Annual Financial Statement

December 2015

Corporate Bodies

General Meeting Board

José Lourenço Abreu Teixeira – Chairman
Manuel Fernando Monteiro da Silva – Vice Chairman
Maria Olívia Almeida Madureira – Secretary
Jorge Manuel Coutinho Franco da Quinta - Secretary

Board of Directors

José Reis da Silva Ramos – Chairman
Maria Angelina Martins Caetano Ramos – Member
Salvador Acácio Martins Caetano – Member
Miguel Pedro Caetano Ramos – Member
Nobuaki Fujii - Member
Matthew Peter Harrison -Member
Rui Manuel Machado de Noronha Mendes – Member
Yoichi Sato – Deputy Member

Supervisory Board

José Domingos da Silva Fernandes - Chairman
Alberto Luis Lema Mandim – Member
Maria Lívia Fernandes Alves – Deputy Member

Statutory Auditor

PricewaterhouseCoopers & Associados - Sociedade de
Revisores Oficiais de Contas, Lda. Represented by José Pereira Alves or by José Miguel Dantas Maio Marques
António Joaquim Brochado Correia - Deputy Member

MANAGEMENT REPORT

MESSAGE FROM THE CHAIRMAN

2015 was a year of moderate optimism. Thanks to a relatively stable political and social context, particularly until October, our economy showed some signs of recovery, albeit tenuous.

Despite a modest progress, Portugal is still facing a climate of uncertainty and enormous challenges that entail responsibilities at different levels and for different players.

Now, more than ever, from a political and legislative point of view, I believe there is a need for consensus, which puts the Portuguese people and the Country first, above partisan and ideological conquests. In order to maintain the balance and the trust of all the sectors of economic activity, there must be a political agreement on the measures that are crucial for Portugal, mainly in the legislative field, given its impact on business. In this way, it will be possible to avoid the constant changes that compromise our credibility before external investors, as well as our companies' business plans and current management. Companies cannot survive the pressing threat of the rules being changed "mid-game", as has been the case mainly for the automotive industry, which is constantly targeted for tax collection measures.

Toyota came to Portugal 47 years ago, thanks to a joint venture with Salvador Caetano for the marketing of Toyota vehicles. Three years later (in 1971), this partnership was strengthened through the construction, in Ovar, of the first Toyota Factory in Europe.

This long-term relationship, which has witnessed different political, economic and social contexts, proved its solidity in 2015, with the launching of production of the Land Cruiser 70 Series for exporting to South Africa. In a domestic atmosphere of economic austerity and insecurity, this project allowed us to continue to maintain the sustainability and growth of the factory's operations.

The high standards of quality and excellence assured by Toyota Caetano Portugal's production lines, which stand out among the industrial units of the largest car manufacturing company in the world, together with the close links it has with Toyota Motor Corporation's Top Management, are the main reasons why the Toyota Motor Corporation decided to bring the manufacturing of the make's new and important model to Portugal.

This commitment is of great strategic interest for the Portuguese automotive sector and for the domestic economy as a whole, contributing to increase exports and create jobs.

On the other hand, the domestic automotive market once again recorded significant growth, compared to 2014. Despite these good news for the sector, we should highlight that the market is still 11% below the average of the last fifteen years.

Accompanying this wave of recovery in car sales, Toyota Caetano Portugal also showed a positive evolution and we are proud to report, once more, a remarkable growth in sales. We close 2015 with a growth of 13.4% over the previous year, and a 4.6% market share.

Despite the sector's recovery, I am more concerned than ever with the growth in the importing of used vehicles, which, in 2015, represented 25% of total car sales in Portugal, due to the recent tax relief granted for this type of operation.

In the Industrial Vehicles segment, we are still market leaders, with a 40.4% share.

Despite the great adversities, these numbers and developments prove Toyota Caetano Portugal's ability to turn challenges into growth, keeping its focus on cost adjustments, both at the operational and structural level. But, most of all, I would like to highlight the contribution of a Team made up of passionate People, who love what they do and are committed to sharing their achievements. These are the Values that make the difference on our business performance and that bring excellence to the service we provide.

