Annual Report 2013

Seth

Seth - Sociedade de Empreitadas e Trabalhos Hidráulicos was set up in 1933 by the Danish firm Højgaard & Schultz a/s. It is now one of Portugal's major Marine Works companies and it has gained international renown in Coastal and Port Engineering.

Throughout its 81 years of history the Company has undertaken countless civil construction, industrial and public works jobs for central and local government, autonomous institutes, the Portuguese Armed Forces, the US Armed Forces and NATO.

Seth soon became a technologically-advanced company all-time and the image of the Company is the innovation in the search for solutions in carrying out the customers' projects. This form of action constituted the basis of the Company's internationalisation as from 2004, which now extends to countries such as Algeria, Guinea-Conakry, Cape Verde, Mozambique and Angola.

The year under review was another year of profound crisis in the construction sector in Portugal with a market downturn of 15% compared to 2012, bringing about a cumulative loss in the last 10 years of 55%.
This led, for the first time in the eighty one years of the Company's existence, to the historic situation of its having just one project in progress in Portugal.
The greater part of the Company's business took place in foreign markets, specifically in Africa, a panorama that will be the paradigm for the coming years.
In 2013 turnover amounted to €23.647.360, generating a net loss of €707,617.

Economic-Financial Indicators

In 2013 depreciation of tangible fixed assets, using the straight-line method, totalled €1,154,781. Assets of an acquisition price of less than €1,000 were fully written down during 2013. At the end of the period, Total Assets amounted to €25,727,163 and Liabilities totalled € 18,956,425.
Company's Equity stood at €6,770,738.

Outlook for 2014

EDM - Electricidade de Moçambique has confirmed the award of one and its intention to award four other jobs totalling €27 million for power transmission projects in the provinces of Manica, Maputo and Inhambane over a period of 18 months, starting in June 2014. In early January a project was awarded for the enlargement of an open-air storage area and construction of a jetty in Gibraltar for the local government. These contracts, along with other opportunities that are expected to materialise in the first quarter of the year, as well as the start to cruising speed of the Power Grid Project in Mozambique, should lead to a very significant increase of turnover and to the generation of profits in line with those of years prior to the period of widespread crisis that has been experienced.

2013, Annual Report

INTRODUCTION

The year under review was another year of profound crisis in the construction sector in Portugal with a market downturn of 15% compared to 2012, bringing about a cumulative loss in the last 10 years of 55%. The Portuguese GDP declined by 1.4% and investment fell sharply, with a particular focus on construction, where the decrease was 16.6%, and in public investment, down 38.2% compared the already low levels of 2012. All these constraints led to a worsening of the recession in the construction industry, making a major contribution to unemployment and to a continuation of the large number of insolvencies. This led, for the first time in the eighty years of the Company's existence, to the historic situation of its having just one project in progress in Portugal. The greater part of the Company's business took place in foreign markets, specifically in Africa, a panorama that will be the paradigm for the coming years.
Unfortunately, the slow taking of decisions that characterises many of these markets has had an effect on the positive expectations at the end of 2012 in relation to the growth of turnover in 2013. Indeed, the late start of the major project in Mozambique for Electricidade de Moçambique, funded by the government of Denmark, ended up by having a very negative effect on the financial year, and, contrary to expectations, did not allow a return to profits for the year.
The combination of these situations meant that turnover was substantially lower than expected and it did not prove possible, in the time available, to replace orders that were not confirmed with new ones. Still, operating profits were significant, the EBIT standing at €584.365. The final result was a loss, due to the major impact of foreign-exchange losses and to the lowest turnover of the past fifteen years, although the result obtained was a 500% improvement in comparison with 2012.
In 2013 turnover amounted to €23.647.360, generating a net loss of €707,617.

ACTIVITY IN THE MARKETPLACE

In the wake of the changes to the organisation and of the strategy of the group of which the Company forms part, a new business model has been implemented that reflects more accurately our profile as a specialised company, as well as the new skills acquired in the field of energy transmission and distribution, the result of seven years' experience in the Mozambican market in this area of activity.

As such, the Company's activity in the market will come to be based on four business areas: Coastal and Port Engineering, Energy Transmission and Distribution, Industrial Construction and Infrastructure and Pile Foundations. Under the Group's new guidelines, the Company reinforced its mission of developing business in Africa as the main task to be performed, alongside the increase of synergies through collaboration with the major shareholder in the Middle East as a specialised subcontractor, particularly in Qatar.
As regards Africa, Angola and Mozambique were defined as permanent markets and the countries of the Gulf of Guinea and of Southern Africa Development Community as opportunity markets. It was decided, on the other hand, to put an end to the activities in the Algerian market and to terminate sales efforts in the Maghreb countries.
During 2013 the Company was engaged in jobs in Portugal, Cape Verde, Angola, Algeria and Mozambique.
Of the jobs concluded in 2013 we would underscore the following:
- Electricity III, Sections 1 and 2, EDM - Electricidade de Moçambique;
- New Ribeira das Naus - Lisbon City Hall; and
- Dredging the Basin and Removal of Sealines, PAENAL, Porto Amboim, Angola

Of the jobs in progress continuing into 2014, we would underline:
- Reinforcement and Extension of the National Power Transmission Grid, E.D.M., Mozambique;
- Enlargement of the open-air storage yard of the Port of Mindelo, Sao Vicente Republic of Cape Verde;
- Reinforcement of the Power of the Salamonde Hydroelectric Power Plant – EDP, Energias de Portugal.

BRANCHES, SUBSIDIARIES AND GROUPS

BRANCHES

Seth ALGERIA
The works were completed during the first half of 2013. It was decided to put an end to operations in this market and the branch will remain active only for the fulfilment of legal obligations and recovery of several credits within the scope of the consortium and joint ventures of which it was a member.

Seth MOZAMBIQUE
The Seth branch, in operation in Mozambique since 2005, will continue to perform electrification work for EDM, having secured, in association with another company, an award in the sum of €111 million, ensuring activity over the next three to five years, depending on whether or not the options under the main contract come to be confirmed. Work on this project was delayed due to slower than expected procedures following the award of the job by the customer but it was eventually confirmed in December 2013, so in 2014 it will make a strong contribution to the Company's business.
The same customer has confirmed the award of one new project out of a total of five, in the sum of €5.4 million. The four other projects are expected to be confirmed

during the first quarter of 2014, with a total value of €22 million, to be undertaken in various provinces of Mozambique but largely in the Maputo and Manica area.

Seth GUINEA

A decision was taken to suspend the business of the branch in this country for lack of activity in 2013. However, activities are expected to be resumed in 2014, since the subsequent phases of the project that were interrupted because of the global economic crisis are in the negotiating phase with the same customer.

Seth CAPE VERDE

The association headed by Seth continued the port-work job involving enlargement of the container terminal at the port of Mindelo on São Vicente Island.
This work is set for completion in the first half of 2014, with no prospects for further work in that country thereafter.

SUBSIDIARIES

SETHANGOLA, SA

The company performed its first job involving dredging and sealines in the basin of the PAENAL shipyards at Porto Amboim.
The work took place on schedule and with full customer satisfaction, and new jobs can be expected for the same customer during 2014. Indeed, the award is expected of the construction of a sealine at Porto Amboim, as is confirmation of a job of the same nature in Cabinda. A small profit was returned in 2013 and in line with expectations.

SETHMOZ, SA

During 2013, the company had no activity and was engaged in obtaining the necessary permits for operation. Activity is expected to start in the second half of 2014. This company will replicate in the Mozambican market the model used in Portugal and will make a start to presentation of business proposals once the necessary permits have been obtained. Seth controls 60% of the company, the remainder of the share capital being held by Mozambican citizens.

MARINERTES, SA

The company has lodged a number of legal actions to contest the impediments that were raised in respect of fulfilment of the obligations stemming from the licences that had been granted to it.
There were no significant developments in this matter.
Seth has a 29% stake in this company.

JOINT VENTURES

CONSTRUSALAMONDE, ACE

Work began during the year and is going ahead at an admirable pace, fully in compliance with all the key dates stipulated in the contract. The works directly entrusted to Seth were greatly affected by the weather and therefore continue into the first half of 2014. This will not impact on the overall planning of the project, nor will it affect its economic expectations.
Seth has a 7.5% stake in this joint venture.

AARSLEFF – SETH JV I/S

With a view to carrying out the work involved in the power transmission network reinforcement project in the provinces of southern Mozambique, funded by Danida, the Danish co-operation agency, a joint venture was set up, headquartered in Denmark. Seth has a 50% stake in the joint venture, which is headed by our partner Aarsleff A/S, one of Denmark's biggest contractors.
As a result of the delay to the start of the work, which was consigned only in January 2014, the movement of the joint venture was residual during the period.

GMP MEK ACE and GMP ACE

In 2012, these joint ventures concluded the activities for which they were incorporated, which included the performance of contract works in Algeria, which are now in the warranty period. Seth has a 33.3% holding in both these incorporated joint ventures.

SOMAGUE/SETH – CAIS DO JARDIM DO TABACO 1ª FASE, ACE

The incorporated joint venture was set up for the contract for the Rehabilitation and Reinforcement of the Quays between Santa Apolónia and Jardim do Tabaco – 1st Stage. The works were completed in 2009, and they are therefore in the warranty period.

CAIS DE CRUZEIROS, 2ª FASE ACE

The incorporated joint venture was set up for the contract for the Rehabilitation and Reinforcement of the Quays between Santa Apolónia and Jardim do Tabaco – 2nd Stage. The works were completed in 2011, and they are therefore in the warranty period. There has been a delay in the payment of interest owed by the customer under the law, which is expected to be resolved during 2014, though the joint venture does not exclude the possibility of taking legal action to achieve this objective.

HYGIENE, SAFETY AND ENVIRONMENT

Within the scope of the monitoring of the certification of the Integrated Safety and Environment Management System (SGISA) under the ISO 14001:2004 and NP 4397-2008 (OHSAS 18001:2007) standards, the audit was performed of the said integrated system on February 14 and 15, 2013.
It was the first follow-up audit of the Integrated Safety and Environment Management Systems, and it was performed by APCER - Portuguese Certification Association.
The audit focused on verification of the documentation and visits to Seth's Central Building Yard and to the Ribeira das Naus job (Cais do Sodré - Lisbon). The audit report included the findings of the certifying entity, detailing the nonconformities and the opportunities for improvement under the recent SGISA.
The report showed zero nonconformities and listed ten

opportunities for improvement. In general, the audit team found that Seth's SGISA is properly documented and consolidated, meeting the requirements of the reference standards.
Both certifications are now fundamental for international jobs, for which they are now required, and this is why the process of Systems Integration has been concluded, in order to expedite renewals of these systems.
During the year training courses increased and the means of prevention were strengthened, mainly in respect of collective protection equipment and of equipment for very large jobs. The training courses have covered Seth workers and also workers of subcontractors, thereby enhancing a culture of safety at our jobs.

This result demonstrates that, although there are still opportunities for improvement, the implemented systems have adapted to the reference standard and, overall, Seth has once again revealed that it acts in accordance with the definitions of the Safety, Health at Work and Environment Management Systems, and we must therefore congratulate all employees for their personal commitment.
The figures for the 2013 Accident Indices – the Frequency Index and the Severity Index – were both zero since there were six work's accidents but none involved days off.
However, the Severity Index for 2012 is not yet closed because the accident that occurred in November 2012 continued into 2013 with days off and the casualty, to date, had not been medically discharged. Thus, the calculation of this index can only be completed when the injured employee has a medical discharge.

