432	20.025.420	31.247.787
Accounts receivable		-	-	346.841.971
Other non current assets	8 and 17	7.866.000	7.866.000	7.866.000
Total non current assets		335.887.958	349.759.516	797.373.255
CURRENT				
Inventories	8 and 15	26.783.610	27.087.363	27.087.363
Accounts receivable:				
Customers	16	31.607.449	32.299.260	32.400.623
Income tax		454.138	851.483	3.597.830
Other accounts receivable	16	25.190.229	22.652.900	15.365.114
	8	57.251.815	55.803.643	51.363.568
Other current assets	8 and 17	9.064.465	8.843.780	13.845.723
Cash, deposits and securities	8 and 18	2.446.185	2.212.173	51.504.023
Total current assets		95.546.075	93.946.960	143.800.677
Assets held for sale (Prince)	8	-	36.804.379	36.804.379
TOTAL ASSETS	8	431.434.033	480.510.855	977.978.311



CONSOLIDATED FINANCIAL POSITION STATEMENT

30 SEPTEMBER 2014 and 31 DECEMBER 2013

				(Euro)
SHAREHOLDERS' EQUITY AND LIABILITIES	Notes	30.9.2014	31.12.2013 restated	31.12.2013
SHAREHOLDERS' EQUITY				
Share capital	19	160.000.000	160.000.000	160.000.000
Adjustment of parts of capital in subsidiaries, associated companies and jointly managed investments	2 and 7	(23.645.300)	(5.874.060)	1.416.183
Reserves and retained earnings from the continued activities		(123.781.947)	(69.965.429)	(77.255.671)
Reserves from conversion and fair value of assets held for sale (Prince)		-	767.526	767.526
Net earnings		(5.484.278)	(50.725.951)	(50.725.951)
Equity attributable to the Group		7.088.475	34.202.087	34.202.087
Minorities		(1.321.276)	8.849	8.849
TOTAL SHAREHOLDERS' EQUITY		5.767.198	34.210.935	34.210.935
LIABILITIES				
NON CURRENT				
Provisions	24	1.010.224	1.001.387	110.197
Loans:				
Bonds	20	98.666.293	98.303.502	98.303.502
Bank loans	20	149.427.668	162.374.270	543.683.670
Other loans		-	-	23.184.000
		248.093.961	260.677.773	665.171.173
Accounts payable	22	12.499.213	12.848.361	10.314.862
Derivatives	21	7.754.200	5.446.063	32.515.465
Deferred assets (liabilities)	29	5.185.532	6.291.306	10.648.895
Total non current liabilities		274.543.131	286.264.889	718.760.592
CURRENT				
Loans:				
Bank loans	20	69.540.821	64.107.474	91.938.956
		69.540.821	64.107.474	91.938.956
Accounts payable:				
Trade creditors		19.941.894	22.779.527	34.091.165
Tangible asstes trade creditors		720.023	801.419	812.043
Advances on sales		1.996	1.996	3.229
Income tax		6.417.199	8.046.801	8.173.097
Other accounts payable	22	27.059.426	20.261.894	21.549.530
		54.140.538	51.891.638	64.629.064
Derivatives	21	2.062.571	1.974.023	11.896.671
Other current liabilities	23	25.379.775	19.077.033	33.557.230
Total current liabilities		151.123.704	137.050.168	202.021.921
Liabilities held for sale (Prince)	8	-	22.984.863	22.984.863
TOTAL LIABILITIES	8	425.666.835	446.299.920	943.767.375
TOTAL SHAREHOLDERS' EQUITY + LIABILITIES		431.434.033	480.510.855	977.978.311



SEPARATE CONSOLIDATED INCOME STATEMENT

FOR THE PERIOD ENDING IN SEPTEMBER 30, 2014 and 2013

			(Euro)
INCOME STATEMENT	Notes	30.9.2014	30.9.2013 restated
Continued activities:			
Turnover	8	9.165.217	35.516.763
Change in production		(148.834)	(15.469.411)
Other operating income	26	218.992	2.309.794
Operating income	8	9.235.375	22.357.146
Cost of goods sold		(20.779)	(504.995)
Third party supplies & services		(6.054.133)	(5.997.295)
Staff costs		(2.177.218)	(7.274.076)
Depreciation, amortisation and impairment losses	8	(3.077.288)	(4.026.405)
Provisions and value adjustments	8	(31.955)	(349.750)
Other operating costs	26	(1.529.221)	(2.204.642)
Operating costs	8	(12.890.594)	(20.357.163)
Operating results from continued activities	8	(3.655.219)	1.999.983
Gains in associated companies	27	9.007.134	12.673.460
Losses in associated companies	27	(1.397.454)	(83.487)
Gains and losses in associated companies	8 and 27	7.609.680	12.589.973
Interest received	8 and 28	1.800.125	4.670.843
Interest paid	8 and 28	(10.569.529)	(14.519.896)
Net financing costs		(8.769.404)	(9.849.053)
Income and capital gains in stakes held	28	37.815	3.429.061
Other financial income	28	3.118.073	766.869
Other financial costs	28	(3.444.766)	(4.210.075)
Other financial income & costs	8	(288.879)	(14.145)
Financial results	28	(9.058.283)	(9.863.198)
Earnings before taxes		(5.103.822)	4.726.758
Income tax	8 and 29	(198.916)	839.909
Net earnings from continued activities	8	(5.302.738)	5.566.666
Net earnings from discontinued activities	8	(989.711)	(21.712.387)
Net earnings		(6.292.449)	(16.145.721)
Attributable to the Group	8 and 30	(5.484.278)	(16.028.900)
Minorities	8	(808.171)	(116.821)
Earnings per share of the continued activities:			
Basic	30	(0,028)	0,036
Diluted		(0,028)	0,036
Earnings per share :			
Basic	30	(0,034)	(0,100)
Diluted		(0,034)	(0,100)



SEPARATE CONSOLIDATED INCOME STATEMENT

FOR THE PERIOD FROM 1 JULY TO 30 SEPTEMBER 2014 AND 2013

	(Euro)	
	Third Quarter 2014	Third Quarter 2013
Continued activities:		
Turnover	2.622.108	5.938.792
Change in production	628	(254.976)
Other operating income	71.172	396.229
Operating income	2.693.909	6.080.046
Cost of goods sold	(2.988)	(407.613)
Third party supplies & services	(2.028.171)	(2.226.403)
Staff costs	(564.043)	(2.087.017)
Depreciation, amortisation and impairment losses	(1.015.044)	(1.355.185)
Provisions and value adjustments	(868)	(141.444)
Other operating costs	(347.099)	(421.746)
Operating costs	(3.958.213)	(6.639.409)
Operating results from continued activities	(1.264.304)	(559.363)
Gains in associated companies	3.228.822	4.601.036
Losses in associated companies	(575.603)	15.254
Gains and losses in associated companies	2.653.218	4.616.290
Interest received	596.960	847.286
Interest paid	(3.290.134)	(3.633.970)
Net financing costs	(2.693.174)	(2.786.684)
Income and capital gains in stakes held	603	1.043.834
Other financial income	2.632.887	371.914
Other financial costs	(885.587)	(2.136.622)
Other financial income & costs	1.747.903	(720.874)
Financial results	(945.271)	(3.507.558)
Earnings before taxes	443.643	549.369
Income tax	229.254	1.001.520
Net earnings from continued activities	672.897	1.550.889
Net earnings from discontinued activities	-	(8.431.044)
Net earnings	672.897	(6.880.155)
Attributable to the Group	1.034.171	(6.791.265)
Minorities	(361.274)	(88.891)
Earnings per share	0,004	(0,043)



STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME FOR THE PERIOD ENDING IN 30 SEPTEMBER, 2014 and 2013

			(Euro)	
	Notes	30.9.2014	30.9.2013 restated	30.9.2013
Consolidated net earnings for the period		(6.292.449)	(16.145.721)	(16.145.721)
Other comprehensive income:				
Exchange difference stemming from transposition of financial statements expressed in foreign currencies		(2.571.474)	(1.774.673)	(1.805.293)
Transfer of reserves of foreign exchange deviation by transfer to results from discontinued activities and held for sale (Prince)		-	-	
Change on fair value of derivatives	19	(2.396.685)	4.019.936	19.866.289
Change on deferred taxes of derivatives	19	564.053	(1.021.329)	(5.321.402)
Adjustments in investment consolidated by equity method	7	(17.771.240)	11.506.289	(9.371)
Other variations		(158)	(26.579)	(26.579)
Total comprehensive income for the period		(28.467.952)	(3.442.076)	(3.442.076)
Attributable:				
to minorities		(1.331.237)	(183.887)	(183.887)
to the Group		(27.136.715)	(3.258.189)	(3.258.189)

STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME FOR THE PERIOD FROM 1 JULY TO 30 SEPTEMBER 2014 AND 2013

	Third Quarter 2014	Third Quarter 2013
Consolidated net earnings for the period	672.897	(6.880.156)
Other comprehensive income:		
Exchange difference stemming from transposition of financial statements expressed in foreign currencies	(2.492.133)	(1.882.531)
Change on fair value of derivatives	(526.219)	16.228.907
Change on deferred taxes of derivatives	122.214	(4.396.364)
Adjustments in investment consolidated by equity method	(4.292.303)	(10.655.254)
Other variations	-	(12.371)
Total comprehensive income for the period	(6.515.543)	(7.597.768)
Attributable:		
to minorities	(837.540)	(170.013)
to the Group	(5.678.003)	(7.427.755)



STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDING IN 30 SEPTEMBER, 2014 and 2013

(Euro)

	Notas	Equity capital	Own shares	Reserves and retained earnings	Reserves for foreign exchange	Reserves from hedging derivatives	Capital adjustments in associated companies	Other	Equity attributable to shareholders	Minorities	Total equity
Balance as of 1.1.2014	19	160.000.000	-	(105.533.176)	2.275.332	(24.076.833)	1.416.183	120.580	34.202.086	8.849	34.210.935
Effects from 2013's restatement		-	-	(11.256.129)	122.127	18.424.244	(7.290.242)	-	-	-	-
Dividends		-	-	-	-	-	-	-	-	-	-
Own shares		-	-	-	-	-	-	-	-	-	-
Other		-	-	1.643.172	(1.620.069)	-	-	-	23.103	1.112	24.215
Integrated consolidated earnings 7 and 19		-	-	(5.484.278)	(2.048.407)	(1.832.632)	(17.771.240)	(158)	(27.136.715)	(1.331.237)	(28.467.952)
Balance as of 30.9.2014		160.000.000	-	(120.630.411)	(1.271.017)	(7.485.221)	(23.645.299)	120.422	7.088.474	(1.321.276)	5.767.198

	Equity capital	Own shares	Reserves and retained earnings	Reserves for foreign exchange	Reserves from hedging derivatives	Capital adjustments in associated companies	Other	Equity attributable to shareholders	Minorities	Total equity
Balance as of 1.1.2013	160.000.000	(172.526)	(54.644.827)	(1.887.152)	(52.598.724)	344.730	(109.422)	50.932.079	2.276.539	53.208.618
Effects from 2013's restatement	-	-	(8.927.247)	67.425	41.039.023	(32.179.200)	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-
Own shares	-	172.526	(91.359)	-	-	-	-	81.167	-	81.167
Other	-	-	(71.039)	49.306	-	-	-	(21.733)	(161.067)	(182.800)
Integrated consolidated earnings	-	-	(16.028.900)	(1.707.606)	2.998.607	11.506.289	(26.579)	(3.258.189)	(183.887)	(3.442.076)
Balance as of 30.9.2013 retated	160.000.000	-	(79.763.372)	(3.478.027)	(8.561.094)	(20.328.181)	(136.001)	47.733.324	1.931.584	49.664.908

	Equity capital	Own shares	Reserves and retained earnings	Reserves for foreign exchange	Reserves from hedging derivatives	Capital adjustments in associated companies	Other	Equity attributable to shareholders	Minorities	Total equity
Balance as of 1.1.2013	160.000.000	(172.526)	(54.644.827)	(1.887.152)	(52.598.724)	344.730	(109.422)	50.932.079	2.276.539	53.208.618
Dividends	-	-	-	-	-	-	-	-	-	-
Own shares	-	172.526	(91.359)	-	-	-	-	81.167	-	81.167
Other	-	-	(71.039)	49.306	-	-	-	(21.733)	(161.067)	(182.800)
Integrated consolidated earnings	-	-	(16.028.900)	(1.738.227)	14.544.888	(9.371)	(26.579)	(3.258.189)	(183.887)	(3.442.076)
Balance as of 30.9.2013	160.000.000	-	(70.836.125)	(3.576.073)	(38.053.836)	335.359	(136.001)	47.733.324	1.931.584	49.664.908



CONSOLIDATED CASH FLOW STATEMENT

FOR THE PERIOD ENDING IN 30 SEPTEMBER, 2014 and 2013

(Euro)

	30.9.2014	30.9.2013 restated	Third Quarter 2014
Operating activities:			
Receipts from customers	14.119.864	31.463.450	5.791.869
Payments to suppliers	(9.676.897)	(7.350.402)	(3.455.197)
Payments to staff	(2.426.001)	(6.694.405)	(1.142.103)
	2.016.966	17.418.643	1.194.569
Payments/ receipts of income tax	(1.745.916)	(153.036)	(661.232)
Other payments/ receipts related with oper. activities	406.095	(8.518.285)	(2.379.191)
	(1.339.821)	(8.671.321)	(3.040.423)
Cash flow from operational activities	677.145	8.747.322	(1.845.854)
Investment activities:			
Receipts from:			
Financial investments	13.550.291	3.675.110	498.465
Loans granted	-	1.998.608	-
Fixed tangible assets	5.125	448	-
Dividends	40.531	2.388.188	-
	13.595.947	8.062.355	498.465
Payments related with:			
Financial investments	480.063	9.590.269	-
Loans granted	265.000	3.464.802	265.000
Fixed tangible assets	159.545	29.501	14.163
Intangible assets	-	-	-
	904.608	13.084.571	279.163
Cash flow from investment activities	12.691.339	(5.022.216)	219.303
Financing activities:			
Receipts from:			
Loans	5.038.914	328.868.907	3.184.571
Sale of own shares	-	81.167	-
Interest received	659	1.416.766	32
	5.039.573	330.366.840	3.184.603
Payments related with:			
Loans	16.150.344	324.538.171	2.884.482
Amortisations of financial leasing contracts	98.801	407.391	23.433
Interest paid	2.580.019	11.830.254	623.261
Acquisition of own shares	-	116	-
	18.829.165	336.775.931	3.531.176
Cash flow from financing activities	(13.789.591)	(6.409.092)	(346.573)
Change in cash and cash equivalents	(421.107)	(2.683.987)	(1.973.125)
Effect of foreign exchange differences	222.174	(132.405)	1.172.288
Effect of changes in participations	-	8.536.087	-
Cash and cash equivalents at the beginning of the period	1.409.123	73.272.076	2.011.026
Effect from the discontinued activities	-	(69.615.279)	-
Cash and cash equivalents at the end of the period	1.210.190	9.376.493	1.210.190



ANNEX TO THE CONSOLIDATED CASH FLOW STATEMENT

Acquisitions, underwriting, capital increases and changes in shareholdings

- Proceeds by cash and cash equivalents, the amount of 15.600.000 Dollars, equivalent to 12,397,679 Euro related to the sale by SDC of its stake in the company "Prince Contracting, LLC".
- Proceeds by cash and cash equivalents, the amount of 1.058.305 Euros related to the sale by SDC of its stake in the company "Hotti-Angola Hóteis, S.A.".
- Proceeds by cash and cash equivalents, the amount of 94.307 Euros related to the sale by SDC of its stake in the company "Sustentável Desafio - Produção de Energia, Lda".
- Shareholders' loans in the company "Estradas do Zambeze, S.A." of 300.063 Euros, fully realized by cash and cash equivalents.
- Shareholders' loans in the company "Metropolitan Transportation Solutions, Ltd." of 180.000 Euros, fully realized by cash and cash equivalents.