2016 will no doubt be another demanding year, filled with new challenges for the automotive sector, so I would like to reassert our commitment and effort towards continuous, sustainable and responsible growth, aimed at creating value through the way in which we develop our business and the relationships we foster with our Customers.

José Ramos
(Chairman & CEO of Toyota Caetano Portugal)

INTRODUCTION

According to the provisions of article 245(1)(a) of the Securities Code, we have prepared the management report and the profit allocation proposal presented below, as well as the corresponding Appendixes, in compliance with the provisions of articles 447 and 448 of the Companies Code. For each of the Companies included Toyota Caetano Portugal's scope of consolidation, we shall present a list of the main events that occurred during the period under review and their impact on the financial statements.

TOYOTA CAETANO PORTUGAL, S.A.

INDUSTRIAL ACTIVITY

OVAR MANUFACTURING UNIT

2015 was marked by the end of production of the Dyna model – February –, and by the launch of the production of the new Land Cruiser 70 Series (LC70) model – July.

A total of 1,629 vehicles were manufactured (348 Dyna units; 1281 LC70 units).
The "Pre Delivery Inspection" department transformed/prepared 4,353 units.

We should also highlight that the total number of employees increased once again, thanks to the preparation and production of the new model.

PRODUCTION	2015	2014	2013	2012	2011
Toyota Physical Units	1,629	1,664	1,111	1,381	2,025
Transformed Physical Units	4,353	3,271	2,339	2,174	4,274
Total Staff	192	170	181	190	214

2015 was also marked by the following events:
- 7 to 13 January - Toyota Motor Europe Audit: Facilities Assessment (Assessment of Critical Equipment Management)

- 30 June 2015 - Shipping Quality Confirmation Meeting (SQCM) for the LC70s to be manufactured at this production unit.
- 10 July, Land Cruiser Series 70 Line-Off Ceremony, with the presence of the Deputy Prime Minister, Paulo Portas, of the Executive Vice President of the Toyota Motor Corporation, Didier Leroy, of the CEO of Toyota Motor Europe, Johan Van Zyl and also of the President of TAB, Takahiro Iwase.
- 27 and 28 July - APCER Audit to the Quality Management (renovation) and Environment (follow-up) systems, ISO 9001:2008 and ISO 14001:2012, respectively;

FUTURE PROSPECTS

The operational prospects for the Ovar Plant in 2016 are obviously positive.
In fact, and after the launch of the LC70 Project in 2015, 2016 will surely contribute to consolidate the good and long relationship between Toyota Motor Corporation and Toyota Caetano Portugal S.A.
The project mentioned above will continue to contribute positively, and in an increasingly significant way, to the development of the Portuguese economy, considering that all the vehicles manufactured are intended for exporting and that the model in question continues to be very well-received in the target market. Additionally, there are plans to introduce a minor change into the vehicle in question in 2016, and the expected production growth is of approximately 26%.

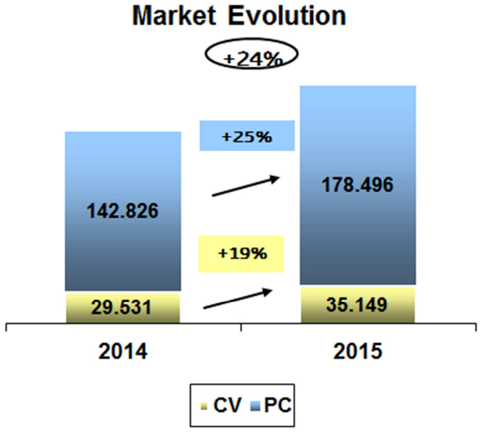
COMMERCIAL ACTIVITY

TOTAL MARKET - FRAMEWORK

2015 brought a 24% increase in sales over 2014, with a total of 213,645 vehicles sold.

Passenger vehicles and commercial vehicles showed a positive trend when compared to the corresponding period of the previous year, with a positive variation of 25% and 19%, respectively.