QUALITY AND R&D

March 2013 saw the first follow-up audit of the Quality Management System according to the NP EN ISO 9001:2008 standard.
The audit, conducted by APCER - Portuguese Certification Association, took place at the Company's headquarters and at a job in progress, the findings being that the Quality Management System, certified by that entity, is implemented effectively.
Seth obtained significant improvements in the wake of the treatment of the findings of previous audits.
Despite the country's situation in terms of public works and, consequently, the decrease of the number of contracts awarded to Seth, there has always been great commitment to and interest in Quality practices by all Company employees.

Given the decrease in contracts in progress, there was greater investment in vocational training, enabling our employees to take part in training courses essential to the business that is carried on.

The focus on Research, Development and Innovation (RD&I) processes is seen by Seth to be critical to business competitiveness both in the domestic and in the international markets.
During 2013 there was a reduction of RD&I projects undertaken by the Company as a result of the reduction of activity, which consequently led to fewer opportunities to undertake research projects. However, as current practice of the organisation, Seth will always develop innovative solutions from a standpoint of ongoing improvement and customer satisfaction, developing and improving construction processes.

Seth has joined up with and takes part in a sub-group of the Portuguese Technological Construction Platform (PTPC), which aims to promote reflection on the industry and implementation of research, development and innovation initiatives and projects that can contribute to improving the competitiveness and internationalisation of the Portuguese construction industry.

SOCIAL RESPONSIBILITY

The Social Responsibility Policy that Seth has implemented in its business is governed by moral principles and professional ethics that safeguard respect, integrity and trust.
While the Company is not certified in keeping with any Social Responsibility standard, it ensures compliance with several legal, social and moral commitments to our employees, customers and society in general.

Over the years, Seth has implemented operating conduct based on several principles, such as: respect for human rights, concern for the community and future generations by focusing on sustainable development, investment in employees' personal enhancement, environmental protection, compliance with social standards and respect for the ethical values and principles of our society.

Regard for the Environment

Seth has implemented an Environmental Policy in which it considers protection and conservation of the environment a concern, not only for the need to respond to the requirements of applicable legislation but also because it considers essential its contribution to sustainable development. As a sign of respect and preservation of the environment at its head office, it has implemented several of eco-efficiency measures.
We instil constant awareness among our employees in the matter of conservation of the environment through activities that enable effective and responsible use of available resources.

Support for the Community

Over the years Seth has been involved, with donations of varying amounts, in projects and with charitable institutions that perform humanitarian and solidarity activities at national and international level. All these initiatives providing support to the community do not merely serve the short-term purpose of return on the image or financial return, rather the primary purpose of contributing to the development and well-being of these communities.

Of the sponsorship provided, we would underscore:

APCA – Portuguese Access Class Association

Seth supports APCA, a non-profit sports association, the aim of which is to promote Access Class Sail and to provide its technical management as an adapted-sail sport. Seth sponsors the "SETH Sail" project, which aims to divulge and promote adapted sailing up and down the country.

Of the donations 2013 we would underscore:

Pro Dignitate – Human Rights Foundation

The non-profit Pro Dignitate Foundation is directed at humanitarian and social goals and at promoting human rights through scientific studies, planning, promotion and appraisal of preventive and other measures addressing the defence of these rights.

ECONOMIC AND FINANCIAL INDICATORS

In 2013 depreciation of tangible fixed assets, using the straight-line method, totalled €1,154,781. Assets of an acquisition price of less than €1,000 were fully written down during 2013.

At the end of the period, Total Assets amounted to €25,727,163 and Liabilities totalled € 18,956,425. Company's Equity stood at €6,770,738.

APPROPRIATION OF RESULTS

The Board of Directors proposes that the net loss be taken to retained earnings.

2014 PREVIEW AND SUBSEQUENT EVENTS

EDM - Electricidade de Moçambique has confirmed the award of one and its intention to award four other jobs totalling €27 million for power transmission projects in the provinces of Manica, Maputo and Inhambane over a period of 18 months, starting in June 2014. In early January a project was awarded for the enlargement of an open-air storage area and construction of a jetty in Gibraltar for the local government. These contracts, along with other opportunities that are expected to materialise in the first quarter of the year, as well as the start to cruising speed of the Power Grid Project in Mozambique, should lead to a very significant increase of turnover and to the generation of profits in line with those of years prior to the period of widespread crisis that has been experienced.

Queijas, 28th February, 2014

The Board of Directors

Ricardo Pedrosa Gomes (President)

Peter Kofoed

Jesper Nordby

Villy Petersen

Seth

Consolidated Balance Sheet as at December 31, 2013

Monetary Unit: EURO

HEADINGS	Notes	Dates 31/12/2013	31/12/2012
ASSETS			
Non-current assets			
Tangible fixed assets	5	6 016 771	7 066 509
Customers with guarantee deposit	9	167 748	1 150 913
		6 184 519	**8 217 422**
Current assets			
Inventories	8	463 929	466 856
Customers	9	6 494 018	5 915 636
Advances to suppliers	10	91 185	173 749
State & other public entities	11	943 892	723 695
Other receivables	12	5 325 062	5 081 273
Deferrals	13	350 487	211 111
Financial assets held for trading	14	20 800	20 800
Cash & Bank deposits	4	2 609 968	2 759 961
		16 299 341	15 353 081
Total Assets		**22 483 860**	**23 570 503**
EQUITY & LIABILITIES			
Equity			
Paid-up equity capital	15	4 000 000	4 000 000
Legal reserves	16	801 069	801 069
Other reserves	17	117 648	140 705
Retained Earnings	18	2 535 897	6 211 639
Adjustments to financial assets	19	61 483	(166 796)
Other changes in equity	20	(37 742)	(190 005)
Net profit		**(707 617)**	**(3 530 926)**
Non-controlling interests			
Total equity		**6 770 738**	**7 265 686**
Liabilities			
Non-current liabilities			
Provisions	21	43 865	66 622
Loans	22	2 344 577	2 558 188
		2 388 442	2 624 810
Current liabilities			
Suppliers	24	6 452 442	4 200 773
Customers prepayments	25	523 562	980 866
State & other public entities	11	632 509	821 801
Loans	22	666 924	2 136 237
Other accounts payable	23	3 500 056	3 752 574
Deferrals	13	1 549 187	1 712 401
Financial liabilities assets held for trading	26	-	66 586
Other financial liabilities	27	-	8 769
		13 324 680	**13 680 007**
Total liabilities		**15 713 122**	**16 304 817**
Total equity and liabilities		**22 483 860**	**23 570 503**

The Board
Ricardo Pedrosa Gomes (President)
Peter Kofoed
Jesper Nordby
Villy Petersen

The Accountant
Sofia Mendes

Consolidated Income Statement by Nature of Expense for the Period

(Ended December 31, 2013)
Monetary Unit: EURO

INCOME & EXPENSES	Notes	PERIODS Dec 31, 2013	Dec 31, 2012
Sales & services rendered	28	23 647 360	25 739 316
Operating subsidies	29	5 977	1 679
Own works capitalised	30	30 728	436
Cost of goods sold & materials consumed	31	(3 596 280)	(6 180 200)
Third party supplies & services	32	(14 487 398)	(14 239 624)
Staff costs	33	(4 729 577)	(6 837 952)
Impairment of receivables (losses/reversals)	8	212 953	(247 909)
Provisions (increases/reductions)	21	296 352	101 591
Increases/reductions of fair value		-	5 741
Other income & gains	34	1 432 990	2 736 141
Other costs & losses	35	(1 073 959)	(1 181 680)
Earnings before depreciation, borrowing costs and taxes		1 739 146	(102 461)
Expenses / reversals of depreciation & amortisation	5	(1 154 781)	(1 458 736)
Operating profit (before borrowing costs and taxes)		584 365	(1 561 197)
Interest & similar income	36	164 483	191 431
Interest & similar costs	37	(1 165 927)	(1 715 487)
Profit before tax		(417 079)	(3 085 253)
Income tax for the period	7	(290 538)	(445 673)
Net profit for the period		(707 617)	(3 530 926)
Profit/(loss) on discontinued business (net of taxes), included in the net profit for the period			
Net profit /(loss) for the period attributable to:			
Parent company equityholders			
Non-controlling interests			
Basic earnings per share		(0,18)	(0,88)

The Board
Ricardo Pedrosa Gomes (President)
Peter Kofoed
Jesper Nordby
Villy Petersen

The Accountant
Sofia Mendes

Consolidated Statement of Changes in Equity during the 2013 Period

Monetary Unit: EURO

Description	Notes	Equity attributed to the parent company's equityholders											
		Issued Capital	Treasury Shares	Other equity instruments	Issue premiums	Legal Reserves	Other Reserves	Retained Earnings	Adjustments to Financial Assets	Revaluation Surpluses	Other Changes in Equity	Net Profit for the Period	Total
POSITION AT THE START OF THE PERIOD 2013 **1**	2.4	4 000 000	-	-	-	801 069	140 705	6 211 639	(166 796)	-	(190 005)	(3 530 926)	**7 265 686**
CHANGES DURING THE PERIOD													
First adoption of the new accounting standards													-
Accounting policies alterations													-
Financial statement conversion differences													-
Realisation of the tangible and intangible fixed assets revaluation surplus													-
Deferred tax adjustments													-
Other changes recognised in equity							(23 057)	(144 816)	228 279		152 263		212 669
2		-	-	-	-	-	(23 057)	(144 816)	228 279		152 263	-	212 669
NET PROFIT FOR THE PERIOD **3**												(707 617)	**(707 617)**
COMPREHENSIVE RESULT **4=2+3**												(707 617)	**(707 617)**
TRANSACTIONS WITH EQUITYHOLDERS DURING THE PERIOD													
Equity capital paid up													-
Issue premiums paid up													-
Distributions													-
Inflows to cover losses													-
Other transactions								(3 530 926)				3 530 926	-
5		-	-	-	-	-	-	(3 530 926)	-	-	-	3 530 926	-
POSITION AT THE END OF THE PERIOD 2013 **6=1+2+3+5**		4 000 000	-	-	-	801 069	117 648	2 535 897	61 483	-	(37 742)	(707 617)	6 770 738

The Board
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Villy Petersen

The Accountant
Sofia Mendes

Consolidated Cash-Flow Statement

(Period ended December 31, 2013)

Monetary Unit: EURO

Headings	Notes	Period 31 Dez 2013	Period 31 Dez 2012
Cash flows from operating activities - Direct method			
Cash receipts from customers		20 001 253	37 194 067
Cash paid to to suppliers		(13 590 780)	(26 256 531)
Cash paid to employees		(4 737 915)	(5 989 095)
Cash generated by operating activities		**1 672 558**	**4 948 441**
Income tax (paid) / received		(557 205)	(233 180)
Other receipts/payments		805 559	(56 840)
Cash flow from operating activities (1)		**1 920 912**	**4 658 422**
Cash Flow from Investing activities			
Cash paid in respect of:			
Tangible fixed assets		(500 065)	(679 024)
Financial investments		(10 621)	(16 100)
Cash receipts from:			
Tangible fixed assets		409 187	210 541
Financial investments		-	-
Interest & similar income		5 459	11 661
Dividends		-	291 502
Cash Flow from Investing Activities (2)		**(96 040)**	**(181 420)**
Cash flow from financing activities			
Cash receipts from:			
Borrowings		101 367	1 124 694
Interest Earned		-	-
Capital and other equity instruments paid up		-	-
Other financing operations		-	-
Cash paid in respect of:			
Borrowings		(1 773 791)	(3 949 240)
Interest & similar costs		(302 441)	(416 943)
Dividends		-	(291 502)
Capital and other equity instruments paid up		-	-
Other financing operations		-	-
Cash Flow from Investing Activities (3)		**(1 974 865)**	**(3 532 990)**
Variation of cash & cash equivalents (1+2+3)		**(149 993)**	**944 012**
Effect of currency translation differences			
Cash & cash equivalents of the beginning of the period		2 759 961	1 815 949
Cash & cash equivalents at the end of the period		**2 609 968**	**2 759 961**

The Board
Ricardo Pedrosa Gomes (President)
Peter Kofoed
Jesper Nordby
Villy Petersen

The Accountant
Sofia Mendes

Notes to the Accounts

1 Identity of the entity

Sociedade de Empreitadas e Trabalhos Hidráulicos, SA, ("SETH" or "Company") is a public limited company having its registered office at Avenida Tomás Ribeiro, 145, Queijas, having been incorporated on 17/3/1933, and is principally engaged in Engineering and Civil Construction.