Cash flow from investments	30.9.2014	30.9.2013
Received from financial investments and loans:		
- sale of the participation in the company "Prince Contracting, LLC."	12,397,679	-
- sale of the participation in the company "Hotti-Angola Hóteis, S.A."	1,058,305	-
- sale of the participation in the company "Sustentável Desafio - Produção de Energia, Lda."	94,307	-
- sale of the participation in the company "Global Azoague, S.L."	-	401,800
- sale of the participation in the company "Hotti-Angola Hóteis, S.A."	-	1,423,160
- sale of the participation in the company "Imokandandu Lda."	-	19,680
- devolução dos "aportes extraordinários de capital" na sociedade "Autopistas Del Valle, S.A."	-	1,830,471
- loans granted to the company "Soares da Costa Construção, SGPS S.A."	-	1,487,264
- loans granted to the company "Clear - Instalações Electromecânicas, S.A."	-	511,344
	13,550,291	5,673,719
Payments relating to investments and loans:		
- shareholders' loans in the company "Estradas do Zambeze, SA."	300,063	-
- shareholders' loans in the company "Metropolitan Transportation Solutions, Ltd."	180,000	4,448,000
- supplementary capital in the company "Elos - Ligações de Alta Velocidade, S.A."	-	2,156,157
- shareholders' equity in the company "self Energy Angola, Lda"	-	37,203
- shareholders' loans in the company "Sustentável Desafio - Produção de Energia, Lda."	-	57,924
- shareholders' loans in the company "Sustentável Desafio - Produção de Energia, Lda."	-	2,887,819
- loans granted to the company "Soares da Costa Construção, SGPS S.A."	265,000	1,760,481
- loans granted to the company "Clear - Instalações Electromecânicas, S.A."	-	1,704,120
- other	-	3,366
	745,063	13,055,071

Breakdown of cash and cash equivalents

	30.9.2014	31.12.2013
Cash	38,994	40,755
Bank deposits, immediatly available	2,407,191	2,171,418
Bank overdrafts	(1,235,996)	(803,050)
Cash and equivalents in the cashflow statement	1,210,190	1,409,123
Bank overdrafts	1,235,996	803,050
Cash and equivalents in the financial position statement	2,446,185	2,212,173

Other operations

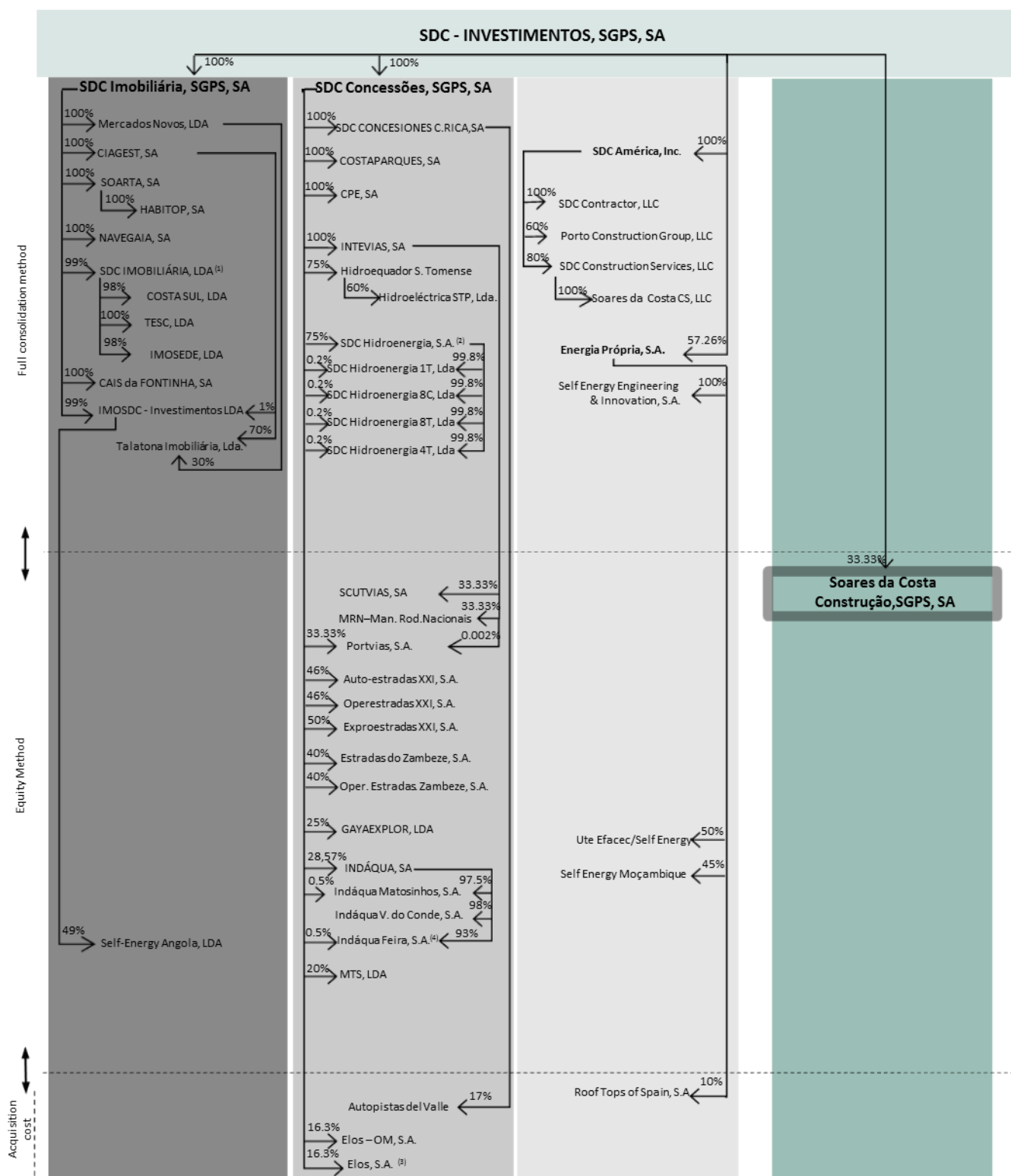
- Proceeds by cash and cash equivalents of dividends totaling 51,000 Dollars, equivalent to 40 531 Euros, paid by the company "Autopistas Del Valle, SA" to "SDC Concesiones Costa Rica."



SDC - INVESTIMENTOS, SGPS, SA

Consolidated accounts – 30 September 2014

Perimeter and consolidation methods



⁽¹⁾ A Ciaggest, S.A. detém uma participação de 1% no capital social da SDC Imobiliária, Lda.

⁽²⁾ A SDC Concessões, SGPS e a Hidroequador Santomense detêm, cada uma, 0,002% do capital social da SDC Hidroenergia, S.A..

⁽³⁾ Sociedade detida em 16,302% pela SDC Concessões, SGPS, S.A..

⁽⁴⁾ A SDC - INVESTIMENTOS, SGPS, S.A. detém uma participação de 0,5% do capital social da Indáqua Feira, S.A..



EXPLANATORY NOTES AND ACCOUNTING POLICIES

AS OF SEPTEMBER 30, 2014

1. INTRODUCTORY NOTE

The company currently named SDC INVESTIMENTOS, SGPS, SA ("Company") was incorporated on 2 June 1944, under the name "Soares da Costa, Lda.", a limited company that has been changed into a public company by deed of 1 May 1968, also changing its denomination to "Sociedade de Construções Soares da Costa, S.A.".

As of 30 December 2002, after a Group re-organisation process, the company assumed its current name and changed its mission into the "management of shareholdings as an indirect way to develop economic activities", developing its activity in the construction, real estate and concessions of infrastructures (transport, parking, water and energy) areas.

As concluded by February 12, 2014 the capitalization operation of the construction business area, announced on 13 August 2013 and 26 November 2013, under the terms releases on those dates, and completed a capital increase of the subsidiary Soares da Costa Construção amounting to 70 million Euros by the investor GAM Holdings, SA. On that date, started the strategic partnership and the shareholders' agreement between SDC- Investimentos, SGPS, SA (prior Grupo Soares da Costa, SGPS, SA) and GAM Holdings, SA. The participation of SDC Investimentos on Soares da Costa Construção, SGPS, SA (33.33%) is accounted as a financial investment measured at its fair value (please see note 14).

In addition, the activity of the company Prince Contracting, LLC (construction business segment in the US market) was also considered in 2013 as a discontinued operational unit, as a consequence of the sale process that was completed in 15 May, 2014, and under the terms announced on 22 April 2014.

By deliberation of the ordinary general meeting of shareholders held on 27 May 2014, the Company designation was changed to SDC – Investimentos, SGPS, SA

The current share structure of the Group is represented in the annexed diagram, including this structure the so called "SDC Investimentos Group".

The full list of the companies included in the Group's consolidation perimeter and the consolidation methods applied are detailed in the following notes.

Figures mentioned in the Notes are in Euros, unless otherwise indicated.

The financial statements were not audited.

2. PRESENTATION BASIS

The interim consolidated financial statements for the nine months ended 30 September 2014 were prepared in accordance with the provisions of International Accounting Standard 34 - Interim Financial Reporting.

The consolidated financial statements assume the Company's continuity and were compiled from the accounting records of the companies included in consolidation, which were kept according to the accounting principles accepted in Portugal, and adjusted in the consolidation process to ensure that the consolidated financial statements comply with International Standards on Financial Reporting as adopted in the European Union, in force for the financial year starting at 1 January 2005, from which date the Company began applying IAS/IFRS.

We highlights the effects of the IFRS11 – referring to the financial report of the jointly managed investments – that led to the restatement of the 2013's financial statements, reflecting the accounting of the Group's participations in jointly managed entities, namely from the motorway concessions segment, by the equity method, instead of the proportional consolidation method. The key impacts in the consolidated financial statements in 2013 can be summarized as follows:



ASSETS	2013 restated	change effects (equity consolidation)	2013 released
NON CURRENT			
Goodwill	-	28,128,844	28,128,844
Intangible assets	40,988,969	175,968,223	216,957,192
	40,988,969	204,097,067	245,086,036
Fixed tangible assets:			
Lands and buildings	66,886,366	-	66,886,366
Basic equipment	1,645,756	90,306	1,736,062
Other fixed tangible assets	514,715	523,800	1,038,515
	69,046,837	614,106	69,660,943
Investment properties	26,349,207	-	26,349,207
Associated companies:			
Financial investments	79,152,055	(69,750,986)	9,401,069
Loans	64,183,207	(45,410,787)	18,772,421
	143,335,263	(115,161,773)	28,173,490
Other financial investments	3,647,819	-	3,647,819
Other financial assets	38,500,001	-	38,500,001
Deferred taxes (assets)	20,025,420	11,222,367	31,247,787
Accounts receivable	-	346,841,971	346,841,971
Other non current assets	7,866,000	-	7,866,000
Total non current assets	349,759,516	447,613,739	797,373,255
CURRENT			
Inventories	27,087,363	-	27,087,363
Accounts receivable:			
Customers	32,299,260	101,363	32,400,623
Income tax	851,483	2,746,347	3,597,830
Other accounts receivable	22,652,900	(7,287,786)	15,365,114
	55,803,643	(4,440,076)	51,363,568
Other current assets	8,843,780	5,001,943	13,845,723
Cash and equivalents	2,212,173	49,291,850	51,504,023
Total current assets	93,946,960	49,853,717	143,800,677
Assets held for sale (Prince)	36,804,379	-	36,804,379
TOTAL ASSETS	480,510,855	497,467,456	977,978,311



SHAREHOLDERS' EQUITY AND LIABILITIES	2013 restated	change effects (equity consolidation)	2013 released
SHAREHOLDERS' EQUITY			
Share capital	160,000,000	-	160,000,000
Adjustment of parts of capital in subsidiaries, associated companies and jointly managed investments	(5,874,060)	(7,290,242)	1,416,183
Reserves and retained earnings from the continued activities	(69,965,429)	7,290,242	(77,255,671)
Reserves from conversion and fair value of assets held for sale (Prince)	767,526	-	767,526
Net earnings	(50,725,951)		(50,725,951)
Equity attributable to the Group	34,202,087	-	34,202,087
Minorities	8,849	-	8,849
TOTAL SHAREHOLDERS' EQUITY	34,210,935	-	34,210,935
LIABILITIES			
NON CURRENT			
Provisions	1,001,387	(891,190)	110,197
Loans:			
Bonds	98,303,502	-	98,303,502
Bank loans	162,374,270	381,309,400	543,683,670
Other loans	-	23,184,000	23,184,000
	260,677,773	404,493,400	665,171,173
Accounts payable	12,848,361	(2,533,500)	10,314,862
Derivatives	5,446,063	27,069,402	32,515,465
Deferred assets (liabilities)	6,291,306	4,357,590	10,648,895
Total non current liabilities	286,264,889	432,495,702	718,760,592
CURRENT			
Loans:			
Bank loans	64,107,474	27,831,482	91,938,956
	64,107,474	27,831,482	91,938,956
Accounts payable:			
Trade creditors	22,779,527	11,311,638	34,091,165
Tangible asstes trade creditors	801,419	10,623	812,043
Advances on sales	1,996	1,233	3,229
Income tax	8,046,801	126,296	8,173,097
Other accounts payable	20,261,894	1,287,636	21,549,530
	51,891,638	12,737,426	64,629,064
Derivatives	1,974,023	9,922,648	11,896,671
Other current liabilities	19,077,033	14,480,198	33,557,230
Total current liabilities	137,050,168	64,971,753	202,021,921
Liabilities held for sale (Prince)	22,984,863	-	22,984,863
TOTAL LIABILITIES	446,299,920	497,467,456	943,767,375
TOTAL SHAREHOLDERS' EQUITY + LIABILITIES	480,510,855	497,467,456	977,978,311



The following notes were selected to contribute to understanding the most significant changes of the Group's consolidated financial position and performance against the latest date for annual reporting at 31 December 2013.

3. MAIN ACCOUNTING POLICIES

The accounting policies applied in the preparation of these consolidated financial statements are consistent with those used in preparing the financial statements for the year ended 31 December 2013, except for changes introduced by IFRS11, as described in the previous note. Thus, the note 2.2 - Basis of consolidation, b), shall have the following wording:

"b) Jointly controlled companies - Equity method :

From 2014 onwards, the investments in jointly controlled entities are now recognized in the consolidated financial statements under the equity method. Under this method, investments are recorded at their acquisition cost, adjusted for the share of the Group's comprehensive income value (including net income) of these companies for consideration of comprehensive income of the Group or the profit or loss for the year , as applicable, and dividends received, net of any accumulated impairment losses.

The excess of the cost of acquisition over the fair value of identifiable assets and liabilities at the date of acquisition is recognized as "Goodwill" (Note 2.2.d) and maintained in the amount of the investment. If the difference between the acquisition cost and the fair value of assets and liabilities acquired is negative, it is recognized as income for the year after reassessment of the fair value acquired.

An assessment of investments in jointly controlled companies is performed when there are indications that the asset may be impaired, and recorded as an expense in the income statement impairment losses that can be shown to exist. When the impairment losses recognized in prior years no longer exist are subject to reversal.

When the Group's share of losses of the jointly controlled company exceeds the value of the investment is registered, the investment is reported at nil value, unless the Group has assumed commitments to the subsidiary.

Unrealised gains on transactions with jointly controlled entities are eliminated in proportion to the Group's interest in those entities against the investment in the same entity. Unrealised losses are eliminated similarly but only to the extent that the loss does not show that the transferred asset is impaired."

4. JUDGEMENTS AND ESTIMATES

In preparing the attached financial statements, judgments, estimates and various assumptions have been made which affect the amounts shown for assets and liabilities, as well as those for income and expenses of the period. All the estimates and assumptions made by the board of directors are determined based on the best information available as at the date of approval of the consolidated financial statements and the ongoing transactions.

The board of directors believes that the consolidated and appended the following notes statements give a fair presentation of the consolidated financial information.