The following should be pointed out, as explanatory factors for the market's performance:



Source: ACAP (Portuguese Automobile Trade Association)

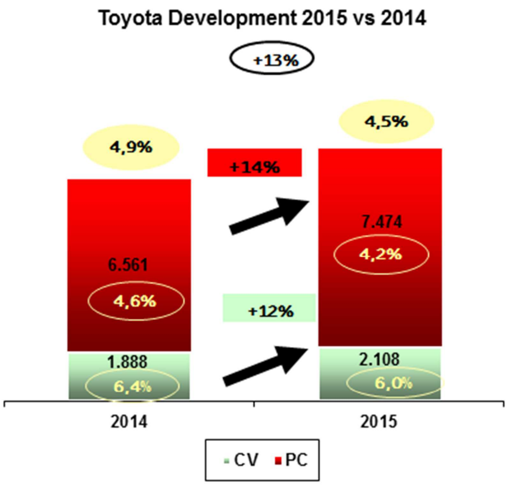
1) In 2015, Portugal witnessed an improvement in its main macroeconomic indicators, which ended up recording positive figures, from which we highlight the growth of the consumer confidence index in the wholesale and retail trade, and also of the GDP.

2) This improvement in the economic context had a particular impact on the rent-a-car market, with a higher growth in the passenger vehicle segment.

Toyota Vehicles

In 2015, Toyota's sales recorded anoverall increase of 13%, with 9,582 vehicles sold, representing a -0.4 p.p. loss in market share when compared to 2014 (total market share of 4.5%).

Toyota's performance is mainly due to:



(1) The performance of the Yaris and Auris models, which, despite an increase in sales volumes, lost market share due to the commercial aggressiveness of our competitors in these market segments and, in the Auris case, to a model transition.

(2) The overall performance of Toyota's commercial models. Highlight must be given to the performance of the Hilux model, which, once again, increased its market share and ended the year as the sales leader in its segment. Despite maintaining the leadership of the Chassis Cab segment for the 9th consecutive year, the Dyna model saw its market share drop due to the fact that it entered the final stage of its life cycle.

We should highlight the strong competitive pressure felt in the B (utility) & C (small family) segments, with aggressive promotional campaigns throughout the entire year.

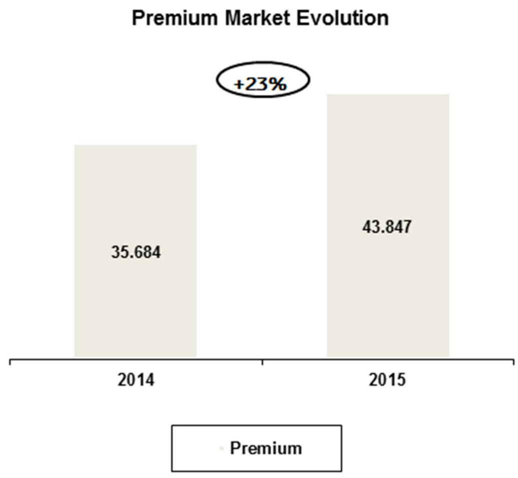
For 2016, the overall priorities and goals set include:

- Capitalising on the most representative models in terms of sales - Yaris and Auris, based on the launch of new Yaris special series and on the first year of sales of the New Auris;

- Launching the New C-HR Model, which will broaden the Toyota range in the important C-Crossover segment, one of the segments that has witnessed a higher growth in the last few years and corresponded, in 2015, to 7% of total passenger car sales;
- Enhancing sales to corporate customers (the most representative segment in the automotive market);
- Strengthening the brand's image and value through the innovative Hybrid technology, supported by the launch of the New Hybrid RAV4, the New Generation Prius and the New C-HR Model.
- Enhancing the commercial vehicle range, which will be renewed with the launching of the new-generation Proace and Hilux models.

PREMIUM MARKET - FRAMEWORK

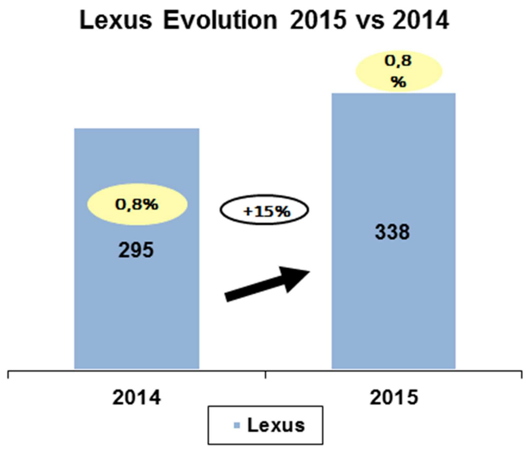
The Premium Market also showed a positive evolution when compared to the previous year, with a 23% growth and a total of 43,847 vehicles sold, representing almost 25% of the passenger car market as a whole.