MT Hojgaard a/s, having its registered office in Denmark, has a majority holding in the Company.

2 Accounting standard for the preparation of the financial statements

2.1 The consolidated financial statements of SETH have been prepared in accordance with the Accounting Standardisation System (ASS), in accordance with Decree-Law 158/2009, of July 13. The ASS consists of the Bases for the Presentation of Financial Statements (BPFS), Draft Financial Statements (DFS), Accounts Code (AC), Accounting and Financial Reporting Standards (AFRS), Interpretive Standards (IS) and the Conceptual Structure.

The consolidated financial statements, which include the balance sheet, the statement of income by nature of expense, the statement of changes in equity, the statement of cash flows and the notes to the accounts, were approved by Company's Board of Directors in February 28, 2014, are expressed in Euros and were prepared on the going-concern and accrual accounting basis in which items are recognised as assets, liabilities, equity, income and costs expenses when they satisfy the definitions and the recognition criteria for these items as contained in the conceptual structure, in accordance with the qualitative characteristics of understandability, relevance, materiality, reliability, reliable representation, substance over form, neutrality, prudence, fullness and comparability.

The accounting policies set out in Note 3 were used in the financial statements for the period ended December 31, 2013, and in the comparative financial information presented in these financial statements for the period ended December 31, 2012.

Companies included in the consolidation:

Subsidiaries

MAISTRÊS – Desenvolvimento Imobiliário Sociedade Unipessoal, LDA.
Av. Tomás Ribeiro, 145 – 2790 – 467 QUEIJAS
SETH shareholding - 100%

SethAngola, S.A.
Av. Comandante Valódia, n.º 5 – 6.º, apt 61, Kinaxixi – Luanda – ANGOLA
SETH shareholding – 60%

Associate companies

Marinertes, S.A.
Rotunda Engenheiro Edgar Cardoso, 23, 8.ºA,
4400-676 VILA NOVA DE GAIA
SETH shareholding - 29%

Joint Ventures

SOMAGUE/SETH
Cais do Jardim do Tabaco – 1.ª Fase, ACE
Rua da Tapada da Quinta de Cima, Linhó
2714-555 SINTRA
SETH shareholding - 50%

Cais de Cruzeiros – 2ª Fase, ACE
Rua da Tapada da Quinta de Cima, Linhó
2714-555 SINTRA
SETH shareholding - 37,5%

GMP - GRUPO MARÍTIMO PORTUGUÊS, A.C.E.
Lagoas Park, Edifício Um, 2740-265 PORTO SALVO
SETH shareholding - 33,33%

GMP MEK – GRUPO MARÍTIMO PORTUGUÊS MERS EL KEBIR, A.C.E.
Lagoas Park, Edifício Um, 2740-265 PORTO SALVO
SETH shareholding - 33,33%

AARSLEFF – SETH JV I/S
Lokesvej 15, DK8230 Aabyhøj, DINAMARCA
SETH shareholding - 50%

2.2 There were no derogations of the provisions of the ASS.

2.3 There are no accounts of the balance sheet and income statement whose content is not comparable with that of the previous period.

3 Main accounting policies

The main accounting policies applied in preparing the consolidated financial statements are as follows:

3.1 **Measurement bases used in preparing the financial statements**

The financial statements have been prepared under the historic-cost principle.

Preparation of financial statements in conformity with the AFRS requires the Board of Directors to make judgements, estimates and assumptions that affect the application of accounting policies and the amounts of assets and liabilities, income and costs. The associated estimates and assumptions are based on historical experience and other factors considered reasonable under the circumstances and form the basis for making judgements as to the value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Matters that require a greater degree of judgement or complexity, or where the assumptions and estimates are considered significant are presented in Note 3.3 - Main estimates and judgements used in the preparation of the financial statements, in Note 3.4 - Key assumptions concerning the future and in Note 3.5 - Key sources of estimation uncertainty.

3.2 Other significant accounting policies

a) Consolidation Principles

Reference dates

The consolidated financial statements reflect the assets, liabilities and results of the Group and its subsidiaries, for the periods ended December 31, 2013 and 2012.
The accounting policies have been applied consistently by all Group companies.

Financial holdings in subsidiaries

Companies over which SETH exercises control are classified as subsidiaries. Control is normally presumed to exist when the Company has the power to exercise the majority of the voting rights. Control may also exist where SETH has the power, directly or indirectly, to manage the financial and operating policies of a given company so as to obtain benefits from its business, even if its holding of the equity is less than 50%. Subsidiaries are fully consolidated from the time when SETH assumes control over its business up to the moment when control ceases.
When the accumulated losses of a subsidiary exceed the non-controlling interest in the equity of that subsidiary, the excess is attributable to SETH to the extent that it is incurred. Subsequent profits made by such a subsidiary are recognised as SETH's income until the losses previously absorbed are recouped.

Translation of financial statements in foreign currency

The financial statements of subsidiaries are prepared SETH in their working currency. The consolidated financial statements are prepared in Euros, which is SETH's working currency of SETH.
The financial statements of companies whose working currency is other than the euro are translated into Euros in keeping with the following criteria:

- Assets and liabilities are translated at the exchange rate ruling on the balance sheet date;
- Income and costs are translated using the exchange rates approximating the actual rates ruling on the dates of the transactions;
- Exchange differences resulting from translation into Euros of the financial position at the beginning of the year and translation at the exchange rate ruling on the balance sheet date to which the consolidated accounts refer are recorded against reserves. Likewise, in relation to the results of subsidiaries and associate companies, exchange differences arising from the translation into Euros of the net income for the period between the exchange rates used in the statement of income and those on the reporting date are recognised in reserves. On disposal of the company, these differences are recognised in profit or loss as an integral part of the gain or loss on the disposal.

Balances and transactions eliminated in the consolidation

Balances and transactions between Group companies, including any unrealised gains or losses resulting from intra-group transactions, are eliminated in the consolidation process, except where unrealised losses provide evidence of an impairment that should be recognised in the consolidated accounts.
Unrealised gains arising from transactions with associates are eliminated in the proportion of SETH's holding therein. Unrealised losses are also eliminated, but only in situations where there is no sign of impairment.

Jointly-controlled entities

Jointly controlled entities are recognised using the equity method as from the date that joint control commenced until the date that it ceases, and they are entities in which the Company has joint control, established by contractual agreement.

b) Tangible fixed assets

Tangible fixed assets are carried at cost, which comprises their purchase price, including import duties and non-refundable purchase taxes, after deducting discounts and rebates, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended, and the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, less accumulated depreciation and impairment losses.
On the date of transition to the AFRS the Company decided to consider as cost of the tangible fixed assets their revalued value determined in accordance with the previous accounting policies, which was broadly comparable to their cost measured in accordance with AFRS 7.
Subsequent costs are recognised as tangible fixed assets only if it is probable that future economic benefits will flow to the Company.
Routine maintenance and repair costs are recognised to the extent they are incurred in accordance with the accrual accounting mechanism.
The Company carries out impairment tests whenever events or circumstances indicate that the carrying amount exceeds the recoverable amount, the difference, if any, being recognised in profit or loss. The realisable value is determined as the higher of its fair value less selling costs and its value in use, the latter calculated on the basis of the present value of the expected future cash flows expected to be obtained from ongoing use of the asset and from its sale at the end of its useful life.
Land is not depreciated. Depreciation of tangible fixed assets is calculated using the straight-line method, after deducting their residual value, according to the following estimated useful lives of the assets:

	Number of years
Buildings & other constructions	8-50
Plant & machinery	3-16
Transport equipment	4-10
Office equipment	3-10
Other tangible fixed assets	5-12

The useful lives, depreciation method and residual value of assets are reviewed annually. The effect of alterations of these estimates is recognised prospectively in the statement of income.

Gains or losses arising from writing off or disposal are determined by the difference between the amount received and the carrying amount of the asset, recognised as income or cost for the period. In the event of disposal of revalued assets, the amount included under revaluation surplus is transferred to retained earnings.

c) **Leasing**

The Company classifies lease transactions as finance leases or operating leases based on the substance of the transaction rather than the form of the contract. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating finance lease if it does not transfers substantially all the risks and rewards incidental to ownership.

Operating leases

Payments/ receipts made by the Company in light of operating leases are recognised as costs/ income for the periods to which they relate on a straight-line basis.

Finance leases

The finance lease contracts are recorded at their inception as assets and liabilities at the fair value of the leased property, or if lower, the present value of the minimum lease payments. The lessee's initial direct costs are added to the amount recognised as an asset.

The minimum finance lease payments are split between the financial charge and the reduction of the outstanding liability. The financial charges are allocated to each period over the life of the lease so as to produce a constant periodic interest rate on the outstanding balance of the liability.

d) **Financial holdings**

Investments in associates

Financial investments in associates are recorded for using the equity method from the date on which the Company directly or indirectly acquires significant influence to the moment it ceases, unless there are lasting severe restrictions which that impair the ability to transfer funds to the Company, in which case the cost method is used. Associates are entities over which the Company has significant influence, but not control, over their financial and operating policies. The Company is presumed to exercise significant influence when it has the power to exercise more than 20% of the voting rights of the associate. If the Company owns less than 20% of the voting rights, it is assumed that it exercises no significant influence unless such influence can be clearly demonstrated.

The existence of significant influence is usually evidenced by one or more of the following:

- Representation on the Board of Directors or equivalent management body;
- Participation in policy-making processes, including participation in decisions about dividends or other distributions;
- Existence of material transactions between the Company and the associate;
- Exchange of management staff;
- Provision of essential technical information.

The goodwill relating to an associate is included in the carrying amount of the investment. However, such goodwill cannot be written down and is therefore not included in the determination of the investor's share of the income of the associate.

Goodwill is tested annually, regardless of the existence of impairment indicators. Any impairment losses are recognised in profit or loss. The recoverable amount is determined based on value in use of the assets, calculated using valuation methodologies underpinned discounted cash-flow techniques, considering market conditions, the time span and the business risk.

Any excess of the investor in the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate above the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the investor's share of the associate's results for period in which the investment is acquired.

e) **Income tax for the period**

The income tax for the period is calculated based on the Company's taxable income and considers deferred taxation.

Current income tax is calculated based on the Company's taxable income (which differs from the book income) in accordance with the tax rules in force as of the date of the balance sheet at the place of the registered office of the Company.