5. CONVERSION OF THE FINANCIAL STATEMENTS OF FOREIGN ENTITIES

The exchange rates used to convert the accounts of foreign group companies, jointly controlled companies or associated companies to Euros were the following:

		FX rate as at 30.9.2014		Average FX Third Quarter 2013	
		FX rate as at 30.9.2014		Average FX Third Quarter 2013	
US Dollar	EUR/USD	1.2583	1.3487	1.3791	1.3184
Mozambique Metical	EUR/MZN	39.225	42.099	41.355	39.702
S. Tomé and Príncipe Dobra	EUR/STD	24,500	24,500	24,500	24,500
Angola Kwanza	EUR/AOA	123.82	131.71	134.51	126.88
Israel Shekel	EUR/ILS	4.6474	4.7279	4.7880	4.7892



6. GROUP COMPANIES AND ENTITIES INCLUDED IN THE CONSOLIDATION

Group companies and entities included in the consolidation using the full consolidation method, their head offices and percentage of share capital held as at 30 September 2014 and 31 December 2013 were as follows:

Company Name	Head offices	30.9.2014			31.12.2013		
		Directly	Indirectly	Total	Directly	Indirectly	Total
SDC - INVESTIMENTOS, SGPS, S.A.	Rua Santos Pousada, nº 220 4000-478 Porto	Holding company	-	-	Holding company	-	-
Soares da Costa América, Inc.	7270 N.W. 12 TH Street, Suite PH3 - Miami - Florida - 33126 US	100.00%	-	100.00%	100.00%	-	100.00%
Prince Contracting, LLC ^{1 e 2}	10210 Highland Manor Dr - Suite 110, Tampa, Florida 33610 - US	-	-	-	-	100.00%	100.00%
Porto Construction Group, LLC	7270 N.W. 12 TH Street, Suite #207 - Miami - Florida - 33126 US	-	60.00%	60.00%	-	60.00%	60.00%
Soares da Costa Construction Services, LLC	751 Park of Comm. Drive, Suite #108 - Boca Raton - Florida - 33487 US	-	80.00%	80.00%	-	80.00%	80.00%
Soares da Costa CS, LLC	6205 Blue Lagoon Drive, Suite 310 - Miami - Florida - 33126 US	-	80.00%	80.00%	-	80.00%	80.00%
Soares da Costa Contractor, LLC	7270 N.W. 12 TH Street, Suite PH3 - Miami - Florida - 33126 US	-	100.00%	100.00%	-	100.00%	100.00%
Energia Própria							
Energia Própria, S.A.	Estrada de Talaíde, lote 27, Talaíde 2785-734 S. Domingos de Rana	57.26%	-	57.26%	57.26%	-	57.26%
Self Energy Uk ³	Southbank Technopark, 90 London Road, London, SE1 6LN	-	-	-	-	78.10%	78.10%
Self Energy Engineering & Innovation, S.A.	Rua de Fundões 151 Centro Empresarial e Tecnológico 3700-121 São João da Madeira	-	100.00%	100.00%	-	100.00%	100.00%
Construction ^{1 and 4}							
Soares da Costa Construção SGPS, S.A.	Rua Santos Pousada, nº 220 4000-478 Porto	33.33%	-	33.33%	100.00%	-	100.00%
Real estate							
SDC IMOBILIÁRIA, SGPS, S.A.	Rua Santos Pousada, nº 220 4000-478 Porto	100.00%	-	100.00%	100.00%	-	100.00%
CIAGEST - Imobiliária e Gestão, S.A.	Rua Santos Pousada, nº 220 4000-478 Porto	-	100.00%	100.00%	-	100.00%	100.00%
Mercados Novos - Imóveis Comerciais, Lda.	Rua Santos Pousada, nº 220 4000-478 Porto	-	100.00%	100.00%	-	100.00%	100.00%
SOARTA - SOCIEDADE IMOBILIÁRIA, S.A	Rua Santos Pousada, nº 220 4000-478 Porto	-	100.00%	100.00%	-	100.00%	100.00%
HABITOP - Sociedade Imobiliária, S.A.	Rua Santos Pousada, nº 220 4000-478 Porto	-	100.00%	100.00%	-	100.00%	100.00%
Soares da Costa Imobiliária, Lda.	Estrada Farol das Lagostas Município da Sambízanga, C. do N'Golakiluange - Luanda	-	100.00%	100.00%	-	100.00%	100.00%
Cais da Fontinha - Investimentos Imobiliários, S.A.	Rua Santos Pousada, nº 220 4000-478 Porto	-	100.00%	100.00%	-	100.00%	100.00%
NAVEGAIA - Instalações Industriais, S.A.	Rua Santos Pousada, nº 220 4000-478 Porto	-	100.00%	100.00%	-	100.00%	100.00%
IMOSEDE, Lda	Rua Conego Manuel das Neves Casa nº 19 - Luanda	-	98.00%	98.00%	-	98.00%	98.00%



Company Name	Head offices	30.9.2014			31.12.2013		
		Directly	Indirectly	Total	Directly	Indirectly	Total
Costa Sul Sociedade de Promoção Imobiliária, Lda	Rua Conego Manuel das Neves Casa nº 19 - Luanda	-	98.00%	98.00%	-	98.00%	98.00%
IMOSDC - Investimentos, Lda	Rua Cónego Manuel das Neves, 19 Luanda	-	100.00%	100.00%	-	100.00%	100.00%
TESC - Produtos Tecnológicos, Lda	Rua Cónego Manuel das Neves, 19 Luanda	-	100.00%	100.00%	-	100.00%	100.00%
Talatona Imobiliária, Lda	Rua Cónego Manuel das Neves, 19 Luanda - Angola	-	100.00%	100.00%	-	100.00%	100.00%
Concessions							
SDC - CONCESSÕES, SGPS, S.A.	Rua Santos Pousada, nº 220 4000-478 Porto	100.00%	-	100.00%	100.00%	-	100.00%
Soares da Costa Concesiones - Costa Rica, S.A.	100 Est,200 Sul, 50 Oest - H. de La Mujer - San José - Costa Rica	-	100.00%	100.00%	-	100.00%	100.00%
COSTAPARQUES - Estacionamento, S.A.	Rua Santos Pousada, nº 220 4000-478 Porto	-	100.00%	100.00%	-	100.00%	100.00%
C.P.E. - Companhia de Parque de Estacionamento, S.A.	Rua Julieta Ferrão, nº 12, 14º 1649 Lisboa	-	100.00%	100.00%	-	100.00%	100.00%
Intevias - Serviços e Gestão, S.A.	Rua Santos Pousada, nº 220 4000-478 Porto	-	100.00%	100.00%	-	100.00%	100.00%
Hidroequador Santomense - Exploração de Centrais Hidroeléctricas, Lda.	Av. Repatriamento dos Poveiros, nº 67, Edifício Cecominsa, Póvoa de Varzim	-	75.00%	75.00%	-	75.00%	75.00%
Hidroeléctrica STP, Limitada	Avenida Água Grande, São Tomé - S. Tomé e Príncipe	-	45.00%	45.00%	-	45.00%	45.00%
Soares da Costa Hidroenergia, S.A.	Rua Santos Pousada, nº 220 4000-478 Porto	-	75.00%	75.00%	-	75.00%	75.00%
Soares da Costa Hidroenergia 1T, Lda.	Rua Santos Pousada, nº 220 4000-478 Porto	-	75.05%	75.05%	-	75.05%	75.05%
Soares da Costa Hidroenergia 4T, Lda.	Rua Santos Pousada, nº 220 4000-478 Porto	-	75.05%	75.05%	-	75.05%	75.05%
Soares da Costa Hidroenergia 8C, Lda.	Rua Santos Pousada, nº 220 4000-478 Porto	-	75.05%	75.05%	-	75.05%	75.05%
Soares da Costa Hidroenergia 8T, Lda.	Rua Santos Pousada, nº 220 4000-478 Porto	-	75.05%	75.05%	-	75.05%	75.05%
Soares da Costa Concessions USA, Inc.	7270 NW 12 Street, Suite 860, Miami, Florida 33126 US	-	-	-	-	100.00%	100.00%

¹ Discontinued in 2013; ² Sale concluded during the second quarter of 2014; ³ Sale concluded during the first quarter of 2014; ⁴ Financial investment valued at its fair value (please see Note 14)

During the period ended 30 September 30 2014 the following changes occurred in the companies included in the consolidation by the full consolidation method:

- Completion of the selling process of the company Self Energy UK and the subsequent disposal of asset held for sale;
- Completion by 15 May 2014 of the sale of the full participation held in the US company Prince Contracting LLC by 18 million Dollars;
- Dissolution by 10 July 2014 of the company Soares da Costa Concessions USA, Inc, fully held by SDC- Concessões, SGPS, SA.



7. JOINTLY CONTROLLED COMPANIES AND ENTITIES (CONSOLIDATED BY THE EQUITY METHOD)

The jointly controlled companies and entities included in the consolidation by the equity method, their head offices and percentage of share capital owned, as at 30 September 2014 and 31 December 2013, were as follows:

Company Name	Head offices	30.9.2014			31.12.2013		
		Percentage of Capital Held			Percentage of Capital Held		
		Directly	Indirectly	Total	Directly	Indirectly	Total
Energia Própria							
Self Energy Moçambique, S.A.	Avenida Kenneth Kaunda, nº 403 Maputo – Moçambique	-	45.00%	45.00%	-	45.00%	45.00%
UTE Efacec – Self Energy, Ley 18/1982	Avenida de la Industria 4, Edf. 1, 2-2C 28108 Alcobendas - Madrid	-	50.00%	50.00%	-	50.00%	50.00%
Sustentável Desafio - Produção de Energia LDA.	Avenida do Forte, nº 8, fracção P1, Carnaxide - Oeiras	-	-	-	-	35.00%	35.00%
Real estate							
Self-Energy Angola, Lda	Rua Cônego Manuel das Neves, casa 19, Bairro Patrice Lumumba - Angola	-	49.00%	49.00%	-	49.00%	49.00%
Concessions							
<u>companies and entities jointly managed:</u>							
SCUTVIAS - Autoestradas da Beira Interior, S.A.	Praça de Alvalade nº 6 7º Andar Lisboa	-	33.33%	33.33%	-	33.33%	33.33%
OPERESTRADAS XXI, S.A.	Rua Santos Pousada, nº 220 4000-478 Porto	-	46.00%	46.00%	-	46.00%	46.00%
Exproestradas XXI - AE Transmontana, S.A.	Rua Santos Pousada, nº 220 4000-478 Porto	-	49.9996 %	49.9996 %	-	49.9996 %	49.9996 %
Auto-Estradas XXI - Subconcessionária, S.A.	Rua Santos Pousada, nº 220 4000-478 Porto	-	46.00%	46.00%	-	46.00%	46.00%
Estradas do Zambeze, S.A.	Distrito Urbano 1, Bairro Central, Av. Ho Chi Min nº 1178, 2º andar, Maputo - Mozambique	-	40.00%	40.00%	-	40.00%	40.00%
Operadora das Estradas do Zambeze, S.A.	Distrito Urbano 1, Bairro Central, Av. Ho Chi Min nº 1178, 2º andar, Maputo - Moçambique	-	40.00%	40.00%	-	40.00%	40.00%
MRN - Manutenção de Rodovias Nacionais, S.A.	Av. 12 de Novembro, nº 42, 1º Direito 6005-001 Alcains - Castelo Branco	-	33.33%	33.33%	-	33.33%	33.33%
Portvias - Portagem de Vias, S.A.	Avenida 12 de Novembro, 42, 1º Dto, 6005 001 Alcains - Castelo Branco	-	33.33%	33.33%	-	33.33%	33.33%
<u>associated companies:</u>							
Metropolitan Transportation Solutions, Ltd.	14 Hamelecha Street, Park Afek, Rosh Haya'in Israel	-	20.00%	20.00%	-	20.00%	20.00%
GAYAEXPLOR - Construção e Exploração de Parques de Estacionamento, Lda.	Rua Santos Pousada, nº 220 4000-478 Porto	-	25.00%	25.00%	-	25.00%	25.00%
INDÁQUA - Indústria e Gestão de Águas, S.A.	Rua Antero de Quental, 221-3º Sala 303 - 4455-586 Perafita	-	28.57%	28.57%	-	28.57%	28.57%
INDÁQUA MATOSINHOS - Gestão de Águas de Matosinhos, S.A.	Rua 1º de Maio, nº 273 4451-956 Matosinhos	-	28.14%	28.14%	-	28.14%	28.14%
Indáqua Vila do Conde - Gestão de Águas de Vila do Conde, S.A.	Praça Luís de Camões, 9, 3º 1480-719 Vila do Conde	-	28.00%	28.00%	-	28.00%	28.00%
Indáqua Feira - Indústria de Àguas de Santa Maria da Feira, S.A.	Rua Dr. Elísio de Castro, nº 37 - Santa Maria da Feira	-	27.07%	27.07%	-	27.07%	27.07%



During the period ended 30 September 2014, the following changes took place in the companies consolidated by the equity method:

- With the entry into force of IFRS11, companies and jointly controlled entities will be consolidated by the equity method and the financial statements for the previous year have been restated accordingly;
- By 9 May 2014, SDC Investimentos, SGPS, SA informed that had reached an agreement to the sale of the 40% stake held in the concessionaire Estradas do Zambeze (Zambezi Roads) and its operator, in Mozambique, for a total amount of 4.8 million Euros, which is still pending from approval from external parties;
- During the second quarter, was sold the full participation held in the company “Sustentável Desafio – Produção de Energia, Lda.”, in which Energia Própria, SA held a 35% stake.

During the periods ended 30 September 2014 and 31 December 2013, the movement that took place in the value of companies consolidated by the equity method was as follows:

Company	30.9.2014		31.12.2013	
	Investment	Borrowings	Investment	Borrowings
Opening balance	79,152,056	64,183,207	75,234,017	44,220,089
Discontinued activity (Construction business area)	-	-	(3,334,505)	(4,337)
Loans granted in the period	-	1,194,036	-	4,904,339
Constituted in the period	-	-	39,169	-
Sales in the period	-	(57,924)	-	(1,107,959)
Liquidations in the period	(100,000)	-	(403)	(78,984)
Impact on net earnings	8,932,329	(1,339,033)	7,662,132	(2,876,257)
Impact on reserves	1,517,961	(19,289,201)	4,690,376	19,126,316
Dividends paid	(2,231,073)	-	(4,990,809)	-
Foreign exchange impact	-	-	(147,921)	-
Transfers	256	-	-	-
Closing balance	87,271,530	44,691,086	79,152,056	64,183,207

The caption “Sales during the period” is related with the sale of the associate company Sustentável Desafio - Produção de Energia, Lda.

The heading "Impact on reserves" reflects changes in the derivatives of the jointly controlled entities Autoestradas XXI - Subconcessionária Transmontana, S.A. and Scutvias - Autoestradas da Beira Interior, S.A., as well as the impact of currency translation of financial statements of the associates with reporting in foreign currency.

The caption “Distributed dividends” reflect the dividends distributed by the jointly managed controlled companies MRN - Manutenção de Rodovias Nacionais, S.A., Portvias - Portagem de Vias, S.A. and Operestradas XXI, S.A..

As at 30 September 2014 and 31 December 2013, the value of shareholdings in companies consolidated by the equity method was as follows:



Company	30.9.2014		31.12.2013	
	Investment	Borrowings	Investment	Borrowings
Concessions				
Auto-Estradas XXI - Subconcessionária Transmontana, S.A.	-	16,709,101	-	36,877,336
Estradas do Zambeze, S.A.	1,053,021	940,063	843,166	640,000
Exproestradas XXI - AE Transmontana, S.A.	-	-	-	-
GAYAEXPLOR - Const. Exploração de Parques de Estacionamento, Lda.	-	27,500	-	27,500
INDÁQUA - Indústria e Gestão de Águas, S.A.	9,438,434	10,240,349	9,235,625	9,989,836
INDÁQUA FEIRA - Ind. Águas de Santa Maria da Feira, S.A.	24,950	120,055	24,950	116,678
INDÁQUA MATOSINHOS - Gestão Águas de Matosinhos, S.A.	2,500	4,513	2,500	4,430
Metropolitan Transportation Solutions, Ltd.	12,054	8,756,054	11,700	8,576,054
MRN - Manutenção de Rodovias Nacionais, S.A.	1,307,699	-	1,052,446	-
Operadora das Estradas do Zambeze, S.A.	174,164	-	177,859	-
OPERESTRADAS XXI S.A.	3,113,825	-	3,831,974	-
Portvias - Portagem de Vias, S.A.	167,280	-	175,684	-
SCUTVIAS - Autoestradas da Beira Interior, S.A.	71,905,986	7,893,451	63,669,858	7,893,451
Real estate				
Self Energy Angola, Lda.	39,574	-	36,429	-
Energia Própria				
Self Energy Moçambique, S.A.	32,043	-	89,865	-
Sustentável Desafio - Produção de Energia LDA.	-	-	-	57,924
UTE Efacec – Self Energy, Ley 18/1982	1	-	1	-
Total	87,271,530	44,691,086	79,152,056	64,183,207

The financial investments in the associate companies Gayaexplor,Lda. and Ute Efacec/ Self Energy, Ley 18/1982 are registered at zero value. The amounts, which are in excess of the value of the investment, of the Group's share in the cumulative losses of these associates were 59,504 Euros, 526,628 Euros, respectively.