Source: ACAP (Portuguese Automobile Trade Association)

Lexus Vehicles

In a complex competitive environment, with intense commercial aggressiveness by competitors in the C-Premium and D-Premium segments, the Lexus brand managed to increase its sales by 15%. In 2015, Lexus registered 338 license plates, which represents a 0.8% share in the premium market, in line with the share achieved in 2014.



The sharp increase in the sales of Lexus vehicles in 2015 was associated with the New NX 300h Model, which broadened Lexus' offer in the important SUV Premium segment.

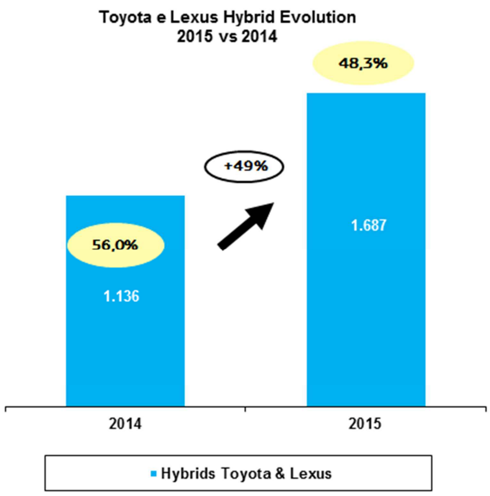
For 2016, the overall goals set include:

- Strengthening the brand's innovative position, leveraged by a broad and exclusive offer of hybrid vehicles with an advanced design;
- Launching of new products: the new RC 300h and 200t models, the new 450h generation and the new GS F model;
- Capitalizing on the most representative models in terms of sales - CT 200h, IS 300h and NX 300h.

Toyota and Lexus Hybrid Sales - Development

In 2015, we should highlight the performance of the Toyota and Lexus hybrid models, which recorded a 49% increase over 2014, corresponding to a 48.3% share of the hybrid vehicle market. In 2015, hybrid vehicles already accounted for 21.6% (+5 p.p. vs. 2014) of Toyota and Lexus passenger vehicle sales.

This performance was due to a broad and renewed offer in hybrid vehicles, corresponding to a total of 12 models - 6 Toyota and 6 Lexus - and to our focus on disseminating and promoting the benefits of hybrid technology.



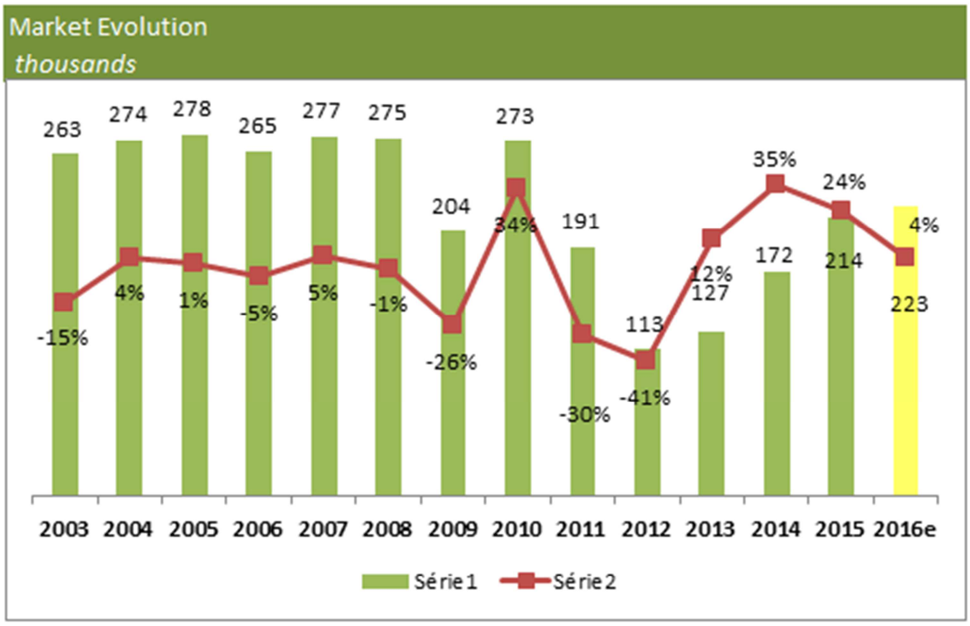
Source: ACAP (Portuguese Automobile Trade Association)

FUTURE PROSPECTS FOR 2016

Given the current economic environment and considering the latest forecasts published by the Bank of Portugal in the December issue of the Economic Bulletin, 2016 is expected to be a good year for our Country.