Deferred taxes refer to temporary differences between the amounts of assets and liabilities for accounting purposes and the respective amounts for taxation purposes.

Deferred tax assets and liabilities are calculated and assessed periodically using the tax rates in force as of the balance sheet date, and they are not discounted.

Deferred tax assets are recognised only when it is probable that taxable profits will be available against which the deductible temporary differences can be utilised. At each balance sheet date, a reassessment is made of the temporary differences related to deferred tax assets with a view to recognising or adjusting in the light of the current expectation of their future recovery.

Income tax is recognised in the statement of income, except when it relates to items that accounted under equity, which implies its recognition in equity.

Deferred taxes recognised in equity are recognised in profit or loss when recognised in the dates of gains and loss that gave rise to them.

In accordance with the provisions of paragraph 68 of AFRS 25, the Company offsets deferred tax assets and tax liabilities where the Company:

Has a legally enforceable right to offset current tax assets against current tax liabilities;

The deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

f) **Inventories**

Inventories are valued at the lower of acquisition cost and net realisable value. The cost of inventories comprises all purchasing costs, conversion costs and other costs incurred in bringing the inventories to their present location in their present condition. The net realisable value is the estimated selling price in the ordinary course of business less selling costs.

The formula for costing warehouse outgoings (consumption) is the weighted average cost.

The Company writes down the cost of inventories to their net realisable value when the assets are carried at amounts greater than those that will which foreseeably result from their sale or use.

g) Receivables

Trade receivables are initially recognised at fair value and subsequently stated at cost or amortised cost, using the effective interest rate method, carried in the balance sheet net of impairment losses pertaining thereto.

Impairment losses are recorded based on regular assessment of the existence of objective evidence of impairment associated with doubtful debt on the balance sheet date. Impairment losses identified are recognised against profit or loss and are subsequently reversed if there is a reduction of the estimated loss in a subsequent period.

h) Cash & cash equivalents

The cash and cash equivalents comprise cash, sight deposits and highly-liquid short-term investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

i) Transactions in foreign currencies

Transactions in foreign currencies are translated to Euros at the exchange rate ruling on the transaction date.

Monetary assets and liabilities denominated in foreign currencies are translated to Euros at the exchange rate ruling on the balance sheet date. Foreign exchange differences arising on translation are recognised in profit or loss.

Non-monetary assets and liabilities carried at historical cost denominated in a foreign currency are translated using the exchange rate ruling on the transaction date.

Non-monetary assets and liabilities denominated in foreign currency and carried at fair value are translated using the exchange rate ruling when the fair value was determined.

Exchange differences arising on the settlement of monetary items or reporting monetary items at rates different from those initially recorded during the period, or reported in previous financial statements, are recognised in profit or loss in the period they occur.

When a gain or loss on a non-monetary item is recognised directly in equity, any exchange difference included in that gain or loss is recognised directly in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange difference included in that gain or loss is recognised in profit or loss.

j) Provisions

Provisions are recognised when:

The Company has a present legal or constructive obligation as a result of a past event;

It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

A reliable estimate of the obligation can be made.

Provisions are subject to review on an annual basis, in keeping with the estimate of the respective future liabilities. The financial update of the provision, with reference to the end of each period, is recognised as finance cost.

k) Provisions for onerous contracts

The Company recognises a provision for onerous contracts where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

l) Contingent assets and liabilities

The Company does not recognise contingent assets and liabilities.

Contingent liabilities are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. The assets are disclosed when an inflow of economic benefits is probable.

m) Recognition of costs and income

Income and costs are recorded during the period to which they relate regardless of their receipt or payment, in accordance with the accrual-accounting mechanism. Differences between the amounts received and paid and the corresponding income and costs is recorded under Other assets or liabilities depending on whether they are amounts receivable or payable.

n) Revenue

Revenue is measured at the fair value of the remuneration received or receivable. The Company's revenue results primarily from the provision of construction services that fall under AFRS 19 - Construction contracts and sale of goods.

Under AFRS 19, where the outcome of a transaction can be estimated reliably, revenue of a contract or costs of a construction contract should be recognized as revenue and costs respectively with reference to the completion phase of the contract at the balance sheet date. An expected loss on a construction contract should be immediately recognized as a cost.

The outcome of a construction contract can be estimated reliably when all the following conditions are met:

- The amount of revenue can be reliably measured;
- It is probable that the economic benefits associated with the transaction will flow to the Company;
- The stage of completion of the transaction as at the balance sheet date can be measured reliably, and the costs incurred as well as the costs to complete the transaction can be measured reliably;
- The costs pertaining to a contract can be clearly identified and measured reliably so that incurred costs can be compared to previous estimates;

When an outcome of a construction contract cannot be measured reliably:

- Revenue shall only be recognized up to the level of recoverability of costs incurred; and;
- Costs of a contract shall be recognized as a cost of the period they have incurred.

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Company does not have ongoing management involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- The amount of revenue can be reliably measured;
- It is probable that the economic benefits associated with the transaction will flow to the Company; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

The stage of completion of the contract is determined based on the proportion of costs incurred for work performed up to the reporting date to the estimated total contract costs. Progress payments and advances received from customers do not reflect work performed are therefore not considered in the recognition of revenue.
Revenue comprises the amounts invoiced on the sale of products or services rendered, net of value added tax, rebates and discounts. When the inflow of cash or cash equivalents is deferred, the fair value of the consideration may be less than the nominal amount. This difference is recognised as interest income.

o) **Financing costs/income**

Financing cost/income include the interest paid on borrowings, interest received from investments made and similar income and costs.
Interest is recognised on an accrual basis, using the effective interest method for borrowings and loans.

p) **Subsequent events**

The financial statements reflect subsequent events until February 28, 2014, the date they were approved by the Management Body as described in Note 2.1.
Events occurring after the balance sheet date about conditions that existed at the balance sheet date are taken into consideration in the preparation of the financial statements.
Material events after the balance sheet date that do not involve adjustments are disclosed in Note 41.

q) **Financial Instruments**

The Company recognizes a financial asset, a financial liability or an equity instrument only when it becomes a party to the contractual provisions of the instrument.
A financial instrument is classified as a financial liability when there is a contractual obligation for the issuer to settle the principal and/or interest in cash or by delivering another financial asset, regardless of its legal form.
The initial costs do not include transaction costs of financial assets or liabilities measured at fair value recorded against profit or loss.
The Company measures its financial assets and liabilities at each reporting date at cost or amortised cost less any impairment loss or at fair value with changes in fair value being recognised in the statement of income.
The Company measures financial instruments at cost or amortised cost less impairment loss when they satisfy the following conditions:

- they are at sight or have a defined maturity;
- the returns to the holder are (i) a fixed sum, (ii) fixed interest rate during the life of the instrument or variable rate that is a typical market index for financing operations (such as the Euribor) or includes a spread over and above that index;
- contains no contractual provision that may cause the holder a loss of the par value and the accrued interest (excluding the typical cases of credit risk).

r) **Impairment**

On each reporting date an assessment is made of the existence of objective evidence of impairment, particularly having a particularly adverse impact on the estimated future cash flows of the financial asset or group of financial assets, provided it can be measured reliably.
For financial assets that show signs of impairment the recoverable amount is determined, the impairment losses being recorded against profit or loss.
A financial asset or group of financial assets is impaired where there is objective evidence of loss of value resulting from one or more events occurring after initial recognition.

s) **Hedge accounting**

The Company uses financial instruments to hedge its exposure to the interest-rate, exchange-rate and price risk arising from its operating and financing activities. Derivatives that do not qualify as hedges are carried as trading derivatives.
Hedging derivatives are recorded at fair value and gains or losses are recognised in accordance with the hedge accounting model adopted by the Company. A hedge relationship exists where:

- at the inception of the relationship, there is formal documentation of the hedge;
- there is expectation that the hedge will be highly effective;
- the effectiveness of the hedge can be reliably measured;
- the hedge is assessed on an ongoing basis and actually determined as being highly effective throughout the financial reporting period;

Regarding the hedging of a planned transaction, it must be highly probable and must be exposed to present an exposure to variations in cash flows that could ultimately affect results.

Fixed interest-rate risk or commodity-price risk for goods held
Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded against profit, together with changes in the fair value of the hedged risk of the asset, liability or group of assets and liabilities. Should the hedging relationship no longer meet the requirements for hedge accounting and the hedged instrument is not derecognised, the cumulative gain or loss recognised in the valuation of the hedged risk is amortised to maturity of the hedged item using the original effective interest-rate method.

Effectiveness
For a hedging relationship to be classified as such, its effectiveness has to be demonstrated. Accordingly, the Company performs prospective tests at the start date of the hedging relationship and prospective and retrospective tests at each reporting date in order to demonstrate its effectiveness by showing that changes in the fair value of the hedged item are offset by changes in fair value of the hedging instrument, in relation to the hedged risk. Any ineffectiveness determined is recognised in profit or loss when incurred.

3.3 Main estimates and judgements
The AFRS require that judgements and estimates be made within the framework of decision-taking on certain accounting procedures impacting on the amounts reported under total assets, liabilities, equity, income and costs. The actual effects may differ from the estimates and judgements made, particularly with regard to the effect of actual income and costs.
The main accounting estimates and judgements used in the application of the accounting principles are discussed in this note with a view to improving the understanding of how their application affects the results reported by the Company and their disclosure. A detailed description of the accounting policies used by the Company is provided in Note 3.2 of the Notes to the Accounts.
Considering that in many cases there are alternatives to the accounting treatment adopted by the Company, the reported results would differ if a different treatment had been selected. The board of directors considers that the choices made are appropriate and that the financial statements truly and fairly present the Company's financial position and the results of its operations in all materially relevant aspects. The results of the alternatives analysed hereunder are presented only to assist the reader in understanding the financial statements and are not intended to suggest that other alternatives or estimates are more appropriate.

Provisions
The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation as at the reporting date.

Fair value of the financial instruments
The fair value is based on market prices, where available, and in the absence of a price it is determined based on the use of prices of recent similar transactions conducted at arm's length or based on valuation methodologies supported by flows future cash-flow techniques, discounted considering market conditions, the value over time, the yield curve and volatility factors. These methods may require the use of assumptions or judgements in estimating the fair value.
Consequently, the use of different methods or different assumptions or judgements in applying a particular model could produce financial results other than those presented.

Recoverability of trade accounts receivable and of other receivables
Impairment losses in respect of the debtor balances of customers and of other debtors are based on the valuation performed by the Company of the likelihood of recovering the receivables, of the age of the balances, of debt cancellation and of other factors. There are certain circumstances and facts that can change the estimate of impairment losses on receivables vis-à-vis the assumptions considered, including changes in the economic climate, sectorial trends, deterioration of the credit status of key customers and major defaults. This evaluation process is subject to various estimates and judgements. Alterations of these estimates may imply determination of different levels of impairment and, consequently, different impacts on results.

Corporation tax
There are various transactions and calculations in respect of which determination of the final amount of tax payable is uncertain during the normal business cycle. Other interpretations and estimates could result in a different amount of income taxes, current and deferred, recognised during the year.
In Portugal, the Tax Authorities are entitled to review the calculation of the taxable income made by the Company during a period of four to six years (four years as from losses generated during 2010), in the case of tax losses carried forward. The may therefore be corrections to the taxable income, resulting primarily from differences in the interpretation of tax legislation. However, it is Company's belief that there will be no significant corrections to the corporation tax recorded in the financial statements.
The recognition of deferred tax assets relating to tax losses is based on the Company's projections showing the existence of future taxable income.