Regarding the jointly controlled company Exproestradas XXI, S.A., with a zero financial investment, was constituted a provision for the part that exceeds the investment value (please see note 24).

As at 30 September 2014 and 31 December 2013, the detail of the total value of the assets, liabilities, equity, costs, income, and results of the companies consolidated by the equity method were respectively the following:



30.9.2014						
Companies	Assets	Liabilities	Shareholders' equity	Costs	Income	Net income
<i><u>companies and entities jointly managed:</u></i>						
Auto-estradas XXI - Subconcessionária, S.A.	785,552,291	828,865,032	(43,312,741)	36,877,249	33,966,307	(2,910,941)
Estradas do Zambeze, S.A.	41,007,116	38,374,563	2,632,553	24,220,832	24,603,000	382,168
Exproestradas XXI - AE Transmontana, S.A.	5,882,499	7,865,514	(1,983,014)	445,162	313,482	(131,680)
MRN - Manutenção de Rodovias Nacionais, S.A.	25,902,603	21,979,114	3,923,489	4,130,293	7,993,782	3,863,489
Operadora das Estradas do Zambeze, S.A.	3,942,738	3,507,328	435,410	2,082,449	2,274,447	191,998
Operestradas XXI, S.A.	13,516,801	6,747,617	6,769,184	3,794,578	4,500,643	706,065
Portvias - Portagem de Vias, S.A.	5,607,894	5,106,005	501,890	5,195,372	5,637,262	441,890
SCUTVIAS - Autoestradas da Beira Interior, S.A.	740,814,264	609,469,703	131,344,561	72,191,895	92,589,443	20,397,548
<i><u>associated companies:</u></i>						
GAYAEXPLOR - Construção e Exploração de Parques Estacionamento, Lda. (a)	5,922	243,938	(238,016)	-	-	-
INDÁQUA - Indústria e Gestão de Águas, S.A.	76,313,147	56,895,534	19,417,614	7,116,713	7,826,580	709,867
Indáqua Matosinhos, S.A.	72,289,455	75,083,591	(2,794,136)	15,542,713	15,056,754	(485,959)
Indáqua Feira, S.A.	109,857,178	103,106,751	6,750,427	11,116,999	10,543,891	(573,108)
Indáqua Vila do Conde, S.A.	60,718,965	62,053,234	(1,334,269)	12,142,381	11,866,657	(275,724)
Metropolitan Transportation Solutions, Ltd. (b)	50,110,568	50,050,298	60,270	-	-	-
Self-Energy Angola, Lda.	80,762	-	80,762	-	-	-
Self Energy Moçambique S.A.	2,223,882	2,152,676	71,206	450,675	320,851	(129,824)
Ute Efacec/Self Energy, Ley 18/1982	53,815	1,110,765	(1,056,950)	12,580	-	(12,580)

(a) 31.12.2013; (b) 30.9.2010



8. INFORMATION BY SEGMENTS

Using the consolidated financial information for each of the business areas, the following breakdown of results, and of assets and liabilities by segment as at 30 September 2014, is shown below:

	Real estate	Concessions	Energia Própria	SDC and other	Eliminations	Consolidated 30.9.2014
Turnover:						
External to the Group	3,505,731	4,585,182	438,624	635,681	-	9,165,217
Intragroup	211,154	4,500	-	69,717	(285,371)	-
Total turnover	3,716,885	4,589,682	438,624	705,398	(285,371)	9,165,217
Operational result by business area	726,516	(1,143,927)	(543,257)	(2,962,679)	268,128	(3,655,219)
Not imputed costs						-
Operational results (continued activity)	726,516	(1,143,927)	(543,257)	(2,962,679)	268,128	(3,655,219)
Interest paid	(1,261,533)	(9,987,340)	(208,800)	(4,988,870)	5,877,014	(10,569,529)
Interest received	182,511	1,786,858	122	5,707,648	(5,877,014)	1,800,125
Net earnings from associated companies	-	7,651,717	(42,037)	-	-	7,609,680
Other financial gains and losses	507,694	(692,790)	(13,600)	252,100	(342,283)	(288,879)
Income tax	(362,397)	579,915	-	(429,320)	12,887	(198,916)
Results from continued activities	(207,210)	(1,805,566)	(807,573)	(2,421,121)	(61,269)	(5,302,738)
Net earnings from discontinued activities						(989,711)
Minorities	(682)	(252,756)	-	(554,732)	-	(808,171)
Net income attributable to the Group	(206,528)	(1,552,809)	(807,573)	(1,866,389)	(61,269)	(5,484,278)
Other data:						
Assets by business area	141,389,335	243,723,368	13,461,288	296,042,511	(263,182,469)	431,434,033
Consolidated total assets						431,434,033
Liabilities by business area	71,720,534	327,756,157	15,554,944	226,512,657	(215,877,457)	425,666,835
Consolidated total liabilities						425,666,835
Depreciations, amortisations and impairment losses	1,002,739	1,980,629	95,298	5,395	(6,772)	3,077,288
Provisions and value adjustments	(67,529)	73,484	26,000	-	-	31,955
Reversion of adjustments	(24,845)			-	-	(24,845)
Intangible and tangible assets acquisitions	-	9,596	-	-	-	9,596



The breakdown of results by segment as at 30 September 2013, and assets and liabilities by segments as at 31 December 2013 was as follows:

	Real estate	Concessions	Energia Própria	SDC and other	Eliminations	Consolidated 30.9.2013
Turnover:						
External to the Group	20,369,215	4,246,917	1,087,307	379,959	-	26,083,397
Intragroup	3,068,652	255,733	-	8,168,843	(2,059,863)	9,433,365
Total turnover	23,437,867	4,502,650	1,087,307	8,548,802	(2,059,863)	35,516,763
Operational result by business area	4,775,343	(1,881,356)	(735,509)	(1,093,889)	935,394	1,999,983
Not imputed costs						-
Operational results (continued activity)	4,775,343	(1,881,356)	(735,509)	(1,093,889)	935,394	1,999,983
Interest paid	(1,645,057)	(9,679,984)	(229,257)	(8,922,798)	5,957,201	(14,519,896)
Interest received	322,237	2,112,442	139	8,193,226	(5,957,201)	4,670,843
Net earnings from associated companies	(30,990)	12,643,907	(22,944)	-	-	12,589,973
Other financial gains and losses	1,249,086	1,669,522	(92,780)	(2,839,972)	-	(14,145)
Income tax	(2,201,031)	1,604,330	-	1,684,489	(247,879)	839,909
Results from continued activities	2,469,587	6,468,860	(1,080,351)	(2,978,945)	687,515	5,566,667
Net earnings from discontinued activities						(21,712,387)
Minorities	-	-	335	(117,156)	-	(116,821)
Net income attributable to the Group	2,469,587	6,468,860	(1,080,686)	(2,861,789)	687,515	(16,028,900)
Other data:						
Assets by business area	145,328,388	110,839,680	13,095,150	299,661,144	(307,053,150)	261,871,211
Investment in associated and jointly managed companies	36,429	143,151,045	147,790	-	-	143,335,263
Assets held for sale (Construction)						38,500,000
Assets held for sale (Prince and Self Energy UK)						36,804,380
Consolidated total assets						480,510,855
Liabilities by business area	75,106,735	316,634,010	14,827,031	259,879,656	(243,132,375)	423,315,057
Liabilities held for sale (Prince)						22,984,863
Consolidated total liabilities						446,299,920
Depreciations, amortisations and impairment losses	1,036,217	2,139,111	207,173	650,676	(6,772)	4,026,405
Provisions and value adjustments	-	349,971	(221)	-	-	349,750
Reversion of adjustments	-	-	(11,151)	-	-	(11,151)



- Net assets and investments in tangible and intangible assets by geographical market were as follows as at 30 September 2014 and 31 December 2013, respectively:

	Portugal	Angola	U.S.	Mozambique	Other	Total 30.9.2014
Net Assets:						
- Intangible	39,927,697	-	-	-	583	39,928,280
- Fixed Tangible	66,353,949	-	1,203,822	-	23,901	67,581,672
- Investment Properties	19,905,699	6,609,440	-	-	-	26,515,139
- Associated and jointly managed companies and other financial investments	124,195,193	39,574	-	2,199,291	9,176,377	135,610,435
- Other financial assets	38,500,000	-	-	-	-	38,500,000
- Inventories	23,929,273	2,854,337	-	-	-	26,783,610
- Accounts Receivable	25,499,589	17,139,901	5,106,595	422,094	9,083,636	57,251,815
- Cash and equivalents	1,264,983	1,093,620	70,152	-	17,430	2,446,185
- Deferred taxes	19,395,707	426,029	-	-	64,696	19,886,432
- Other current and non current assets	16,909,546	-	198	-	20,721	16,930,465
Total	375,881,636	28,162,901	6,380,767	2,621,385	18,387,344	431,434,033
Investments in the Third Quarter of 2014:						
- Intangible and Fixed Tangible Assets	9,443	-	-	-	153	9,596
Total	9,443	-	-	-	153	9,596

	Portugal	Angola	U.S.	Mozambique	Other	Total 31.12.2013
Net Assets:						
- Intangible	40,988,969	-	-	-	-	40,988,969
- Fixed Tangible	67,912,568	-	1,109,104	-	25,165	69,046,837
- Investment Properties	20,146,298	6,202,909	-	-	-	26,349,207
- Associated and jointly managed companies and other financial investments	136,199,741	36,429	-	1,750,890	8,996,023	146,983,083
- Other financial assets	38,500,000	-	-	-	-	38,500,000
- Inventories	24,892,782	2,194,581	-	-	-	27,087,363
- Accounts Receivable	25,925,233	17,345,254	3,036,939	573,913	8,922,304	55,803,643
- Cash and equivalents	1,424,774	702,041	43,227	-	42,131	2,212,173
- Deferred taxes	18,450,994	502,028	1,015,155	-	57,243	20,025,420
- Other current and non current assets	16,573,360	-	87,481	-	48,939	16,709,780
- Assets held for sale (Prince and SE UK)	-	-	36,804,379	-	1	36,804,380
Total	391,014,718	26,983,242	42,096,285	2,324,803	18,091,806	480,510,855
Investments in the Third Quarter of 2014:						
- Intangible and Fixed Tangible Assets	1,120,173	-	-	-	342,100	1,462,273
Total	1,120,173	-	-	-	342,100	1,462,273



9. GRADES OF FINANCIAL INSTRUMENTS

The financial instruments in accordance with the accounting policies described in Note 2.6 to the financial statements for the year ended 31 December 2013, were classified as follows:

Financial assets	Notes	Loans and accounts receivable	Available for sale	Total
<u>30.9.2014</u>				
Non current assets				
Loans to associated and jointly managed companies	7 and 8	44,691,086	-	44,691,086
Other financial investments	8 and 13	-	3,647,819	3,647,819
Other financial assets (construction)	8 and 14	-	38,500,000	38,500,000
Other non current assets	8 and 17	7,866,000	-	7,866,000
		52,557,086	42,147,819	94,704,905
Current assets				
Trade creditors	16	31,607,449	-	31,607,449
Other accounts receivable	16	25,190,229	-	25,190,229
Cash and equivalents	8 and 18	2,446,185	-	2,446,185
		59,243,863	-	59,243,863
		111,800,949	42,147,819	153,948,768
<u>31.12.2013 restated</u>				
Non current assets				
Loans to associated and jointly managed companies	7 and 8	64,183,207	-	64,183,207
Other financial investments	8 and 13	-	3,647,819	3,647,819
Other financial assets (construction)	8 and 14	-	38,500,001	38,500,001
Other non current assets	8 and 17	7,866,000	-	7,866,000
		72,049,207	42,147,820	114,197,027
Current assets				
Trade creditors	16	32,299,260	-	32,299,260
Other accounts receivable	16	22,652,900	-	22,652,900
Cash and equivalents	8 and 18	2,212,173	-	2,212,173
		57,164,333	-	57,164,333
		129,213,541	42,147,820	171,361,361



Financial liabilities	Notes	Derivatives	Financial liabilities recorded at amortised cost	Total
<u>30.9.2014</u>				
Non current liabilities				
Bonds	20	-	98,666,293	98,666,293
Bank loans	20	-	149,427,668	149,427,668
Accounts payable	22	-	12,499,213	12,499,213
Derivatives	21	7,754,200	-	7,754,200
		7,754,200	260,593,174	268,347,375
Current liabilities				
Bank loans	20	-	69,540,821	69,540,821
Trade debtors		-	19,941,894	19,941,894
Fixed tangible assets debtors		-	720,023	720,023
Advances on sales		-	1,996	1,996
Other accounts payable	22	-	27,059,426	27,059,426
Derivatives	21	2,062,571	-	2,062,571
Other current liabilities	23	-	25,379,775	25,379,775
		2,062,571	142,643,935	144,706,505
		9,816,771	403,237,109	413,053,880
<u>31.12.2013 restated</u>				
Non current liabilities				
Bonds	20	-	98,303,502	98,303,502
Bank loans	20	-	162,374,270	162,374,270
Accounts payable	22	-	12,848,361	12,848,361
Derivatives	21	5,446,063	-	5,446,063
		5,446,063	273,526,134	278,972,197
Current liabilities				
Bank loans	20	-	64,107,474	64,107,474
Trade debtors		-	22,779,527	22,779,527
Fixed tangible assets debtors		-	801,419	801,419
Advances on sales		-	1,996	1,996
Other accounts payable	22	-	20,261,894	20,261,894
Derivatives	21	1,974,023	-	1,974,023
Other current liabilities	23	-	19,077,033	19,077,033
		1,974,023	127,029,343	129,003,366
		7,420,086	400,555,477	407,975,564

Financial Instruments recognized at fair value

In 2013, the Group applied for the first time IFRS 13 – Measurement at Fair Value. This standard requires that the fair value be declared according to a hierarchy of fair value as follows:

- Level 1: the fair value is determined based on prices in the active market for similar assets and liabilities;
- Level 2: the fair value is determined based on other data that are not the market prices identified in level 1, but are observable; and



- Level 3: the fair value is determined based on valuation models whose main inputs are not observable on the market.

	30.9.2014 Level 2	restated Level 2
Financial assets valued at its fair value		
Other financial assets	38,500,000	38,500,001
Total	38,500,000	38,500,001
Financial liabilities valued at its fair value		
Non current derivatives	7,754,200	5,446,063
Current derivatives	2,062,571	1,974,023
Total	9,816,771	7,420,086

10. INTANGIBLE ASSETS

During the period ended 30 September 2014, the movements that took place in the value of intangible assets, as well as their related accumulated depreciation and impairment losses, were as follows:

Gross intangible assets	Opening balance	Change in perimeter	Discontinued activities	Increase	Sales	Impact from foreign exchange	Transfers and write-offs	Closing balance 30.9.2014
Concession agreements/ contracts	58,201,904	-	-	-	-	-	-	58,201,904
Other intangible assets	10,405,028	-	-	-	-	61	-	10,405,089
Total	68,606,932	-	-	-	-	61	-	68,606,993

Intangible assets cumulated depreciation and impairment losses	Opening balance	Change in perimeter	Discontinued activities	Depreciation	Impairment losses	Adjustments	Impact from foreign exchange	Closing balance 30.9.2014
Cumulated depreciations								
Concession agreements/ contracts	12,284,805	-	-	1,023,856	-	-	-	13,308,661
Other intangible assets	111,907	-	-	36,886	-	-	8	148,802
Cumulated impairment losses								
Concession agreements/ contracts	14,668,000	-	-	-	-	-	-	14,668,000
Other intangible assets	553,250	-	-	-	-	-	-	553,250
Total	27,617,963	-	-	1,060,742	-	-	8	28,678,713

The amount in intangible assets is mainly related with Concession Agreements for Public Services (IFRIC 12).