Useful life of tangible fixed assets
The useful life is the period during which the Company expects the asset to be available for use. The estimated useful lives presented in Note 3.2 were determined considering the following factors:
- Expected use of the asset;
- Normal wear and tear expected of the asset considering the levels of activity and maintenance and repair programme;
- Technical or commercial obsolescence arising from changes to or improvements in production or from a change in market demand for the product or service derived from the asset; and
- Legal or similar limits on the use of the asset.

The useful life of the asset is thus a matter of value judgement based on the Company's experience. The Board of Directors believes that the useful lives considered are those that best reflect the asset's expected usefulness.

Estimated total contract costs

The revenue of provision of construction services contracts is recognised by reference to stage of completion of the activity of the contract as of the reporting date.

In determining the stage of completion of the contract estimates of total contract costs are considered. These total contract cost estimates are determined on the basis of Production Department estimating system that identifies and values the activities to be performed throughout the project that cause alterations in gauging the stage of completion of the contract as of the reporting date and consequently to the amount of contract revenue to be recognised.

The Board of Directors reviews the estimated total contract costs on each reporting date and believes that, based on the estimating system, on the monitoring of the execution of the projects and on its experience, the estimates appropriately reflect the probable outcome of contracts as of the reporting date.

3.4 Key assumptions concerning the future

The Company's governing body did not determine any situation which could cause material adjustments to the carrying amounts of assets and liabilities during the coming year or even call into question the continuity of the Company.

3.5 Main sources of uncertainty of the estimates

The main sources of uncertainties are detailed in Note 3.3.

4 Cash Flows

The Statement of Cash Flows is prepared under the direct method, through which gross cash receipts and in operating, investing and financing activities are disclosed.

The Company classifies interest and dividends paid as financing activities and interest and dividends received as investing activities.

4.1 As at December 31, 2013, all cash and cash equivalent balances are available for use.

4.2 Cash and bank deposits comprise the following balances:

(expressed in euros)

Description	31-12-2013	31-12-2012
Cash		
Cash Head Office	3.180	311
Cash Works	9.400	6.524
Cash Branches	24.533	7.739
Cash Joint Ventures/Subsidiaries	2.765	6.918
	39.878	**21.492**
Sight deposits		
Banks Head Office	998.577	1.930.602
Banks Branches	314.363	453.427
Banks Joint Ventures/Subsidiaries	1.006.650	181.440
	2.319.590	**2.565.469**
Other bank deposits		
Banks Head Office	200.000	160.000
Banks Joint Ventures/Subsidiaries	50.500	13.000
	250.500	**173.000**
Net book value:	***2.609.968***	***2.759.961***

5 Tangible fixed assets

The breakdown of this heading is as follows:

(expressed in euros)

Description	31-12-2013	31-12-2012
Gross Value:		
Land & natural resources	1.172.795	1.172.795
Buildings & other constructions	3.964.372	3.964.372
Plant & machinery	11.996.244	12.971.479
Transport equipment	1.634.350	1.688.818
Office equipment	1.319.717	1.490.253
Other tangible fixed assets	53.147	63.160
Investments in progress	20.610	-
	20.161.235	21.350.877
Accumulated depreciation & impairment		
Depreciation for the period	(1.154.781)	(1.458.736)
Accumulated depreciation of previous periods	(12.989.683)	(12.825.632)
	(14.144.464)	(14.284.368)
Net book value:	***6.016.771***	***7.066.509***

The breakdown of movements under tangible fixed assets during the 2013 is as follows:

(expressed in euros)

Description	Opening balance	Additions	Disposals	Other changes	Closing balance
Gross value:					
Land & natural resources	1.172.795	-	-	-	1.172.795
Buildings & other constructions	3.964.372	-	-	-	3.964.372
Plant & machinery	12.971.479	298.272	(1.263.455)	(10.052)	11.996.244
Transport equipment	1.688.818	247.080	(215.422)	(86.126)	1.634.350
Office equipment	1.490.253	143.823	(305.238)	(9.121)	1.319.717
Other tangible fixed assets	63.160	-	(9.716)	(297)	53.147
Investments in progress	-	20.610	-	-	20.610
	21.350.877	709.785	(1.793.831)	(105.596)	20.161.235
Accumulated depreciation & impairment					
Buildings & other constructions	(1.329.788)	(145.349)	-	-	(1.475.137)
Plant & machinery	(10.465.801)	(648.267)	1.000.243	-	(10.113.825)
Transport equipment	(1.097.625)	(301.216)	128.403	-	(1.270.438)
Office equipment	(1.349.327)	(57.463)	162.394	-	(1.244.396)
Other tangible fixed assets	(41.827)	(2.486)	3.646	-	(40.667)
	(14.284.368)	(1.154.781)	1.294.686	-	(14.144.464)
Net book value:	***7.066.509***				6.016.771

The main additions in 2013 refer to the acquisitions of plant & machinery and transport equipment.
The biggest sellings were related to two machinery equipments.

As at December 31, 2013, the value of tangible fixed assets financed by lease contracts is as follows:

(expressed in euros)

Heading	31-12-2013 Gross value	31-12-2013 Depreciation/ Impairment	31-12-2013 Net value	31-12-2012 Gross value	31-12-2012 Depreciation/ Impairment	31-12-2012 Net value
Land & natural resources	1 030 558	-	1 030 558	1 030 558	-	1 030 558
Buildings & other constructions	2.718.549	(541.145)	2.177.404	2.718.549	(423.194)	2.295.355
Plant & machinery	106.000	(2.523)	103.477	1.070.780	(323.955)	746.825
Transport equipment	112.993	(65.088)	47.905	83.178	(39.947)	43.231
Total:	***3.968.100***	***(608.756)***	***3.359.344***	***4.903.065***	***(787.096)***	***4.115.969***

The decrease under Plant & machinery stems from the normal termination of lease contracts concluded.

Total future minimum lease payments are as follows:

(expressed in euros)

Description	31-12-2013 Outstanding principal	31-12-2013 Outstanding interest	31-12-2013 Rents falling due	31-12-2012 Outstanding principal	31-12-2012 Outstanding interest	31-12-2012 Rents falling due
Less than one year	310.674	16.751	327.425	447.887	18.780	466.667
One to five years	1.139.572	30.204	1.169.776	1.078.341	38.424	1.116.765
Over five years	130.005	316	130.321	404.847	3.088	407.935
Total:	***1.580.251***	***47.271***	***1.627.522***	***1.931.075***	***60.292***	***1.991.367***

6 Financial holdings – equity method

The breakdown of this heading is as follows:

(expressed in euros)

Description	31-12-2013 Gross value	31-12-2013 Impairment	31-12-2013 Net value	31-12-2012 Gross value	31-12-2012 Impairment	31-12-2012 Net value
Marinertes, SA	612.649	(612.649)	-	612.649	(612.649)	-
Total:	***612.649***	***(612.649)***	**-**	***612.649***	***(612.649)***	**-**

The Company came to apply the equity method in the valuation of the financial investments in its financial statement.

Movement under financial holdings is as follows:

(expressed in euros)

	Opening balance	Additions	Equity Method	Other changes	Closing balance
Gross value					
Marinertes, SA	612.649	-	-	-	612.649
	612.649	-	-	-	612.649
Impairment					
Marinertes, SA	(612.649)			-	(612.649)
	(612.649)	-	-	-	(612.649)
Total	**-**				**-**

The main changes refer to applying the equity method.

The summarised financial information concerning associates is as follows:

(expressed in euros)

Name of associate	Holding %	Reference date	Assets	Liabilities	Equity	Revenue	Net income
Marinertes, SA	29,00%	31-12-2013	8.477	403.790	(395.313)	74	(943.430)

7 Corporation Tax

The main components of tax expense/income are as follows:

(expressed in euros)

Description	2013	2012
Current taxes	290.538	445.673
Source and reversal of temporary differences	-	-
	290.538	***445.673***

The breakdown of tax recognised in equity is as follows:

(expressed in euros)

Deduction date limit	31-12-2013	31-12-2012
2015	1.008.403	1.008.403
2016	3.284.610	3.284.610
2017	1.801.239	-
	6 094 252	***4 293 013***

No deferred tax assets have been recognized:

(expressed in euros)

	31-12-2013		31-12-2012	
Description	**Tax base**	**Tax**	**Tax base**	**Tax**
Tax losses	6.094.252	1.401.678	4.293.013	1.073.253
	6.094.252	***1.401.678***	***4.293.013***	***1.073.253***

The effective tax rate is as follows:

(expressed in euros)

Description	2013	2012
Earnings before taxes	(417.079)	(3.085.332)
Nominal tax rate	26,50%	26,50%
Expected tax	(110.526)	(817.613)
Permanent differences (i)	-	-
Adjustments of the assessment (ii)	148.845	148.459
Autonomous taxation (iii)	141.693	223.559
Tax for the period (iv)	290.538	445.594
Effective tax rate	***-69,66%***	***-14,44%***

The permanent differences relate to increases of and deductions from taxable income, while the adjustments to the assessment relate to deductions from the assessment in keeping with the tax rules in effect on the reporting date.

8 Inventories

The breakdown of this heading is as follows:

(expressed in euros)

Description	31-12-2013	31-12-2012
Gross Value:		
Raw & subsidiary materials & consumables	463.929	466.856
Net book value:	***463.929***	***466.856***

During the period a total of €3,596,280 was recognised under cost of goods sold and materials consumed (2012: €6,180,200), as per Note 31.

9 Trade accounts receivable

The breakdown of this heading is as follows:

(expressed in euros)

Description	31-12-2013	31-12-2012
Gross Value:		
Trade accounts receivable		
General	6.581.974	6.454.348
Subsidiary companies	1.242	2
Associate companies	32.212	27.656
Joint ventures	508.871	225.809
	7.124.299	6.707.815
Accumulated impairment		
Impairment losses for the period	(31.890)	(238.331)
Impairment losses of previous periods	(598.391)	(553.848)
	(630.281)	(792.179)
Net book value:	***6.494.018***	***5.915.636***

The general customers heading mostly consists of the balances of the following companies:

(expressed in euros)

Customer	31-12-2013	31-12-2012
CONSTRUSALAMONDE, ACE	1.034.016	216.917
ROHDE NIELSEN A/S	928.805	-
DGITT	691.163	818.931
CASAIS - ENGENHARIA E CONSTRUÇÃO, S.A.	297.635	-
SDNM-SOC.DE DESENVOLVIMENTO DO NORTE DA MADEIRA	287.994	287.994
CÂMARA MUNICIPAL DE AVEIRO	248.336	154.258
SGPAMAG, SA	242.627	-
FUNDAÇÃO CHAMPALIMAUD	159.495	159.495
PARQUE ESCOLAR	-	1.064.032
CÂMARA MUNICIPAL DE LISBOA	-	494.512
HIPERMÁQUINAS ANGOLA	-	220.000
OUTROS	2.603.947	2.499.497
Total:	***6.494.018***	***5.915.636***

The balance of Customers with warranty deposit as at December 31, 2013, amounts to €167,748 (2012: €1,150,913). This heading includes amounts withheld by customers by way of contractual warranty.

Movements under impairment losses are as follows:

(expressed in euros)

Description	Opening balance	Losses	Reversals	Closing balance
Impairment losses				
General customers	792.179	(31.890)	193.788	(630.281)
Total:	***792.179***	***(31.890)***	***193.788***	***(630.281)***

The heading of impairement of receivables (losses/reversals) amounts to €212,953 of which €31,890 comprise the increase on losses for impairement of the period. On the contrary, the reversals amount to €244,843 of which €193,788 refer to reversals of Customers and the remaining, €51,055, to amounts of contractual warranty withheld by customers.