As the projects for small hydro (in Portugal and São Tomé and Príncipe) have residual degrees of development, the Group discontinued in 2013 the capitalization of financial charges on loans taken out to finance the acquisition and construction of those concessions, and proceeded to "write off" of the amount capitalized in previous years, amounting to 1,978,174 Euros.

In the consolidated financial statements of the Group as at 30 September 2014, a sum of 3,645,933 Euros (3,839,855 Euros as at 31 December 2013) has been capitalized for financial charges as an integral part of the net cost of the assets relating to car park concessions.



Primary reporting information about the net values of intangible assets by segment as at 30 September 2014 is shown as follows:

	Concessions	Energia Própria	Total
Concessions agreements/ contracts	30,225,243	-	30,225,243
Other intangible assets	9,661,899	41,138	9,703,037
Total intangible assets	39,887,142	41,138	39,928,280

As at 30 September 2014, there were no contractual commitments for the acquisition of intangible assets nor were there any research and development expenses recognized as a cost of the period.

11. FIXED TANGIBLE ASSETS

During the period ended 30 September 2014, the movements in tangible fixed assets and their respective depreciation, as well as cumulative impairment losses were as follows:

Gross tangible assets	Opening balance	Change in perimeter	Discontinued activities	Increase	Sales	Impact from foreign exchange	Transfers and write-offs	Closing balance 30.9.2014
Land and buildings	98,886,114	-	-	-	-	304,990	(52,894)	99,138,210
Basic equipment	6,158,172	-	-	8,515	-	-	-	6,166,687
Other fixed tangible assets	4,158,952	-	-	1,081	(31,818)	6,525	(19,248)	4,115,492
Ongoing fixed tangible assets	5,120,421	-	-	-	-	-	-	5,120,421
Total	114,323,658	-	-	9,596	(31,818)	311,515	(72,141)	114,540,810

Tangible assets cumulated depreciation and impairment losses	Opening balance	Change in perimeter	Discontinued activities	Depreciation	Impairment losses	Adjustments	Impact from foreign exchange	Closing balance 30.9.2014
Cumulated depreciations								
Land and buildings	21,621,201	-	-	1,083,293	-	-	-	22,704,493
Basic equipment	4,512,416	-	-	423,924	-	-	-	4,936,340
Other fixed tangible assets	3,644,237	-	-	61,128	-	(36,652)	3,686	3,672,399
Cumulated impairment losses								
Land and buildings	10,378,547	-	-	-	-	(52,894)	199,831	10,525,484
Ongoing fixed tangible assets	5,120,421	-	-	-	-	-	-	5,120,421
Total	45,276,821	-	-	1,568,344	-	(89,545)	203,518	46,959,138

Information concerning the net value of tangible fixed assets by primary reporting segment as at 30 September 2014 can be broken down as follows:

	Real estate	Concessions	Energia Própria	SDC and other	Total
Land and buildings	54,052,521	10,655,176	-	1,200,535	65,908,232
Basic equipment	39,317	1,031,094	159,936	-	1,230,347
Other fixed tangible assets	371,228	64,416	3,029	4,421	443,093
Total fixed tangible assets	54,463,065	11,750,686	162,965	1,204,956	67,581,672



As at 30 September 2014 there are no material contractual commitments for the acquisition of tangible fixed assets.

12. INVESTMENT PROPERTIES

During the period ended 30 September 2014, the movements in the value of investment properties were as follows:

Investment properties	Opening balance	Change in perimeter	Discontinued activities	Increases	Sales	Impact from foreign exchange	Transfers and write-offs	Closing balance 30.9.2013
Investment properties	40,791,085	-	-	-	(224,987)	485,520	412,258	41,463,875
Total	40,791,085	-	-	-	(224,987)	485,520	412,258	41,463,875

Investment properties cumulated depreciation and impairment losses	Opening balance	Change in perimeter	Discontinued activities	Depreciations	Impairment losses	Adjustments	Impact from foreign exchange	Closing balance 30.9.2013
Investment properties	12,334,022	-	-	426,838	-	(8,616)	14,379	12,766,623
Impairment losses	2,107,856	-	-	-	21,363	52,894	-	2,182,112
Total	14,441,878	-	-	426,838	21,363	44,278	14,379	14,948,736

The amount recorded under the caption "Sales" is related with the sale of some fractions of "Cais da Fontinha".

The amount recorded on the column "Transfers and write-offs" is essentially related with the transfer of fractions of the "Cais da Fontinha" accounted in the heading "Inventories".

The fair value of assets classified as investment properties amounts to approximately 38 million Euros.

During the period ending 30 September 2014, rents for investment properties were recognized in the amount of 1,273,864 Euros (483,663 Euros as at 30 September 2013).

As of the date of the balance sheet, there were no contractual obligations existing to buy, construct or develop investment properties or for their repair, maintenance or expansion.

13. OTHER FINANCIAL INVESTMENTS

As at 30 September 2014, the movements that took place in "Other financial investments" can be broken down as follows:

Other financial investments	Opening balance	Change in perimeter	Discontinued activities	Increases	Impairment losses	Sales	Impact from foreign exchange	Transfers and write-offs	Closing balance 30.9.2013
Other financial investments	3,977,819	-	-	-	-	-	-	-	3,977,819
Impairment losses	(330,000)	-	-	-	-	-	-	-	(330,000)
Total	3,647,819	-	-	-	-	-	-	-	3,647,819

The amount registered in the column "Impairment losses" under "Other financial investments" relates mainly to the financial investment (share capital and loans) in the company Montinho Monchique.

14. OTHER FINANCIAL ASSETS

The amount 38,500,000 Euros in "Other financial assets" corresponds to the fair value of the investment in Soares da Costa Construção, SGPS, SA (33.33%).

On 12 February 2014 was completed the capitalization operation of the construction business area, announced to the market on 13 August 13 and 26 November 2013, under the terms of the statements made on those dates, and realized a capital increase on the subsidiary of Soares da Costa Construção, SGPS, SA, in the amount of EUR 70 million by the investor GAM Holdings, SA.



On that date, started the strategic partnership and the shareholder agreement between SDC- Investimentos, SGPS, SA (former Grupo Soares da Costa, SGPS, SA) and GAM Holdings, SA.

The shareholder agreement has a term of six years. From the 5th year of the agreement onwards, SDC- Investimentos, SGPS, SA may exercise the potestative right to sell its stake to the investor, which, on the other hand, has the right to acquire potestatively this participation, from the same date, at a price of 38.5 million Euros.

The current participations' structure of Soares da Costa SGPS Construção SGPS, SA consolidation perimeter is as follows:

Company	Percentage of capital held	
	SDC - Investimentos	Construction
Soares da Costa Construção SGPS, S.A.	33.33%	Holding company
Soc. Construções Soares da Costa, S.A.	-	100.00%
Soares da Costa/Contacto - Modernização de Escolas, ACE	-	100.00%
Soares da Costa S. Tomé e Príncipe - Construções, Lda	-	100.00%
Soares da Costa Construcciones Centro Americanas, S.A.	-	100.00%
Soares da Costa Brasil - Construções, Ltda.	-	100.00%
Soares da Costa Serviços Partilhados, S.A.	-	100.00%
Santolina Holding B.V.	-	100.00%
Coordenação & Soares da Costa, SGPS, Lda.	-	100.00%
Clear Moçambique, Instalações Electromecânicas, Lda.	-	100.00%
CLEAR - Instalações Electromecânicas, S.A.	-	100.00%
Carta - Cantinas e Restauração, Lda	-	100.00%
CLEAR Angola, Lda.	-	95.00%
Soares da Costa Moçambique, SARL	-	80.00%
Estádio de Coimbra, SC/Abrantina, ACE	-	60.00%
GEC - Guínea Ecuatorial Construcciones, S.A.	-	51.00%
CERENNA - Cerâmica Nacional de Angola, S.A.	-	51.00%
Grupul Portughez de Constructii S.R.L.	-	50.00%
CAET XXI - Construções, ACE	-	50.00%
Três ponto dois - T.G. Const. Civil - Via e Cat Mod. Linha do Norte, ACE	-	50.00%
TRANSMETRO - Construção do Metropolitano do Porto, ACE	-	50.00%
Terceira Onda Planeamento e Desenvolvimento, Ltda.	-	50.00%
Somague, Soares da Costa - Agrupamento Construtor do Metro de Superfície, ACE	-	50.00%
Remodelação Teatro Circo - S.C., A.B.B., D.S.T., ACE	-	50.00%
Linha 3 Construções LTDA.	-	50.00%
HidroAlqueva, ACE	-	50.00%
SOMAFEL - Engenharia e Obras Ferroviárias, S.A.	-	40.00%
Construção do Estádio de Braga - Acab.e Instalações/Infraest.Interiores, ACE	-	40.00%
ASSOC - Soares da Costa - Construção do Estádio de Braga, ACE	-	40.00%
CFE Indústria de Condutas, S.A.	-	33.33%
LGC - Linha de Gondomar, Construtores, ACE	-	30.00%
Israel Metro Builders - a Registered Partnership	-	30.00%
Mota-Engil, Soares da Costa, MonteAdriano - Matosinhos, ACE	-	28.57%



Company	Percentage of capital held	
	SDC - Investimentos	Construction
GVCV, ACE	-	28.57%
GCF - Grupo Construtor da Feira, ACE	-	28.57%
Nova Estação, ACE	-	25.00%
GACE - Gondomar, ACE	-	24.00%
Normetro - Agrupamento do Metropolitano do Porto, ACE	-	17.90%
LGV, Engenharia e Construção de Linhas de Alta Velocidade, ACE	-	17.25%
Constructora San José - Caldera, S.A.	-	17.00%

15. INVENTORIES

As at 30 September 2014 and 31 December 2013, the breakdown of Inventories was as follows:

Inventories	30.9.2014	31.12.2013
Finished and intermediate goods	13,998,790	14,324,558
Goods	15,453,484	15,453,484
Value adjustments	(2,668,663)	(2,690,679)
Total	26,783,610	27,087,363

During first three quarters of 2014, the Group did not have any projects under development, so that financial charges were not capitalized as an integral part of these assets.

As at 30 September 2014, at the Group's consolidated financial statements are capitalized financial charges as an integral part of these assets net costs amounting to 699,191 Euros, relating to the building constructed in Angola by the company Talatona Imobiliária, Lda., at the rate of 19%, equal to the specific financing rate for that project.

16. BREAKDOWN OF ACCOUNTS RECEIVABLE

As at 30 September 2014 and 31 December 2013, the breakdown of accounts receivable, current and noncurrent, was as follows:

Accounts receivable	30.9.2014	31.12.2013
Customers - current account	31,560,003	32,253,571
Customers with retention of guarantees	47,445	43,290
Customers - other receivables	-	2,400
Customers - doubtful accounts	2,411,024	2,347,043
Value adjustments	(2,411,024)	(2,347,043)
Trade creditors	31,607,449	32,299,260
Associated and jointly managed companies	18,846,706	17,169,269
Subsidiaries	266,688	90,089
Advances to suppliers/ fixed assets suppliers	270,183	270,183
State and other public bodies	306,822	265,909
Other accounts receivable	8,038,179	7,369,799
Value adjustments	(2,538,349)	(2,512,349)
Other accounts receivable - current	25,190,229	22,652,900



The Group's exposure to credit risk arises from trade receivables resulting from normal business activity of the Group, being the maximum exposure to credit risk at the nominal value of the receivables.

The following table shows, by consolidated company and seniority levels, customer balances for accounting purposes as at 30 September 2014:

Company	Performing	0 to 180 days	181 to 360 days	361 to 540 days	541 to 720 days	+ 720 days	Total
Real estate							
Talatona Imobiliária, Lda	-	-	3,804,764	-	-	12,065,121	15,869,884
CIAGEST - Imobiliária e Gestão, S.A.	545,691	42,003	4,509	540	-	90	592,833
IMOSDC - Investimentos, Lda	277,822	-	-	-	-	-	277,822
Mercados Novos - Imóveis Comerciais, Lda.	8,223	18,933	6,452	-	-	-	33,608
SOARTA - SOCIEDADE IMOBILIÁRIA, S.A.	1,800	-	-	-	-	7,432	9,232
HABITOP - Sociedade Imobiliária, S.A.	246	4,197	-	-	-	-	4,443
Cais da Fontinha - Investimentos Imobiliários, S.A.	-	3,182	-	-	-	-	3,182
Concessions							
SDC - CONCESSÕES, SGPS, S.A.	7,446,861	-	-	7,858	7,477	-	7,462,196
Hidroequador Santomense - Exploração de Centrais Hidroeléctricas	-	-	-	-	-	#	#
C.P.E. - Companhia de Parques de Estacionamento, S.A.	8,005	297,698	31,683	85,982	3,894	30,975	458,238
Soares da Costa Concesiones - Costa Rica, S.A.	75,499	-	-	-	-	-	75,499
COSTAPARQUES - Estacionamentos, S.A.	-	27,532	-	-	-	-	27,532
SDC - Investimentos and other							
Soares da Costa Construction Services, LLC	-	-	-	-	-	3,064,664	3,064,664
Energia Própria, SGPS, S.A.	258,228	1,290,279	-	-	-	-	1,548,507
Soares da Costa Contractor, INC	47,445	-	-	-	-	12,987	60,433
SDC - Investimentos, SGPS, SA	15,145	-	-	-	-	-	15,145
Porto Construction Group, LLC	-	-	-	-	-	9,485	9,485
Total	8,684,966	1,683,824	3,847,408	94,381	11,371	17,285,498	31,607,449

As at 30 September 2014, the balance under "State and other public entities" was broken down as follows:

	30.9.2014	31.12.2013
Value added tax	239,478	265,553
Other	67,344	356
Total	306,822	265,909

17. BREAKDOWN OF OTHER NON CURRENT AND CURRENT ASSETS

The amount of 7,866,000 Euros under "Other non current assets", as at 30 September 2014 and 31 December 2013, relate to term deposits to guarantee the provision of "Contingent capital" as part of the "Agreement to subscribe and pay up the capital of the Transmontana Motorway".



As at 30 September 2014 and 31 December 2013 the detail of "Other current assets" was as follows:

Other current assets	30.9.2014	31.12.2013
Accrued income	8,516,471	8,212,884
Deferred costs	547,994	630,896
Total	9,064,465	8,843,780

As at 30 September 2014 and 31 December 2013, these account headings were broken down as follows:

	30.9.2014	31.12.2013
Accrued income		
Non invoiced works done	8,178,411	8,172,965
Other accrued income	338,060	39,919
Total	8,516,471	8,212,884
Deferred costs		
Other deferred costs	547,994	630,896
Total	547,994	630,896

18. CASH AND CASH EQUIVALENTS

As at 30 September 2014 and 31 December 2013, the detail of "Cash and cash equivalents" was as follows:

Cash and equivalents	30.9.2014	31.12.2013
Bank deposits	2,407,191	2,171,418
Cash	38,994	40,755
Total	2,446,185	2,212,173

The credit balances of current accounts with financial institutions, bank overdrafts, are included in the balance sheet under "Bank borrowings" (note 20).

19. SHARE CAPITAL AND RESERVES

The share capital of SDC - Investimentos, SGPS., S.A. is 160,000,000 Euros, made up of:

- a) One hundred and fifty nine million nine hundred and ninety four thousand four hundred and eight two (159,994,482) ordinary shares;
- b) Five thousand five hundred and eighteen (5,518) nonvoting preferential shares, whose rights consist of a right to receive a preferential dividend and to the preferential reimbursement of the respective issue value in the event of the company's liquidation.