The age of trade accounts receivable is as follows:

(expressed in euros)

Age:	Up to 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 to 12 months	12 to 18 months	18 to 24 months	Over 24 months	Total
Balance:	2.652.810	826.616	776.974	475.483	242.305	534.101	200.073	785.656	6.494.018

The balance of Customers with warranty deposit as at December 31, 2012, amounts to €1,150,913 (2011: €541,412).

This heading includes amounts withheld by customers by way of contractual warranty.

10 Advances to suppliers

The breakdown of advances to suppliers is as follows:

(expressed in euros)

Description	31-12-2013	31-12-2012
Gross Value:		
General Suppliers	91.185	173.749
Net book value:	***91.185***	***173.749***

11 State & other public entities

The breakdown of State & Other Public Entities is as follows:

(expressed in euros)

Description	31-12-2013	31-12-2012
Assets		
VAT refund applications	138.035	163.947
Recoverable VAT	100.803	76.678
Corporation tax	98.274	51.755
Other taxes (Branches)	606.780	431.315
Total:	***943.892***	***723.695***
Liabilities		
Corporation tax	141.693	223.559
Social Security contributions	88.689	84.619
Income tax withheld	74.952	51.939
Other taxes	-	171.188
Other taxes (Branches)	327.175	290.496
Total:	***632.509***	***821.801***

12 Other receivables

The breakdown of other receivables is as follows

(expressed in euros)

Description	31-12-2013	31-12-2012
Gross Value:		
Other debtors	2.570.261	3.494.199
Stage of completion	686.882	965.681
Other accrued income	2.438.550	992.024
	5.695.693	5.451.904
Accumulated impairment		
Impairment of the period	-	(345.875)
Impairment of prior periods	(370.631)	(24.756)
	(370.631)	(370.631)
Net book value:	***5.325.062***	***5.081.273***

The Other debtors heading also includes the sum of €261,751 which, according to Board of Directors' resolution dated January 27, 2012, refers to advances paid to Ricardo António Pedrosa Gomes within the scope of setting up the business structure and carrying on commercial activity in Angola and the incorporation of the company under Angolan Law.
The stage of completion heading refers to amounts related to the provision of construction services by SETH as of the reporting date.
The Other accrued income heading at December 31, 2013 amounts to €2,438,552 which includes €585,333 that comprise accrued income of the job being executed in Mozambique by the joint venture Aarsleff/SETH.

13 Deferrals

The breakdown of deferrals is as follows:

(expressed in euros)

Description	31-12-2013	31-12-2012
Assets		
Costs to be recognised		
Insurance settled	188	5.028
Other costs to be recognised	350.299	206.083
Total:	***350.487***	***211.111***
Liabilities		
Income to be recognised		
Stage of completion	857.237	663.674
Interest	427.035	693.903
Job warranties	142.903	207.152
Other income pending recognition	122.012	147.672
Total:	***1.549.187***	***1.712.401***

Stage of completion refers to amounts related to the provision of construction services not yet performed on the reporting date but already charged to the customer, of which €395,976 refer to the Construsalamonde job, €275,266 refers to the Mozambique job and €134,931 refers to the Cape Verde (Porto Mindelo) job.

Interest income pending recognition has to do with interest charged to customers recognition of which depends on its actual receipt.

Job warranties refers to the amount estimated by SETH of the income pending recognition required to meet the costs of additional work to meet the contractual warranties of jobs completed and in progress.

14 Financial assets held for trading

The breakdown of Financial assets held for trading is as follows:

(expressed in euros)

Description		31-12-2013	31-12-2012
Financial assets (Shares)		20.800	20.800
	Total:	***20.800***	***20.800***

The balance of this heading comprises the shares acquired in LISGARANTE.

15 Paid-up equity capital

The equity capital of €4,000,000, represented by 4 million ordinary shares each of a par value of €1, is fully paid up as at 31 December 2013.

16 Legal reserves

In accordance with Article 295 of the Companies Code and with the Company's articles of association, the legal reserve is necessarily allocated a minimum of 5% of the annual net income until such time as it equals 20% of the Company's equity capital. This reserve can only be used to cover losses or to increase the equity capital.

17 Other reserves

The breakdown of this heading is as follows:

(expressed in euros)

Description		31-12-2013	31-12-2012
Other reserves		(117.648)	(140.705)
	Total:	***(117.648)***	***(140.705)***

18 Retained earnings

The variation of retained earnings in the sum of €3,675,742 includes the appropriation of the 2012 in the sum of €3,530,926, including exchange differences arising from the translation of the previous years' results of the branches.

19 Adjustments to financial assets

The breakdown of this heading is as follows:

(expressed in euros)

Description		31-12-2013	31-12-2012
Related to the equity method:			
Stemming from other changes in equity of subsidiaries		(61.483)	(13.798)
Other		-	180.594
	Total:	***(61.483)***	***166.796***

20 Other changes in equity

The breakdown of Other changes in equity is as follows:

(expressed in euros)

Description		31-12-2013	31-12-2012
Financial statement translation differences		37.742	190.005
	Total:	***37.742***	***190.005***

Financial statement translation differences includes the amount resulting from the change in euros of the equity of the branch companies expressed in foreign currency due to the alteration of the respective exchange rate.

The exchange rates used in preparing the financial statements are as follows:

		Rates in December 2013		Rates in December 2012	
Currency		Closing Rate	Average Rate	Closing Rate	Average Rate
United States dollar	USD	1,3791	-	1,3119	-
Sterling	GBP	0,8337	-	0,8124	-
Kwanza	AKZ	134,5920	131,1568	126,85	-
Algerian dinar	DZD	108,1034	106,1607	103,19	100,28
Cape Verde escudo	CVE	110,2650	110,2650	110,27	110,27
Guinean franc	GNF	9.570,95	9.410,95	9.222,61	9.230,97
Mozambican metical	MZN	41,24	39,67	39,24	36,49

21 Provisions, Contingent Liabilities and Contingent Assets

Movement under provisions is as follows:

(expressed in euros)

Description	Opening balance	Additions	Reversals	Closing balance
Warranties for customers	48.519	-	(4.654)	43.865
Other	18.103	-	(18.103)	-
	66.622	**-**	***(22.757)***	***43.865***

As at December 31, 2013, the Company had provided the following bank guarantees:

(expressed in euros)

Description	31-12-2013	31-12-2012
Bank guarantees provided to third parties		
- Performance (construction contracts)	13.264.011	19.764.104
- Tenders	1.402.306	1.063.561
- Services acquired	62.422	32.423
- Legal	1.853.660	1.853.660
Total:	***16.582.399***	***22.713.748***

The Company predicts neither any outflow of economic benefits nor the occurrence of facts requiring an economic outflow.

22 Borrowings

The breakdown of this heading is as follows:

(expressed in euros)

Description	31-12-2013	31-12-2012
Non-current		
Credit institutions and financial companies		
Bank loans	1.075.000	1.075.000
Finance leases	1.269.577	1.483.188
	2.344.577	2.558.188
Current		
Credit institutions and financial companies		
Bank loans	356.250	875.000
Overdraft facilities	-	813.350
Finance leases	310.674	447.887
	666.924	2.136.237
Total:	***3.011.501***	***4.694.425***

Non-current borrowings refer to loans and financial leases from Banco BPI and Santander Totta, with maturities until 2019.

The breakdown of Borrowings by maturity is as follows:

(expressed in euros)

Description	31-12-2013	31-12-2012
Credit institutions and financial companies		
Bank loans		
Up to 1 year	356.250	1.688.350
1 to 5 years	1.075.000	1.075.000
Over 5 years	-	-
	1.431.250	2.763.350
Credit institutions and financial companies		
Finance leases		
Up to 1 year	310.674	447.887
1 to 5 years	1.269.577	1.078.341
Over 5 years	-	404.847
	1.580.251	1.931.075
Total:	***3.011.501***	***4.694.425***

As at December 31, 2013, the breakdown of future payments of principal and accrued interest of non-current borrowings is as follows:

(expressed in euros)

Description	2014	2015	2016	2017	2018	2019	Total
Credit institutions and financial companies							
Bank loans	356.250	475.000	412.500	162.500	25.000	-	1.431.250
Finance leases	310.674	302.204	294.304	271.444	271.619	130.006	1.580.251
Total:	***666.924***	***777.204***	***706.804***	***433.944***	***296.619***	***130.006***	***3.011.501***

23 Other payables

The breakdown of Other payables is as follows:

(expressed in euros)

Description	31-12-2013	31-12-2012
Current		
Remuneration payable	525.896	588.027
Other creditors for accrued costs	1.065.884	895.318
Other creditors	1.908.276	2.269.229
Total:	***3.500.056***	***3.752.574***

Other Creditors for Accrued Costs as at December 31, 2012, mostly comprises expenses of the Mozambique branch in the sum of €601,495.

24 Suppliers

The breakdown of Suppliers is as follows:

(expressed in euros)

Description	31-12-2013	31-12-2012
Trade accounts payable		
General	6.449.670	4.164.752
Parent company	-	30.150
Subsidiary companies	1.531	1.599
Associated Companies	-	-
Joint Ventures	-	-
Other related parties	1.241	4.272
Total:	***6.452.442***	***4.200.773***

The breakdown of General suppliers is as follows:

(expressed in euros)

Supplier	31-12-2013	31-12-2012
TELETEJO - TELECOMUNICAÇÕES DO RIBATEJO, S.A.	1.707.552	797.529
CONSTRUSALAMONDE, ACE	644.418	-
SEVEME - INDÚSTRIAS METALÚRGICAS, S.A.	230.742	-
TEIXEIRA DUARTE-ENGª E CONSTRUÇÕES, S.A.	153.497	808
PROCONSULTORES, LDA.	96.040	-
METALÚRGICA CENTRAL DE ALHOS VEDROS, LDA.	93.776	-
MARMOD - TRANSPORTES MARÍTIMOS INTERMODAIS, LDA.	80.102	-
EBERHARDT-MARTIN CC	33.526	131.884
CMM-CARTOR-VHC, LDA.	3.412	128.399
SVD (PORTUGAL) TRANSITÁRIOS, LDA.	2.178	100.214
JG - INSTALAÇÕES ELÉCTRICAS, LDA.	291	134.088
BETÃO LIZ, S.A.	-	162.023
LUNENG, LDA.	-	122.343
Others	3.406.908	2.623.485
Total:	***6.452.442***	***4.200.773***

25 Customer prepayments

The breakdown of Customer prepayments is as follows:

(expressed in euros)

Description	31-12-2013	31-12-2012
General customers	523.562	980.866
Total:	***523.562***	***980.866***

26 Financial liabilities held for trading

The breakdown of Financial liabilities held for trading is as follows:

(expressed in euros)

Description	31-12-2013	31-12-2012
Financial liabilities held for trading	-	66.586
Total:	***-***	***66.586***

27 Other financial liabilities

The breakdown of Other financial liabilities is as follows:

(expressed in euros)

Description	31-12-2013	31-12-2012
Other Financial Liabilities	-	8.769
Total:	***-***	***8.769***

28 Sales & services rendered

The breakdown of Sales & services rendered is as follows:

(expressed in euros)

Description	2013	2012
Services rendered		
Construction works	23.240.966	23.758.961
Secondary services	406.394	1.980.355
Total:	***23.647.360***	***25.739.316***

The main works in 2013 are as follows:

(expressed in euros)

Job	2013	2012
Salamonde ACE, EDP	4.127.238	-
Port of São Vicente, Mindelo, Cape Verde	3.886.713	-
Rehabilitation electricity distribution network, Mozambique	3.632.741	4.987.267
Porto Amboim, Angola	6.883.954	-
Radar System Raytheon, Lajes Field, Azores	859.585	-
Mozambique Power Grid	818.179	
Tagus River Front, Lisbon	746.834	2.685.794
Rehabilitation of the quay at Cimangola	712.013	-
Kamsar Container Terminal, Guinea	-	5.139.501
Secondary School at Pontinha	-	3.803.932
Secondary School at Bragança	-	2.898.387
Porto Novo Harbour, Santo Antão, Cape Verde	-	1.129.311
Intake, Champalimaud Centre, Lisbon	-	115.455
Inflatable Weir at Coruche	-	43.229
Others	1.980.103	4.936.440
Total:	***23.647.360***	***25.739.316***

29 Operating Subsidies

The balance of Operating subsidies in the sum of €5,977 has to do with subsidies for vocational training and training courses received through the Institute of Employment and Vocational Training (IEFP) and the Operational Human Potential Programme (POPH) under the NSRF.