The currency translation reserve reflects exchange rate changes that occurred in translating the financial statements of subsidiaries in currencies other than the Euro, and are not likely to be distributed or to be used to absorb losses.

Some Group subsidiary companies contracted financial hedging instruments. The changes in the fair value of these financial instruments, as well as the related deferred taxes, are recognized directly under "Reserves and retained earnings." The



change, between the 30 September 2014 and 31 December 2013, in the fair value of derivative financial instruments and their related deferred taxes can be broken down as follows:

	Derivatives	Deferred taxes	Total
Intevias – Serviços e Gestão, S.A.	(854,369)	209,320	(645,049)
C.P.E. – Companhia de Parques de Estacionamento, S.A.	(1,542,316)	354,733	(1,187,583)
Total	(2,396,685)	564,053	(1,832,632)

20. BANK BORROWINGS

As at 27 November 2012, as announced to the market on the same date, SDC - Investimentos, SGPS, SA, together with several of its subsidiaries, signed a framework agreement with six banks in order to re-program its bank borrowings with recourse, for a total of 228 million Euros. In addition, a credit facility agreement was signed with two of these banks in an amount of 47 million Euros, replacing short term for long term debt. The main features of the transaction were: a maturity of 9 years with a grace period on principal of three years; a standardization of spreads at moderate rates, with the possibility of revision after the grace period; a temporary restriction on dividend distribution; and the intention to carry out an operation to increase share capital within a period of six months under conditions still to be defined and for an amount of not less than 25 million Euros. During 2013, and in view of the negotiations currently underway to capitalize the construction segment through the entry of a new investor, each of the financial institutions included in the restructuring process gave the Group their consent for the transaction to increase share capital to be cancelled. The financial agreement has associated “Negative Pledge”, “Ownership Clause” and “Pari Passu” covenants.

Meanwhile, following the completion of the capital increase of its subsidiary Soares da Costa Construção, SGPS, SA on 12.02.2014, the Company was released of the obligation to carry out the capital increase stipulated in the financial agreement, keeping the same in effect for SDC Investimentos and for the companies controlled by it.

As at 30 September 2014 and 31 December 2013, the borrowings of the Group were as follows:

	30.9.2014		31.12.2013	
	Current	Non current	Current	Non current
Bank loans				
Real estate	3,851,105	15,770,304	998,661	19,045,720
Concessions	27,084,956	99,577,768	23,671,602	104,235,538
SDC and other	6,682,181	34,079,596	7,965,054	39,093,013
	37,618,242	149,427,668	32,635,317	162,374,271
Bonds				
SDC and other	-	98,666,293	-	98,303,502
	-	98,666,293	-	98,303,502
Commercial paper				
SDC and other	30,686,583	-	30,669,107	-
	30,686,583	-	30,669,107	-
Bank overdrafts				
Concessions	380,446	-	86	-
SDC and other	855,549	-	802,965	-
	1,235,996	-	803,050	-
Total	69,540,821	248,093,961	64,107,474	260,677,774



As at 30 September 2014, the main features of the borrowings contracted by the Group were as follows:

Holding

Bank Loans

- Loan contracted by SDC - Investimentos, SGPS, S.A from the Caixa Central de Crédito Agrícola Mútuo, with a current amount of 2,865 thousand Euros (2,865 thousand Euros as at 31 December 2013), reimbursement of which will be made in 12 instalments ending in November 2021. A loan included in the restructuring of the group's liabilities that took place in 2012, as described above. The contract for this loan has associated financial agreement clause covenants.
- Loan contracted by SDC - Investimentos, SGPS, S. A from the Caixa Geral de Depósitos for a current amount of 1,250 thousand Euros (1,250 thousand Euros as at 31 December 2013), reimbursement of which will be made in 12 instalments ending in November 2021. A loan included in the restructuring of the group's liabilities that took place in 2012, as described above. The contract for this loan has associated financial agreement clause covenants.
- Loan contracted by SDC - Investimentos, SGPS, S. A. from the Banco Popular Portugal, for a current amount of 5,000 thousand Euros (5,000 thousand Euros as at 31 December 2013), to be repaid in 12 instalments ending in November 2021. A loan included in the restructuring of the group's liabilities that took place in 2012, as described above. The contract for this loan has associated financial agreement clause covenants. In addition, the loan has as a guarantee a mortgage on the Industrial Park of Rechousa owned by the subsidiary company Ciagest – Imobiliária e Gestão S.A.
- Loan contracted by SDC - Investimentos, SGPS, S.A. from Caixa Geral de Depósitos, for a current amount of 14,000 thousand Euros (14,000 thousand Euros as at 31 December 2013), to be repaid in 12 instalments ending in November 2021. A loan included in the restructuring of the group's liabilities that took place in 2012, as described above. The contract for this loan has associated Financial Agreement Clause Covenants.
- Loan contracted by SDC - Investimentos, SGPS, S.A. from BANIF – Banco Internacional do Funchal, for a current amount of 1,471 thousand Euros (1,471 thousand Euros as at 31 December 2013) , to be repaid in 12 instalments ending in November 2021. A loan included in the restructuring of the group's liabilities that took place in 2012, as described above. The contract for this loan has associated Financial Agreement Clause Covenants. In addition, this loan has as a guarantee a mortgage on the property located at Rua Santos Pousada, 316 and 318 owned by the company Habitop – Sociedade Imobiliária SA.
- Loan contracted by SDC - Investimentos, SGPS, S.A. from BANIF – Banco Internacional do Funchal, for a current amount of 500 thousand Euros (500 thousand Euros as at 31 December 2013), to be repaid in 12 instalments ending in November 2021. A loan included in the restructuring of the group's liabilities that took place in 2012, as described above. The contract for this loan has associated Financial Agreement Clause Covenants.
- Loan contracted by SDC - Investimentos, SGPS, S.A. from BANIF – Banco Internacional do Funchal, for a current amount of 1,471 thousand Euros (1,471 thousand Euros as at 31 December 2013) , to be repaid in 12 instalments ending in November 2021. A loan included in the restructuring of the group's liabilities that took place in 2012, as described above. The contract for this loan has associated Financial Agreement Clause Covenants. In addition, this loan has as a guarantee a mortgage on the property located at R. Santos Pousada, 316 and 318 owned by the company Habitop – Sociedade Imobiliária SA.
- Loan contracted by SDC - Investimentos, SGPS, S.A. from BANIF – Banco Internacional do Funchal, for a current amount of 500 thousand Euros (500 thousand Euros as at 31 December 2013), to be repaid in 12 instalments ending in November 2021. A loan included in the restructuring of the group's liabilities that took place in 2012, as described above. The contract for this loan has associated Financial Agreement Clause Covenants.
- Loan contracted by SDC - Investimentos, SGPS, S.A. from BANIF – Banco Internacional do Funchal, for a current amount of 2,500 thousand Euros (2,500 thousand Euros as at 31 December 2013), to be repaid in 12 instalments ending in November 2021. A loan included in the restructuring of the group's liabilities that took place in 2012, as described above. The contract for this loan has associated Financial Agreement Clause Covenants.
- Loan contracted by SDC - Investimentos, SGPS, S.A and Sociedade de Construções Soares da Costa, S.A from Banco Comercial Português and Caixa Geral de Depósitos, for a current amount of 1,002 thousand Euros (1,002 thousand



Euros as at 31 December 2013), to be repaid in 12 instalments ending in November 2021. A loan included in the restructuring of the group's liabilities that took place in 2012, as described above. The contract for this loan has associated Financial Agreement Clause Covenants. In addition, the loan has as a guarantee a mortgage on the Santa Luzia Garages and Rua Santos Pousada Cinemas owned by the subsidiary Ciagest – Imobiliária e Gestão S.A., and also the solidarity of the companies Soares da Costa Construção SGPS S.A. and Sociedade de Construções Soares da Costa, S.A.

- Loan contracted by SDC - Investimentos, SGPS, S.A. and Sociedade de Construções Soares da Costa, S.A. from NCG Banco, SA, branch office in Portugal, for a current amount of 194 thousand Euros (581 thousand Euros as at 31 December 2013), to be repaid in 4 instalments ending in December 2014. This loan is guaranteed by mortgages on buildings of the subsidiary companies Habitop – Sociedade Imobiliária S.A. and Ciagest – Imobiliária e Gestão S.A.
- Loan contracted by SDC - Investimentos, SGPS, S.A. from Banco Comercial Português for a current amount of 2,852 thousand Euros, to be repaid in November 2014.
- Loan contracted by Soares da Costa América, Inc from BANIF - Banco de Investimentos for a current amount of 5.326 thousand Dollars (15,023 thousand Dollars as at 31 December 2013), to be repaid in half yearly payments ending in November 2021. A loan included in the restructuring of the group's liabilities that took place in 2012, as described above. The contract for this loan has associated Financial Agreement Clause Covenants.
- Loan contracted by Soares da Costa América, Inc from the City National Bank of Florida for a current amount of 1,946 thousand Dollars (1,951 thousand Dollars as at 31 December 2013), to be repaid in December 2014.
- Loan contracted by Soares da Costa América, Inc from the BESI, BCP and CGD for a current amount of 1,762 thousand Dollars (4,900 thousand Dollars as at 31 December 2013), to be repaid in October 2014. This financing is guaranteed by SDC – Investimentos, SGPS, SA and Soares da Costa Construção SGPS, S.A..

Bonds

- Bond loan contracted by SDC - Investimentos, SGPS, SA, for a current amount of 20,000 thousand Euros (20,000 thousand Euros as at 31 December 2013), to be repaid in November 2015. The contract for this loan has associated Cross Default and *Pari Passu* covenants.
- Bond loan contracted by SDC - Investimentos, SGPS, SA, for a current amount of 80,000 thousand Euros (80,000 thousand Euros as at 31 December 2013), to be repaid in December 2017. The contract for this loan has associated Cross Default and *Pari Passu* covenants.

Commercial Paper

- SDC Investimentos, SGPS, S.A. and Sociedade de Construções Soares da Costa, S.A. signed a contract with a banking syndicate for the placement and underwriting of issues of Commercial Paper up to a limit of 30,854 thousand Euros (30,854 thousand Euros as at 31 December 2013), under the terms of a contract programme valid until November 2021. As at 30 June 2014, this placement was securitized in SDC Investimentos, SGPS, S.A., with Sociedade de Construções Soares da Costa, S.A. severally liable for complying with the obligations arising from this financing. The contract for this loan has associated Cross Default, Negative Pledge e *Pari Passu* covenants. In addition, the financing is guaranteed by a shareholding of 20% in Indáqua, Shareholders' loans and supplementary payments of capital in the same company and a shareholding of 40% in Somafel.

Energia Própria

Bank Loans

- Loan contracted by Energia Própria, S.A. from the Banco Santander for a current amount of 183 thousand Euros (275 thousand Euros as at 31 December 2013), to be repaid in quarterly amounts ending in June 2022. This financing is underwritten by SDC – Investimentos, SGPS, S.A.
- Loan contracted by Energia Própria, S.A. from the Banco Santander for a current amount of 69 thousand Euros (100 thousand Euros as at 31 December 2013), to be repaid in quarterly amounts ending in September 2016.



- Loan contracted by Energia Própria, S.A from the Banco Santander for a current amount of 37 thousand Euros (98 thousand Euros as at 31 December 2013), to be repaid in quarterly amounts ending in June 2015.
- Loan contracted by Energia Própria, S.A from the Caixa Central de Crédito Agrícola Mútuo for an amount of 1,466 thousand Euros (1,466 thousand Euros as at 31 December 2013), to be repaid in annual amounts ending in November 2021. This financing is underwritten by SDC – Investimentos, SGPS SA.
- Loan contracted by Energia Própria, S.A from the Banco Comercial Português for an amount of 250 thousand Euros (250 thousand Euros as at 31 December 2013), to be repaid in annual amounts ending in November 2021. This financing is underwritten by SDC – Investimentos, SGPS SA.
- Loan contracted by Energia Própria, S.A from Lisgarante for an amount of 195 thousand Euros, to be repaid in monthly amounts ending in February 2018. This financing is underwritten by SDC – Investimentos, SGPS SA.
- Loan contracted by Self Energy Engineering & Innovation, S.A. from Lisgarante for an amount of 25 thousand Euros, to be repaid in monthly amounts ending in February 2017. This financing is underwritten by SDC – Investimentos, SGPS SA.
- Loan contracted by Self Energy Engineering & Innovation, S.A from the Banco Santander for a current amount of 25 thousand Euros (50 thousand Euros as at 31 December 2013), to be repaid in quarterly amounts ending in June 2021. This financing is underwritten by Energia Própria, SA.

Real Estate

Bank Loans

- Loan contracted by Ciagest - Imobiliária e Gestão, S.A from Banco Comercial Português, for a current amount of 2,048 thousand Euros (2,048 thousand Euros as at 31 December 2013), to be repaid in 12 instalments ending in November 2021. A loan included in the restructuring of the group's liabilities that took place in 2012, as described above. The contract for this loan has associated Financial Agreement Clause Covenants.
- Loan contracted by Ciagest - Imobiliária e Gestão, S.A from Banco Comercial Português, for a current amount of 11,217 thousand Euros (11,217 thousand Euros as at 31 December 2013), to be repaid in 12 instalments ending in November 2021. A loan included in the restructuring of the Group's liabilities that took place in 2012, as described above. The contract for this loan has associated Financial Agreement Clause Covenants.
- Loan contracted by Ciagest - Imobiliária e Gestão, S.A from the NCG Bank, SA, branch office in Portugal, for a current amount of 3,385 thousand Euros (3,429 thousand Euros as at 31 December 2013), to be repaid in 77 instalments ending in June 2020. The financing is guaranteed by a mortgage on the properties of the companies Ciagest Imobiliária e Gestão SA and Habitop Sociedade Imobiliária SA and also assignment of revenues from the financed properties.
- Loan contracted by Ciagest - Imobiliária e Gestão, S.A from the NCG Bank, SA, branch office in Portugal, for a current amount of 589 thousand Euros (628 thousand Euros as at 31 December 2013), to be repaid in 10 instalments ending in April 2015. The financing is guaranteed by a mortgage on the properties of the companies Ciagest Imobiliária e Gestão SA and Habitop Sociedade Imobiliária SA and also assignment of revenues from the financed properties.
- Loan contracted by Cais da Fontinha Investimentos Imobiliária, S.A from the NCG Bank, SA, branch office in Portugal, for a current amount of 2,383 thousand Euros (2,723 thousand Euros as at 31 December 2013), to be repaid in March 2015. The financing is guaranteed by a mortgage on the Cais da Fontinha property and also a promissory note endorsed by SDC - Investimentos, SGPS SA.

Concessions

Bank Loans

- Loan contracted by SDC - Concessões, SGPS, S.A from the Banco Popular Portugal, for an amount of 15,954 thousand Euros (15,954 thousand Euros as at 31 December 2013), to be repaid in 18 instalments ending in November 2024. The contract for this loan has associated Financial Agreement Clause Covenants. In addition, the loan has as a guarantee a mortgage on the Industrial Park of Rechousa owned by the company Ciagest.