30 Own work capitalised

The breakdown of Own work capitalised is as follows:

(expressed in euros)

Description	2013	2012
Tangible fixed assets	30.728	436
Total:	***30.728***	***436***

31 Cost of goods sold & materials consumed

The breakdown of Cost of goods sold & materials consumed is as follows:

(expressed in euros)

Description	31-12-2013	31-12-2012
Opening balance (+)	466.856	465.908
Purchases (+)	3.593.353	6.181.148
Adjustments (+/-)	-	-
Closing balance (-)	463.929	466.856
Cost of Goods Sold & Materials Consumed	***(3.596.280)***	***6.180.200***

32 Third-party supplies & services

The breakdown of Third-party supplies & services is as follows:

(expressed in euros)

Description	2013	2012
Subcontracts	5.025.143	5.739.144
	5.025.143	***5.739.144***
Specialised services:		
Specialised work	5.498.175	2.273.918
Maintenance & repairs	459.902	410.197
Fees	130.694	379.024
Guards & security	116.891	176.041
Advertising & publicity	8.598	26.401
Other	487	-
	6.214.747	***3.265.581***
Materials:		
Rapid-wear tools & utensils	48.686	130.265
Office supplies	25.900	29.166
Gift articles	17.388	32.596
Books & technical documentation	16.417	1.505
Other	13.442	8.451
	121.833	***201.983***
Energy & fluids:		
Fuel	1.051.022	1.110.331
Electricity	64.807	74.522
Water	11.530	41.416
Other	17.773	45.296
	1.145.132	***1.271.565***
Travel, board and transport:		
Travel, board & lodging	332.251	985.264
Transport of personnel	374.294	512.398
Carriage of goods	5.677	19.934
	712.222	***1.517.596***
Sundry services:		
Leases & rentals	539.870	1.119.900
Insurance	175.193	257.859
Communication	108.518	148.865
Cleaning, hygiene & comfort	47.329	63.751
Entertainment costs	18.244	15.300
Litigation and notaries	2.703	7.282
Other services	376.464	630.798
	1.268.321	***2.243.755***
Total:	***14.487.398***	***14.239.624***

The change under Subcontracts in 2013 is due to the smaller number of jobs involving the use of subcontractors. The increase in 2013 of third-party supplies and services heading is due to services received by the subsidiary SethAngola in the performance of its contract.

33 Staff costs

The breakdown of Staff costs is as follows:

(expressed in euros)

Description	2013	2012
Remuneration of corporate officers	265.342	266.060
Remuneration of personnel	3.560.811	4.610.028
Charges on remuneration	711.091	894.852
Indemnities	44.792	366.126
Workmen's compensation & occupational diseases insurance	63.496	79.421
Social costs	603	-
Other staff costs	83.442	621.465
Total:	***4.729.577***	***6.837.952***

The change under Other staff costs is mainly justified by the decrease in the number of staff.

The breakdown the permanent staff as at December 31, 2013 & 2012, by management positions / senior managers and professional category is presented as follows:

Description	31-12-2013	31-12-2012
Corporate officers	2	2
Senior managers	5	5
Upper managers	20	16
Middle managers	9	7
Foremen	10	13
Highly-skilled labour	14	11
Skilled labour	31	41
Semi-skilled labour	2	11
Unskilled labour	1	1
Total:	***94***	***107***

34 Other income & gains

The breakdown of Other income & gains is as follows:

(expressed in euros)

Description	2013	2012
Supplementary income	485.501	923.031
Other financial assets	607.473	1.000.762
Non-financial investments	150.701	415.585
Gains on inventories	3.927	44.171
Prompt-payment discounts earned	7.167	16.436
Other	178.221	336.156
Total:	***1.432.990***	***2.736.141***

As at December 31, 2013, the assignment of labour and equipment rental accounts for almost all of the Supplementary income heading.
The Other financial assets heading comprises exchange differences during the period.

35 Other costs & losses

The breakdown of Other costs & losses is as follows:

(expressed in euros)

Description	2013	2012
Taxes	168.282	313.817
Non-financial investments	31.931	305.177
Bad debt	3.588	11.208
Inventory losses	68	-
Other	870.090	551.478
Total:	***1.073.959***	***1.181.680***

As at December 31, 2013, Other in the sum of €551,479 includes €384,704 related to banking-services costs, commissions in particular.

36 Interest & similar income

The breakdown of Interest & similar income is as follows:

(expressed in euros)

Description	2013	2012
Interest income	97.898	133.363
Other similar income	66.585	58.068
Total:	***164.483***	***191.431***

37 Interest & similar cost

The breakdown of Interest & similar cost is as follows:

(expressed in euros)

Description	2013	2012
Interest expense	-	416.943
Other costs & losses	863.487	1.298.544
Total:	***863.487***	***1.715.487***

Interest expense relates to the borrowings mentioned in Note 22.
Other costs & losses reflects exchange differences during the period.

38 Related-party Disclosures

As at December 31, 2013, the Company's shareholder structure is as follows:

(number of shares)

Description	31-12-2013	31-12-2012
MT Højgaard a/s	2.400.000	2.400.000
Operatio SGPS SA	1.600.000	1.600.000
Total:	***4.000.000***	***4.000.000***

Balances with related parties are as follows:

(expressed in euros)

Description		31-12-2013	31-12-2012
Assets			
Subsidiaries		533.567	866.524
Associates		4.493	42.091
Joint ventures		604.023	669.089
	Total:	***1.142.083***	***1.577.704***
Liabilities			
Subsidiaries		1.524	1.599
Associates		43.118	270.285
Joint ventures		-	-
MT Højgaard a/s		-	30.150
	Total:	***44.642***	***302.034***

Transactions recorded are summarised as follows:

(expressed in euros)

Description		GMP ACE	GMP ACE MEK
Revenue			
Assignment of labour & equipment		(14.959)	-
Re-debit of expenses		-	-
Materials Export		-	-
	Total:	***(14.959)***	***-***
Costs			
Equipment rental		-	-
Assignment of materials		-	-
Re-debit of expenses		24.121	-
Other		-	1.819
	Total:	***24.121***	***1.819***

39 Construction Contracts

The method of accounting for construction contracts is the stage of completion method. Contract revenue and costs are recognised in accordance with AFRS 19.

(expressed in euros)

Description	Recognised previous years	Recognised in the period	Deferred / Not Recognised	Total
Costs	25.128.383	20.919.357	-	***46.047.740***
Income/Revenue	27.355.054	24.085.694	(857.236)	***50.583.511***

40 Contingent liabilities

As at December 31, 2013, there are legal proceedings against the Company which the Board believes, given the assumptions and background of the legal actions, the expectations of the Company's lawyers and other circumstances inherent in the proceedings, will not result in liabilities for the Company that would justify a need for provisions for legal proceedings in progress.
The proceedings are related to claims relating to Corporation tax assessments for 1997, 1998, 2004, 2005, 2006, 2007 and 2008.

41 Subsequent Events

There were no significant events impacting on the Financial Statements as at December 31, 2013.
The Financial Statements were authorised for issue by the Board of Directors on February 28, 2014.

The Board of Directors
Ricardo Pedrosa Gomes (President)
Peter Kofoed
Jesper Nordby
Villy Petersen

The Accountant
Sofia Mendes

Statutory Auditor's Report and Opinion

To the Members of
SETH – Sociedade de Empreitadas e Trabalhos Hidráulicos, SA

In accordance with the provisions of article 420.1(g) of the Companies Code, it is incumbent upon us as Statutory Auditor of **SETH – Sociedade de Empreitadas e Trabalhos Hidráulicos, SA**, to present our audit report as well as our opinion on the consolidated management report, the consolidated accounts and the proposal submitted by the Board of Directors of SETH – Sociedade de Empreitadas e Trabalhos Hidráulicos, SA, for the year ended December 31, 2013.

Through contacts with the Board of Directors, as well as clarification and information collected from the company's services, we took cognisance of the company's activity and of the management of the business and checked the financial information produced during the year ended December 31, 2013, performing such analyses as were deemed appropriate.

We ascertained due observance of the law and of the company's articles of association, verified that the bookkeeping and its supporting documentation were in order, ascertained that the accounting policies adopted by the Seth Group and the disclosures included in the Notes to the Consolidated Accounts led to a correct representation of the assets and consolidated results and undertook such other procedures as were deemed necessary under the circumstances.

After the close of the accounts we appraised the accounting documents, in particular, the consolidated management report, prepared by the Board of Directors, as well as the consolidated financial statements, which include the Consolidated balance sheet, the Consolidated statement of income by nature of results, the Consolidated statement of changes in equity and the Consolidated cash-flow statement, and the corresponding Notes to the accounts.

We also issued the respective Legal Certification of the Consolidated Accounts, arising from the audit.

At all times we received from the Board of Directors and the company's services such documentation and clarification as we requested, for which our thanks, concluding that:

a. The financial statements provide a good understanding of the financial position and results of the Company;
b. The accounting policies adopted and disclosures made are adequate, and
c. The consolidated management report presents the development of business and the position of the Seth Group, in accordance with the legal and statutory provisions.

Without affecting our conclusion, we should draw attention to in accordance with Article 397 of the Companies Code the Company is not allowed to grant loans or extend credit to directors, to make payments on their behalf, to provide guarantees for liabilities incurred by them and to provided them with advances of remuneration greater than one month. The Company carries as a receivable the sum of €261,751 which, under that article, should be put in order.

In light of the foregoing the Annual General Meeting shall pass resolutions as to:

a. The Consolidated Management Report and the Consolidated Accounts for the period ended December 31, 2013;
b. The proposal for the appropriation of the consolidated results contained in the said Consolidated Management Report.

Lastly, we must emphasise and acknowledge the excellent co-operation received in the performance of our duties from the Board of Directors of the Company and from the services we had the opportunity to contact.

Lisbon, March 31, 2014

THE STATUTORY AUDITOR

____

KPMG & Associados -
Sociedade de Revisores Oficiais de Contas, SA (nº 189)
represented by
João Paulo da Silva Pratas (ROC nº 965)

Legal Certification of the Consolidated Accounts

Introduction

1 We have audited the financial statements of **SETH - Sociedade de Empreitadas e Trabalhos Hidráulicos, SA**, which include the consolidated Balance Sheet as at December 31, 2013 (which shows a total of €22,483,860 and total €6,770,738, including a net loss of €707,617), the consolidated Statement of Income by Nature of Expense, and the consolidated Statement of Cash Flows for the period then ended, and also the Notes to the Accounts.