- Loan contracted by SDC - Concessões, SGPS, S.A from BANIF – Banco Internacional do Funchal, for an amount of 2,556 thousand Euros (2,556 thousand Euros as at 31 December 2013) , to be repaid in 12 instalments ending in November 2021. A loan included in the restructuring of the Group's liabilities that took place in 2012, as described above. The contract for this loan has associated Financial Agreement Clause Covenants. In addition, this loan has as a guarantee a promissory note endorsed by SDC - Investimentos, SGPS, SA.
- Loan contracted by SDC - Concessões, SGPS, S.A from the Banco Comercial Português for a current amount of 7,866 thousand Euros (7,866 thousand Euros as at 31 December 2013), to be repaid in 2014. The contract for this loan has associated "Ownership Clause", "Cross Default", "Negative Pledge" and "*Pari Passu*" covenants. In addition, this loan has as a guarantee a promissory note endorsed by SDC - Investimentos, SGPS and also a second degree pledge on a term deposit set up at the Deutsche Bank.
- Loan contracted by CPE - Companhia de Parques de Estacionamento, S.A from the Banco BPI for an amount of 27,498 thousand Euros (27,498 thousand Euros as at 31 December 2013), to be repaid in 32 instalments ending in December 2028. The contract for this loan has associated "Ownership Clause", "Cross Default", "Negative Pledge" and "*Pari Passu*" covenants. In addition, the financing has as a guarantee a comfort letter from SDC – Investimentos, SGPS.
- Loan contracted by CPE - Companhia de Parques de Estacionamento, S.A from the Banco BPI for an amount of 1,125 thousand Euros (1,125 thousand Euros as at 31 December 2013), to be repaid in 2014. The contract for this loan has associated "Cross Default", "Negative Pledge" and "*Pari Passu*" covenants. In addition, the financing has as a guarantee a comfort letter from SDC - Investimentos, SGPS, SA.
- Loan contracted by CPE - Companhia de Parques de Estacionamento, S.A from the Banco BPI for an amount of 433 thousand Euros (433 thousand Euros as at 31 December 2013), to be repaid in 2014. The contract for this loan has associated "Cross Default", "Negative Pledge" and "*Pari Passu*" covenants. In addition, the financing has as a guarantee a comfort letter from SDC - Investimentos, SGPS, SA.
- Loan contracted by CPE - Companhia de Parques de Estacionamento, S.A from the Banco BPI for an amount of 386 thousand Euros (470 million Euros contracted in 2013), to be repaid in 14 instalments ending in March 2018. In addition, the financing has as a guarantee a comfort letter from SDC – Investimentos, SGPS, SA and from SDC - Concessões, SGPS SA.
- Loan contracted by Intevias Serviços e Gestão, S.A. from the Banco BPI for an amount of 62,258 thousand Euros (62,258 thousand Euros as at 31 December 2013) , to be repaid in 14 instalments ending in July 2028. The contract for this loan has associated "Cross Default", "Negative Pledge" and "*Pari Passu*" covenants. In addition, the financing has as a guarantee a comfort letter from SDC – Investimentos, SGPS, SA.
- Loan contracted by Intevias Serviços e Gestão, S.A from the Banco BPI for an amount of 3,190 thousand Euros (3,190 thousand Euros as at 31 December 2013), to be repaid in 2014. The contract for this loan has associated "Cross Default", "Negative Pledge" and "*Pari Passu*" covenants. In addition, the financing has as a guarantee a comfort letter from SDC – Investimentos, SGPS, SA.
- Loan contracted by Soares da Costa Hidroenergia 1T, Lda and by Soares da Costa Hidroenergia 4T, Lda from the Caixa Banco de Investimentos for a current amount of 5,000 thousand Euros (5,000 thousand Euros as at 31 December 2013), to be repaid in 2014. The contract for this loan has associated "Cross Default", "Negative Pledge" and "*Pari Passu*" covenants. In addition, the financing has as a guarantee a pledge of the shareholdings Soares da Costa Hidroenergia 1T, 4T, 8T and 8C and Endorsement from SDC – Investimentos, SGPS, SA and SDC - Concessões, SGPS SA.
- Loan contracted by Soares da Costa Hidroenergia, SA from the Caixa Banco de Investimentos for a current amount of 457 thousand Euros (457 million Euros contracted in 2013), to be repaid in 2014. The financing has as a guarantee a comfort letter from SDC – Investimentos, SGPS, SA.



The nominal value of the borrowings registered in the consolidated balance sheet as at 30 September 2014 had the following maturities:

Maturities	Bank loans	Bond loans	Other loans	Bank overdrafts	Commercial paper	Total
2014	21,878,447	-	-	1,235,996	30,686,583	53,801,026
2015	16,365,696	20,000,000	-	-	-	36,365,696
2016	17,056,224	-	-	-	-	17,056,224
2017	15,713,670	80,000,000	-	-	-	95,713,670
2018	17,288,851	-	-	-	-	17,288,851
2019	11,990,174	-	-	-	-	11,990,174
After 2019	87,820,659	-	-	-	-	87,820,659
Total	188,113,721	100,000,000	-	1,235,996	30,686,583	320,036,300

The amounts for non recourse borrowings as at 30 September 2014 were as follows:

Maturities	Bank loans
2014	8,918,685
2015	5,298,161
2016	6,516,318
2017	5,147,162
2018	6,702,180
2019	1,335,014
After 2019	61,129,053
Total	95,046,573

Group borrowings as at 30 September 2014 paid interest at the following rates:

Type of loan	Min.	Max.
Bank loans	2.412%	7.978%
Bond loans	1.518%	1.549%
Commercial paper	3.083%	3.083%

In general, bank loans pay interest at variable rates, hence exposing the Group to the effect of fluctuations in market interest rates.

However, to manage interest rate risk, in particular in the concessions business area, the Group contracted financial hedging instruments to cover interest rates changes, as described in the following note on "Derivatives". Based on the net indebtedness level as at 30 September 2014, a variation of one percentage point in the index interest rate would have an annual impact on financial charges of 2.54 million Euros.

21. DERIVATIVES

Derivatives contracted by the Group relate to interest rate swaps aimed at covering the interest rate risk on borrowings.

In the concessions area, the Group has contracted the following interest rate hedging instruments:

**Intevias - Serviços e Gestão, S.A.**

Type:	Derivative
Description:	Interest rate swap
Bank:	BPI
Currency:	Euro
Contract date:	4.12.2008
Start date:	4.12.2008
Maturity:	15.7.2023
Frequency:	annual
Swap:	3.45
Amount covered as at 30.9.2014:	43.009.104 Euros, amortizable
Reference:	12 month Euribor

CPE - Companhia de Parques de Estacionamento, S.A.

Type:	Derivative
Description:	Interest rate swap
Bank:	BPI
Currency:	Euro
Contract date:	9.6.2009
Start date:	10.6.2009
Maturity:	10.12.2028
Frequency:	semiannual
Swap:	4.19
Amount covered as at 30.9.2014:	18.350.009 Euros, amortizable
Reference:	6 month Euribor

As at 30 September 2014, the above were classified as hedging instruments since they complied with the formal requirements set out in IAS 39 relating to the documentation and effectiveness of the derivative cover, so that changes in fair value are registered under “Hedging Transaction Reserves” in Shareholders’ Equity, net of related deferred taxes.

The fair value of these financial instruments was set by the respective counterparties, which are independent and credible entities, using appropriate valuation models. These were based on the discounted cash flow method using observable market inputs, quoted on the interbank market. In this assessment, the credit risk of the entities concerned was taken into consideration.

As at 30 September 2014 and 31 December 2013, the heading “Derivatives” was broken down as follows:

Derivatives	30.9.2014	31.12.2013
Intevias – Serviços e Gestão, S.A.	4,912,822	4,058,453
C.P.E. – Companhia de Parques de Estacionamento	4,903,949	3,361,633
Total	9,816,771	7,420,086



22. BREAKDOWN OF ACCOUNTS PAYABLE

As at 30 September 2014 and 31 December 2013, the account headings for accounts payable were broken down as follows:

Accounts payable	30.9.2014	31.12.2013
Associated and jointly managed companies	2,817,221	2,817,221
Fixed assets suppliers	122,200	177,685
Other	9,559,791	9,853,455
Accounts payable - non current	12,499,213	12,848,361
Associated and jointly managed companies	4,082,068	4,606,637
Other shareholders	27,298	25,767
State and other public entities (excluding income tax)	346,836	637,253
Other	22,603,224	14,992,238
Accounts payable - current	27,059,426	20,261,894

The breakdown of "State and other public entities (excluding income tax)" shown above as at 30 September 2014 and 31 December 2013 was as follows:

	30.9.2014	31.12.2013
Value added tax	242,446	217,389
Contribution to the social security system	48,961	65,947
Other	55,430	353,917
Total	346,836	637,253

23. BREAKDOWN OF OTHER CURRENT LIABILITIES

As at 30 September 2014 and 31 December 2013, the detail of "Other current liabilities" was as follows:

Other current liabilities	30.9.2014	31.12.2013
Accrued costs	21,973,912	15,511,529
Deferred income	3,405,863	3,565,503
Total	25,379,775	19,077,033

As at 30 September 2014 and 31 December 2013, the above account headings were broken down as follows:

	30.9.2014	31.12.2013
Accrued costs		
Invoiced to be received	-	11,247
Staff costs to pay	507,887	439,315
Interest to pay	13,741,019	6,609,160
Other accrued costs	7,725,006	8,451,807
Total	21,973,912	15,511,529
Deferred income		
Works invoiced not executed	3,010,271	3,088,472
Anticipated rents	278,241	373,696
Other deferred income	117,352	103,335
Total	3,405,863	3,565,503



24. BREAKDOWN OF THE MOVEMENT DURING THE PERIOD OF IMPAIRMENT LOSSES AND PROVISIONS

The movement in cumulative impairment losses in the period ending 30 September 2014 was as follows:

Cumulated impairment losses	Notes	Opening balance	Discontinued activities	Change in perimeter	Increase	Reversal	Utilisation	Impact from foreign exchange	Closing balance 30.9.2014
Customers - doubtful accounts		2,347,043	-	-	-	(2,830)	-	66,811	2,411,024
Customers	16	2,347,043	-	-	-	(2,830)	-	66,811	2,411,024
Other accounts receivable		2,512,349	-	-	26,000	-	-	-	2,538,349
Other accounts receivable	16	2,512,349	-	-	26,000	-	-	-	2,538,349
Finished and intermediate goods		722,765	-	-	-	(22,016)	-	-	700,749
Goods		1,967,914	-	-	-	-	-	-	1,967,914
Inventories	15	2,690,679	-	-	-	(22,016)	-	-	2,668,663
Total value adjustments		7,550,071	-	-	26,000	(24,845)	-	66,811	7,618,037

The booking of impairment losses related to accounts receivables is based on a case by case analysis of the risk, for which the nature of the entity involved, the age of the debt and the cumulative experience of the Group in similar situations are taken into account.

The adjustment recorded in the period in "Other receivables" refers to the balance associated with the associated company Ute Efacec / Self Energy, Ley 18/1982.

The movement in provisions and their breakdown by type for the period ending 30 September 2014 was:

	Opening balance	Discontinued activities	Change in perimeter	Increase	Reversal	Utilisation	Foreign exchange effect and transfers	Closing balance 30.9.2014
Pensions and other staff costs	9,670	-	-	7,649	-	-	1,478	18,797
Associated companies and entities jointly managed	925,593	-	-	65,835	-	-	-	991,428
Other provisions	66,124	-	-	-	(67,529)	-	1,405	-
Total	1,001,387	-	-	73,484	(67,529)	-	2,883	1,010,224

The total balance of the heading "associated companies and jointly controlled entities" in "Reinforcement" column, regards jointly controlled entity Exproestradas XXI, SA, whose investment is valued by the equity method.

The detail of impairment losses and existing provisions as at 30 September 2014 by primary reporting segment was:

	Real estate	Concessions	Energia Própria	SDC and other	Consolidated total
Finished and intermediate goods	700,749	-	-	-	700,749
Goods	1,967,914	-	-	-	1,967,914
Inventories	2,668,663	-	-	-	2,668,663
Doubtful customers	1,850,531	-	69,100	491,393	2,411,024
Customers	1,850,531	-	69,100	491,393	2,411,024
Other accounts receivable	2,512,349	-	26,000	-	2,538,349
Other accounts receivable	2,512,349	-	26,000	-	2,538,349
Total impairment losses	7,031,544	-	95,100	491,393	7,618,037
Pensions and other staff costs	-	18,797	-	-	18,797
Associated companies and entities jointly managed	-	991,428	-	-	991,428
Provisions for risks and charges	-	1,010,224	-	-	1,010,224



25. RELATED PARTIES

Balances and transactions between Group companies included in the perimeter of consolidation and which are included in the consolidated financial statements are eliminated on consolidation and are not disclosed in this note.

The balances and transactions between the Group and associated companies (consolidated using the equity method) are broken down in the tables below:

Balances as of 30.9.2014	Customers	Other accounts receivable	Loans to associated and jointly managed companies	Borrowings from associated and jointly managed companies
<i><u>companies and entities jointly managed:</u></i>				
Auto-Estradas XXI - Subconcessionária Transmontana, S.A.	-	-	19,024,245	-
Exproestradas XXI - AE Transmontana, S.A.	-	-	-	17,499
OPERESTRADAS XXI S.A.	160,676	-	582,939	3,078,501
SCUTVIAS - Autoestradas da Beira Interior, S.A.	26,568	-	17,308,413	-
MRN - Manutenção de Rodovias Nacionais, S.A.	-	-	5,886,467	3,791,622
Portvias - Portagem de Vias, S.A.	-	-	398,483	11,665
Estradas do Zambeze, S.A.	-	-	1,097,053	-
Operadora das Estradas do Zambeze, S.A.	-	-	115	-
<i><u>associated companies:</u></i>				
INDÁQUA - Indústria e Gestão de Águas, S.A.	-	-	10,240,349	-
GAYAEXPLOR - Construção e Exploração de Parques de Estacionamento, Lda	-	-	27,500	-
Metropolitan Transportation Solutions Ltd.	7,254,924	1,500,238	8,756,054	-
Self Energy Moçambique, S.A.	258,228	-	-	-
Total	7,700,396	1,500,238	63,321,618	6,899,286

Transactions in 30.9.2014	Operational income and gains	Operational costs and losses	Financial income and losses
<i><u>companies and entities jointly managed:</u></i>			
Auto-Estradas XXI - Subconcessionária Transmontana, S.A.	232,500	5,982	548,473
Exproestradas XXI - AE Transmontana, S.A.	-	65,835	-
OPERESTRADAS XXI S.A.	240,000	-	(52,249)
SCUTVIAS - Autoestradas da Beira Interior, S.A.	21,600	-	922,696
MRN - Manutenção de Rodovias Nacionais, S.A.	-	-	(8,850)
Estradas do Zambeze, S.A.	-	-	60,000
<i><u>associated companies:</u></i>			
INDÁQUA - Indústria e Gestão de Águas, S.A.	-	-	131,692
Self Energy Moçambique, S.A.	157,131	14,949	-
Total	651,231	86,766	1,601,762

The terms and conditions practiced between the Group and related parties are substantially the same as those that would normally be contracted between independent entities in comparable transactions on an arm's length basis.