Responsibilities

2 The Board of Directors is responsible for the preparation of consolidated financial statements that truly and fairly reflect the financial situation of the group of companies included in the consolidation, the consolidated results of their operations, the changes of their consolidated equity and their consolidated cash flows, for the adoption of adequate accounting policies and criteria, and for maintaining appropriate systems of internal control.

3 Our responsibility is to express a professional, independent opinion based on our audit of the said consolidated financial statements.

Scope

4 Our audit was performed in accordance with the Technical Rules and Auditing Directives of the Association of Official Auditors, which require that it be so planned and performed as to obtain an acceptable degree of certainty as to whether the consolidated financial statements contain any materially relevant distortions. For the purpose, the said audit included:

- verification that the financial statements of the companies included in the consolidation have been appropriately audited and, in those significant cases in which they have not, verification on a test basis of the evidence underlying the figures and disclosures contained therein and an evaluation of the estimates, based on judgements and criteria established by the board of directors, used in their preparation;
- verification of the consolidation operations and of the application of the equity method;
- an appraisal of the adequacy of the accounting policies employed, of their consistent application and of their disclosure, taking the circumstances into account;
- verification of the applicability of the going-concern principle; and
- an appraisal as to the adequacy, in overall terms, of the presentation of the consolidated financial statements.

5 Our audit also included verification of the consistency of the consolidated financial information contained in the management report with the consolidated financial statements.

6 We believe that our audit provides an acceptable basis for the expression of our opinion.

Opinion

7 In our opinion, these consolidated financial statements present a true and fair view, in all material respects, of the consolidated financial position of **SETH - Sociedade de Empreitadas e Trabalhos Hidráulicos, SA**, as at December 31, 2013, the consolidated results of its operations, the changes in equity and its consolidated cash flows for the period then ended, in conformity with accounting principles generally accepted in Portugal.

Emphases

8 Without affecting the opinion expressed in the previous paragraph, we draw attention to the following situations:

8.1 The Legal Certification of the Accounts as at December 31, 2012, included a reserve for limitation of scope as we were unable to conclude to what extent the net impairment loss of trade receivables recognized in 2012 amounting to €238,000 should have been considered as retained earning rather than as expense of the year. This matter doesn't have any impact on the financial statements for the period so we consider it resolved.

8.2 The Legal Certification of the Accounts as at December 31, 2012, included a reserve for disagreement, for the fact that the amount of €351,000 had been recognized as income and we had not obtained sufficient evidence of acceptance by the customer. As at December 31, 2013 this matter was resolved.

Report on other legal requirements

9 It is also our opinion that the information in the management report is consistent with the consolidated financial statements for the period.

Lisbon, March 31, 2014

KPMG & Associados -
Sociedade de Revisores Oficiais de Contas, SA (nº 189)
represented by
João Paulo da Silva Pratas (ROC nº 965)

Certifications

Certificado
Certificate

NÚMERO **2012/CEP.4165**
Number

O Sistema de Gestão da Qualidade da
The Quality Management System of

SETH – Sociedade de Empreitadas e Trabalhos Hidráulicos, S.A.

Sede
Avenida Tomás Ribeiro, 145
2790-467 QUEIJAS

Estaleiro Central de Palmela
Rua da Ponte 2 Orvidais, Palmela
2950-422 SETÚBAL

implementado em obras de construção civil, engenharia portuária e costeira, cravação de estacas, trabalhos de hidráulica fluvial e marítima, estações de tratamento de águas e de águas residuais, cumpre os requisitos da norma
implemented in the civil construction, Marine, Harbour and Shore protection works, Pile–driving, Hydraulic works, Water and SewageTreatment Plant, meets the requirements of the standard

NP EN ISO 9001:2008

IPAC acreditação A0002 Certificação Sistemas de Gestão

José Leitão
CEO

Emitido em 2014-02-18
Date of issue
Válido até 2015-05-17
Valid until

APCER – Associação Portuguesa de Certificação
Edifício de Serviços da Exponor, 2º Andar, Av. Dr. António Macedo
4450-617 Leça da Palmeira
www.apcer.pt

THE INTERNATIONAL CERTIFICATION NETWORK

CERTIFICATE

IQNet and
APCER
hereby certify that the organization

SETH – Sociedade de Empreitadas e Trabalhos Hidráulicos, S.A.

Sede
Avenida Tomás Ribeiro, 145
2790-467 QUEIJAS

Estaleiro Central de Palmela
Rua da Ponte 2 Orvidais, Palmela
2950-422 SETÚBAL

for the following field of activities

Civil construction, marine, harbour and shore protection works, pile–driving, hydraulic works, water and sewagetreatment plants

has implemented and maintains a

Quality Management System

Which fulfils the requirements of the following standard

ISO 9001:2008

Issued on: 2014-02-18
Validity date: 2015-05-17

Registration Number: PT- 2012/CEP.4165

Michael Drechsel
President of IQNet

José Leitão
APCER CEO

Any additional clarification concerning the scope of this certificate may be obtained by consulting APCER.

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Certificado
Certificate

NÚMERO **2009/AMB.0420**
Number

O Sistema de Gestão Ambiental da
The Environmental Management System of

SETH – Sociedade de Empreitadas e Trabalhos Hidráulicos, S.A.

Sede
Avenida Tomás Ribeiro, 145
2790-467 QUEIJAS

Estaleiro Central de Palmela
Rua da Ponte 2 Orvidais, Palmela
2950-422 SETÚBAL

implementado na coordenação e execução de obras de construção civil e públicas, designadamente para obras de protecção costeira, portuárias, hidráulicas, gasodutos, estruturas de betão e metálicas e cravação de estacas em Portugal e Ilhas, cumpre os requisitos da norma
implemented in the coordination and execution of civil construction and public works, namely coastal and shore protection works, harbour works, hydraulic works, gas pipelines, reinforced concrete and steel structures and pile-driving in Portugal and Islands, meets the requirements of the standard

NP EN ISO 14001:2012

José Leitão
CEO

Emitido em 2014-02-18
Date of issue
Válido até 2015-03-16
Valid until

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CERTIFICATE

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APCER
hereby certify that the organization

SETH – Sociedade de Empreitadas e Trabalhos Hidráulicos, S.A.

Sede
Avenida Tomás Ribeiro, 145
2790-467 QUEIJAS

Estaleiro Central de Palmela
Rua da Ponte 2 Orvidais, Palmela
2950-422 SETÚBAL

for the following field of activities

Coordination and execution of civil construction and public works, namely coastal and shore protection works, harbour works, hydraulic works, gas pipelines, reinforced concrete and steel structures and pile-driving in Portugal and Islands

has implemented and maintains a

Environmental Management System

Which fulfils the requirements of the following standard

ISO 14001:2004

Issued on: 2014-02-18
Validity date: 2015-03-16

Registration Number: PT- 2009/AMB.0420

Michael Drechsel — *President of IQNet*
José Leitão — *APCER CEO*

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FCAV *Brazil* FONDONORMA *Venezuela* ICONTEC *Colombia* IMNC *Mexico* INNORPI *Tunisia*
Inspecta Certification *Finland* IRAM *Argentina* JQA *Japan* KFQ *Korea* MIRTEC *Greece* MSZT *Hungary* Nemko AS *Norway*
NSAI *Ireland* PCBC *Poland* Quality Austria *Austria* RR *Russia* SII *Israel* SIQ *Slovenia* SIRIM QAS International *Malaysia*
SQS *Switzerland* SRAC *Romania* TEST St Petersburg *Russia* TSE *Turkey* YUQS *Serbia*
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APCER
ASSOCIAÇÃO PORTUGUESA DE CERTIFICAÇÃO

Certificado de Conformidade
Certificate of Registration

NÚMERO **2008/SST.0177**
Number

APCER – Associação Portuguesa de Certificação certifica que o Sistema de Gestão da Segurança e Saúde do Trabalho da
APCER – Associação Portuguesa de Certificação *certifies that the Occupational Health and Safety Management System of*

SETH – SOCIEDADE DE EMPREITADAS E TRABALHOS HIDRÁULICOS, S.A.

Sede
Avenida Tomás Ribeiro, 145
2790-467 Queijas
PORTUGAL

Estaleiro Central de Palmela
Rua da Ponte 2 Orvidais, Palmela
2950-422 SETÚBAL
PORTUGAL

implementado na coordenação e execução de obras de construção civil e públicas, designadamente para obras de protecção costeira, portuárias, hidráulicas, gasodutos, estruturas de betão e metálicas e cravação de estacas em Portugal e Ilhas, cumpre os requisitos da norma
implemented in the coordination and execution of civil construction and public works, namely coastal and shore protection works, harbour works, hydraulic works, gas pipelines, reinforced concrete and steel structures and pile-driving in Portugal and Islands, meets the requirements of the standard

OHSAS 18001:2007 / NP 4397:2008

Occupational Health and Safety Management Systems – Requirements / Sistemas de Gestão da Segurança e Saúde do Trabalho – Requisitos

Data de emissão 2012-09-11
Date of issue

Válido até 2015-09-10
Valid until

José Leitão
CEO

Qualquer esclarecimento adicional sobre este certificado pode obter-se consultando a APCER
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CERTIFICATE

IQNet and

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hereby certify that the organization

SETH – SOCIEDADE DE EMPREITADAS E TRABALHOS HIDRÁULICOS, S.A.

Sede
Avenida Tomás Ribeiro, 145
2790-467 Queijas - PORTUGAL

Estaleiro Central de Palmela
Rua da Ponte 2 Orvidais, Palmela
2950-422 SETÚBAL - PORTUGAL

for the following field of activities

Coordination and execution of civil construction and public works, namely coastal and shore protection works, harbour works, hydraulic works, gas pipelines, reinforced concrete and steel structures and pile-driving in Portugal and Islands

has implemented and maintains a

Occupational Health and Safety Management System

Which fulfils the requirements of the following standard

OHSAS 18001:2007

Issued on: 2012-09-11
Validity date: 2015-09-10

Registration Number: PT- 2008/SST.0177

Michael Drechsel
President of IQNet

José Leitão
APCER CEO

Any additional clarification concerning the scope of this certificate may be obtained by consulting APCER.

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Organisation Chart

Seth

Branches	Permanent Joint Ventures	Subsidiaries	Associates
Guinea (Conakry)	Cais do Jardim do Tabaco 1.ª Fase (Portugal) 50%	SethAngola, SA (Angola) 60%	Marinertes, SA (Portugal) 29%
Algeria	Cais dos Cruzeiros 2.ª Fase (Portugal) 37,50%	SethMoz, SA (Mozambique) 60%	
Mozambique	GMP (Algeria) 33,33%	MaisTrês, SA (Portugal) 100%	
Cape Verde	GMP MEK (Algeria) 33,33%		
	AARSLEFF - SETH JV I/S (Mozambique) 50%		

SETH – 2013 Annual Report

Credits

Editorial Coordination – Inácio Beirão
Texts – Seth
Translation – Seth (SM)
Photography – Seth (Carlos Amorim) - Mindelo, Cape Verde
Proof Reading – IB
Designed, Printed and Bound in Portugal by Gráfica Sobreirense (Sobreiro, Mafra)

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