Balances between the Group SDC – Investimentos, SGPS, SA and participated companies of Soares da Costa Construção, SGPS, SA, listed in Note 14, are shown in the table below:



Balances as of 30.9.2014	Customers	Affiliated and participant companies	Suppliers	Other accounts payable
Soc. Construções Soares da Costa, SA	624,345	-	8,103,493	-
Soares da Costa Serviços Partilhados, S.A.	73,446	-	92,478	-
CLEAR - Instalações Electromecânicas, S.A.	30,457	-	332,916	-
Soares da Costa Moçambique, SARL	6,761	-	-	-
SDC Construções SGPS, SA	4,022	266,688	71,928	7,369
Soares da Costa S. Tomé e Príncipe - Construções, Lda	626	-	-	-
Estádio de Coimbra, SC/Abrantina, ACE	-	-	5,424	-
Total	739,657	266,688	8,606,239	7,369

Transactions in 30.9.2014	Operational income and gains	Operational costs and losses	Financial income and losses
Soc. Construções Soares da Costa, SA	2,154,366	840,498	898,093
Soares da Costa Serviços Partilhados, S.A.	541,008	371,762	-
CLEAR - Instalações Electromecânicas, S.A.	239,785	164,887	-
SDC Construções SGPS, SA	17,486	545,378	545,142
Soares da Costa Moçambique, SARL	6,761	-	-
CAET XXI - Construções, ACE	780	-	-
CLEAR ANGOLA, Lda.	700	-	-
Soares da Costa S. Tomé e Príncipe - Construções, Lda	626	-	-
Total	2,961,512	1,922,525	1,443,235

26. BREAKDOWN OF OTHER OPERATING GAINS AND LOSSES

The breakdown of "Other operating gains" for the years ending 30 September 2014 e 2013 was as follows:

Other operational gains	30.9.2014	30.9.2013
Gains in fixed tangible assets	46,629	211,587
Operating subsidies	44,361	86,089
Reversal of adjustments	24,845	11,151
Benefits and contractual penalties	23,814	148,134
Other operational income and gains	79,343	1,852,833
Total	218,992	2,309,794

For the periods ending 30 September 2014 and 2013, the breakdown of "Other operating losses" was as follows:

Other operational losses	30.9.2014	30.9.2013
Taxes	558,158	872,087
Fixed tangible assets losses	2,052	798,932
Fines	18,146	125,980
Donations	-	1,000
Other operational costs and losses	950,864	406,643
Total	1,529,221	2,204,642



27. GAINS AND LOSSES IN ASSOCIATED COMPANIES

Gains and losses in associated companies for the periods ending 30 September 2014 and 2013 can be broken down as follows:

	30.9.2014	30.9.2013
Losses in associated and jointly managed companies		
Estradas do Zambeze, S.A.	-	29,553
Auto-Estradas XXI - Subconcessionária Transmontana, S.A.	1,339,033	-
Self-Energy Angola, Lda	-	30,990
Self Energy Moçambique, S.A.	58,421	22,944
Total	1,397,454	83,487
Gains in associated and jointly managed companies		
MRN - Manutenção de Rodovias Nacionais, S.A.	1,287,701	2,192,717
SCUTVIAS - Autoestradas da Beira Interior, S.A.	6,798,503	7,766,972
Operadora das Estradas do Zambeze, S.A.	76,799	202,801
INDÁQUA - Indústria e Gestão de Águas, S.A.	202,809	306,860
OPERESTRADAS XXI S.A.	324,790	846,955
Portvias - Portagem de Vias, S.A	147,282	144,211
Auto-Estradas XXI - Subconcessionária Transmontana, S.A.	-	1,212,944
Estradas do Zambeze, S.A.	152,867	-
Sustentável Desafio - Produção de Energia LDA.	16,384	-
Total	9,007,134	12,673,460
Gains and losses in associated and jointly managed companies	7,609,680	12,589,973

28. CONSOLIDATED FINANCIAL RESULTS

The financial results for the periods ending 30 September 2014 and 2013 were broken down as follows:

Costs and losses	30.9.2014	30.9.2013
Interest paid	10,569,529	14,519,896
Foreign exchange losses	511,001	987,308
Cash discounts granted	1,145	1,639
Losses in financial investments	598	-
Costs with guarantees	1,837,946	2,920,684
Costs with banking services	1,050,844	257,311
Other financial costs and losses	43,232	43,134
Other financial costs	3,444,766	4,210,075
(1)	14,014,295	18,729,971
Income and gains	30.9.2014	30.9.2013
Interets received	1,800,125	4,670,843
Income and capital gains from participations	37,815	3,429,061
Foreign exchange gains	3,101,086	764,809
Other financial income and gains	16,987	2,059
Other financial gains	3,118,073	766,869
(2)	4,956,012	8,866,773
Financial results	(2)-(1)	(9,863,198)



The heading “Income and capital gains from participations” reflects the dividends paid by the company “Autopistas Del Valle, S.A.” to SDC Concesiones – Costa Rica, S.A., a company in which the Group has a 17% stake.

29. INCOME TAX AND DEFERRED TAXES

SDC - Investimentos, SGPS, SA and its subsidiaries in Portugal, in which it has directly or indirectly a shareholding of more than 75%, are assessed for Income Tax in Portugal under the Special Regime for the Taxation of Groups of Companies (RETGS).

For those companies not covered by RETGS, current taxation is calculated based on the respective taxable incomes, in accordance with the applicable taxation schemes in the country of the head office of each company.

As from 1 January 2007, town councils can decide on an annual local surtax of up to a maximum of 1.5% on taxable income not exempt from IRC (Portuguese corporation tax code), which thus increases the nominal tax rate to 24.5%.

Following the publication of Law number 12 – A/2010, of the 30th of June, which introduced changes to the IRC code, a state surtax was introduced. For 2013, the state surtax, in accordance with the provisions of article 87-A of the IRC Code, is assessed on taxable entities which have a taxable profit in excess of 1.5 million Euros and are not exempt from IRC. The state surtax rates are 3% on taxable profit above 1.5 million Euros and up to 7.5 million Euros and 5% above 7.5 million Euros and up to 35 million Euros and 7% of figures above the 35 million Euros.

In accordance with current legislation in Portugal, income tax declarations are subject to revision and correction by the tax authorities during a four year period (five for social security), except when there have been tax losses, tax benefits have granted, or inspections, claims or appeals are underway, in which case, depending on the circumstances, the time frames can be extended or suspended.

Thus, the tax declarations for the years 2010 and later can still be the object of revision. The board of directors believes that any possible corrections will not have a significant impact on the consolidated financial statements.

The income tax registered for the years ending 30 September 2014 and 2013 can be broken down as follows:

Income tax	30.9.2014	30.9.2013
Current tax	(536,052)	(1,388,020)
Deferred tax	734,968	548,111
Total	198,916	(839,909)

The deferred tax assets and deferred tax liabilities recorded in the statement of financial position have the following nature:

Deferred tax assets	30.9.2014	31.12.2013
Reportable tax losses	7,554,546	8,073,786
Differences in the valuation of fixed assets	2,949,239	3,020,057
Differences in the valuation of investment properties	2,904,230	2,910,006
Impairment losses in intangible assets	3,808,297	3,913,673
Impairment losses in inventories	329,688	330,878
Differences in the valuation of derivatives	-	2,969
Derivatives fair value	2,331,549	1,767,497
Other	8,883	6,554
Total	19,886,432	20,025,420



Deferred tax liabilities	30.9.2014	31.12.2013
Differences in the valuation of fixed assets	4,548,243	4,625,564
Impairment losses in inventories	397,164	410,674
Non tax deductible provisions	2,425	1,017,368
Capital gains with deferred taxes	237,700	237,700
Total	5,185,532	6,291,306

30. EARNINGS PER SHARE

The share capital of the company is made up of 159,994,482 ordinary shares and 5,518 nonvoting preferential shares without par value. These nonvoting preferential shares give their owners the right to a priority dividend, under the conditions set out in section 2.7 of the stock market listing particulars, of not less than 5% of the respective issue value, in accordance with paragraph 2 of article 341 of the Portuguese Commercial Companies Code.

Earnings per share	30.9.2014	30.9.2013
Continued operations earnings, net of minorities	(4,494,567)	5,683,487
Discontinued operations earnings, net of minorities	(989,711)	(21,712,387)
Net income attributable to the Group	(5,484,278)	(16,028,900)
Number of preferred shares	5,518	5,518
Number of ordinary shares	159,994,482	159,994,482
Earnings attributable to preferred shares	207	207
Continued operations earnings per share		
Basic	(0.028)	0.036
Diluted	(0.028)	0.036
Earnings per share		
Basic	(0.034)	(0.100)
Diluted	(0.034)	(0.100)

The company does not have debt instruments convertible into shares, so that the basic earnings per share is the same as the diluted earnings per share.

31. GUARANTEES PROVIDED

The detail of bank guarantees and collateral given by SDC Investimentos to third parties as at 30 September 2014 and 31 December 2013 was as follows:

Bank guarantees	30.9.2014	31.12.2013
Guarantees related with concession contracts	17,954,155	18,050,302
Guarantees given to financial institutions	177,220	17,765,209
Other guarantees	549,282	604,107
Total	18,680,658	36,419,618



As of 30 September 2014 the breakdown of guarantees provided by currency was as follows:

	Euros	US Dollar	Israeli Shekel	Total
Bank guarantees	17,925,438	357,220	398,000	18,680,658

32. SUBSEQUENT EVENTS

On 1 October, 2014, a subsidiary of the Company, SDC - Concessões, SGPS, SA, entered into an agreement with a company of the German group "Talanx AG" to sell its 28.57% participation in the share capital of the company "Indáqua - Indústria de Gestão de Águas, S.A." ("Indáqua"), as well as the credits held on this company. Within the same transaction, it was also agreed the sale to Indáqua of the participations and credits held in the latter subsidiaries (Indáqua Feira, Indáqua Matosinhos e Indáqua Vila do Conde), representing respectively 1%, 1% and 0.57% of their social capital. The overall price of these disposals is 29.41 million Euros, and will be paid on the date of the respective transmissions, which are still pending from authorizations or consents from external entities.

On 6 October, 2014, SDC- Investimentos, SGPS, SA reported the sale of its stake in the company Energia Própria, SA (EP) - which represents 57.26% of the share capital - to a company owned by one of the founders of EP. The sale was made for the price of one Euro. Under a payment agreement entered between SDC Investimentos and EP, the former keeps the ownership of the shareholders' loans and other credits that it detains on EP. This transaction is part of the financial restructuring strategy of SDC Investimentos and, is also justified by the substantial changes in the context and in the business model of EP that had motivated the acquisition of that participation.

33. CONTINGENCIES

There were no changes compared to the last published annual financial statements. Therefore:

Red Line Metro in Tel Aviv, Israel:

During execution of the concession contract, a dispute arose in 2010 between the grantor (State of Israel) and Metropolitan Transportation Solutions (MTS), the concessionary company in which the Soares da Costa Group has a shareholding of 20%, as duly disclosed to the market.

After signature of the contract referred to, which took place in May 2007, and in accordance with its provisions, activities for the "Financial Close" and to the early execution of work relating to the project were carried out. Activities for the "Financial Close" were negatively affected by the world financial crisis which made it necessary to make changes to some contractual provisions. These changes were subject to hard and exhaustive negotiations between the Concessionary and Grantor, with the involvement of the Financing Entities.

During the third quarter of 2010, MTS was in the meantime confronted with the decision of the Grantor to terminate the contract on the grounds that the Concessionary was in alleged breach of contract, unless MTS accepted to compensate the Grantor and a number of other conditions.

The concessionaire and its shareholders decided to reject the position taken by the grantor and the conditions demanded - which would render the project inoperable - and to submit the dispute to an Arbitration Court, set up in Israel, and has begun the necessary formalities for that purpose.

The arbitration proceedings have taken place with the usual slowness associated with this type of process. Court hearings took place during 2013 and it is our belief that the process can be expected to be concluded during 2014.

The consolidated assets exposed to this risk amount to 17.2 million Euros, while the sums claimed from the dispute are well in excess of this.

MTS and its shareholders have already expressed their belief, with which the board of directors agrees, that the process is taking its course with the necessary independence and according to international standards, and meanwhile a conclusion to the arbitration is awaited. Because it is the belief of the Board of Directors of the company, backed up by its legal advisors,



that the outcome of the dispute will not result in a materially relevant impact on the consolidated financial statements attached, no provision has been made.

Concession Contract for a section (Poceirão-Caia) of the High Speed Railway Line between Lisbon and Madrid of the subsidiary “Elos – Ligações de Alta Velocidade, S.A.”:

On 21 March 2012, the Portuguese Audit Court refused the give prior approval to the concession contract, leading to the cancellation of the project.

As a result, the company began the process of terminating contracts with staff, closed its office and cancelled all contracts signed for the concession contract.

Also, as a result of the refusal of prior approval, the company began to prepare a request for payment from the Portuguese State for costs incurred by the concession, which was sent on 30 July 2012, claiming a sum of 159.4 million Euros to date.

Given that the Portuguese state has not responded to this request for payment presented to ELOS, preparations have begun for proceedings in the Arbitration Court.

In relation to financing contracts, an agreement (Partial Assignment Agreement) was signed in June between the company, the European Investment Bank (BEI), and a syndicate of banks made up of the Caixa Geral de Depósitos, Banco Comercial Português and Banco Espírito Santo, as a result of which the two loan facilities contracted with the BEI, were transferred to the Commercial Banks, achieved by terminating BEI's contractual position in favor of the banking syndicate. The facilities granted were an amount of 300,000,000 Euros (Part A Loan), still available for use, and the facility for 300,000,000 Euros (Part B Loan), of which to date 90,761,574 Euros has been used.

These sums have no impact on the consolidated accounts of the company, since the financial shareholding is valued at acquisition cost.

In the second half of 2012 meanwhile, the Portuguese State expressed its intention via the banking syndicate to take advantage of the conditions of the project's financial package, including interest rate swap contracts, so that, while the remaining contracts were continued by the company, on the 22nd of January 2013 the contractual position of the company in relation to all the unused loan facilities and swap contracts was terminated and assigned to Parpública.

On 25 April 2013, Initial Proceedings and the nomination of ELOS' Arbitrator for the setup of the Arbitration Tribunal were sent to the Portuguese State. The latter has already sent its arguments to oppose the proceedings and the arbitration process is proceeding normally.

Now that the phase of producing documentary evidence and witness statements has concluded, the process is now in the phase of each party making their final allegations, so a decision is now expected by the end of 2014.

The consolidated assets exposed to this risk (financial shareholding held in ELOS and the treasury loans granted) are valued at approximately 3.1 million Euros, but the sums claimed as part of the above dispute are far in excess of this. Because it is the belief of the board of directors of the company, backed up by its legal advisors, that the outcome of the dispute will not result in a materially relevant impact on the consolidated financial statements attached, no provision has been made.

Tax claims:

- 1) As announced in 2002, the Soares da Costa Group was profoundly restructured and reorganized, which involved, among other steps, the setup of a holding company and four sub-holdings for each business area: construction, real estate, concessions and industry.

The sub-holdings were set up with their share capital paid up in kind by the holding company through the transfer at market value to the respective sub holding of a portfolio of shareholdings previously held in each of those segments by the holding company, from which fiscally relevant capital gains and losses were generated.

The Portuguese tax authorities, following an investigation of Grupo Soares da Costa, SGPS, SA's accounts, notified the company in 2005 of a demand for payment of income tax totaling 17,136,692 Euros, determined by disallowing as tax deductible costs a number of capital losses generated as a result of the above process (the capital gains generated in the same process however were however treated as taxable income). As duly communicated to the market (as a relevant fact on 10 November 2005) the company, as well as its external consultants, the statutory and external



auditors, who accompanied and were involved in the process, totally disagree with and reject the tax authorities' opinion, and the tax demand has been legally contested, with the exception of a sum of 381,752 Euros that has already been paid.

2) In July 2012, SDC – Investimentos, SGPS, SA (former Grupo Soares da Costa, SGPS, SA), the parent company for the Special Taxation Regime for Groups of Companies (RETGS), was notified of an income tax assessment for the year 2008 following a tax audit of the company and some its subsidiaries. From this notification arose a demand for payment of 2,164 million Euros as a result of corrections made by the Tax Authorities (TA), mainly relating to the deductibility of financial charges and transfer pricing. The company disagrees with the TA's understanding, has already appealed against the assessment and has requested, pursuant to the terms of the Tax Procedure and Process Code, the suspension of the legal enforcement proceedings.

3) In June 2013, SDC – Investimentos, SGPS, SA (former Grupo Soares da Costa, SGPS, SA), the parent company for the RETGS, was notified of an income tax assessment for the year 2009 following a tax audit of the company and some of its subsidiaries. From this notification arose a demand for payment of 1,391 million Euros, with a voluntary payment deadline of 12 August 2012, as a result of corrections made by the TA, mainly relating to the deductibility of financial charges. The company disagrees with the understanding of the TA, has already appealed against the assessment and has requested, pursuant to the terms of the Tax Procedure and Process Code, the suspension of the legal enforcement proceedings

The board of directors accepts that, if the understanding of the TA is upheld, corrections of the same kind may be applied to subsequent tax years, with implications for the accounts of the company and the subsidiaries concerned.

Meanwhile, in June 2014, in the informal review process, the company obtained the TA's decision that granted her claim in matters related to municipal surcharge of corporate groups and autonomous taxation in the amount of 222 thousand Euros, the liquidation amount now being 1.170 million Euros.

The board of directors and the company's lawyers believe these judicial appeals will be successful, which is the reason why no provision was made in the annexed financial statements.

34. APPROVAL OF ACCOUNTS

At the meeting of 20 November 2014 the board of directors authorized the release of these financial statements.