All macroeconomic indicators are expected to show positive developments over 2015.

In view of this scenario, the Market forecast for 2016 suggests a growth of 4% over the previous year, corresponding to approximately 223,000 units sold:



In view of the conditions described, the goal for 2016 is to sell 10,455 Toyota and Lexus units, a figure that would correspond to a 5% increase over 2015 and amount to a 4.7% market share.

AFTER-SALES

OVERALL SALES

(Thousand Euros)

Product	Sales 2014	Sales 2015	Growth % 2015/2014
Parts/Accessories/Merchandising	**32,522**	**34,666**	**6.6%**
Extracare Services/Total Assistance	1,057	1,398	**32.3 %**
Total	**33,579**	**36,064**	**7.4%**

At the end of 2015, Toyota's After-Sales Division recorded a total turnover of 34.7 million euros in parts, accessories and merchandising. This amount corresponds to a 6.6% increase when compared to 2014.

The turnover on the Extracare and Total Assistance services recorded a 32.3% increase over 2014.

TOYOTA ORIGINAL PARTS SALES (BRAND A)

(Thousand Euros)

Parts	Sales 2014	Sales 2015	Growth % 2015/2014
Toyota Originals	**27,445**	**29,693**	**8.2%**

The sales of Toyota Original parts (brand A) represented 85.7% of the total sales of Parts, Accessories and Merchandising in 2015.
The turnover reached a total of 29.7 million euros, +8.2% than the accumulated value in 2014. This performance is strongly related to the sale of parts for the technical campaigns that were in force throughout 2015 (+185% compared to 2014).
So, in 2015, as a result of such campaigns, we sold 3.8 million euros worth of parts. In 2014, the sales for technical campaigns totalled 1.3 million euros. These sales contributed to a significant growth over 2014, both in brand A, and in the dealership network, as well as to the performance related to the pre-defined budgets.

ACTIVITY

Toyota's Official Assistance network is the main customer of the After-Sales Division. This customer represented 93.9% of 2015's overall turnover, which corresponds to approximately 32.5 million euros. This figure represents a 10.0% increase, compared to the figures reported in 2014.

Despite the recovery recorded in vehicle sales throughout 2015, the after-sales service continued to be negatively influenced by a decreasing and ageing vehicle fleet and by a decrease in terms of average mileage.

In this context, TCAP maintained its commitment to the promotion of programmes that contribute to the recovery and development of the automotive after-sales service, specially those aimed at improving the customer retention levels of Toyota service centres:

We should highlight a few practical actions:

- Launching of the annual VCI (Value Chain Index) challenge across the Toyota network. This initiative encourages all the Toyota dealers to achieve good performances in some of the indicators that are considered strategic for the After-Sales business. These indicators include: proactive customer warning programmes, the active reception process, customer retention services (insurance, servicing contracts, 24/7 support,...), the promotion of the sale of accessories and the implementation of services for hybrid vehicles.
- Extending the offer of the 3years/45,000Km maintenance contract in the purchase of the Auris, Verso and Corolla models. Maintenance Contracts, which ensure the visit of Toyota vehicles to the service centre network, are currently the main customer retention tool.
- Launching Comprehensive Maintenance Contracts for new Toyota customers. These contracts cover all the vehicle's needs, namely Scheduled Maintenance, Preventive Maintenance and Corrective Maintenance.
- Extending the offer of Serviço 5+ (aimed at customers whose vehicles are over 5 years old, offering conditions that are significantly more favourable). With the new improvements, Serviço 5+ will offer fixed prices for oil and filter changes, as well as country-wide prices for the replacement of brakes and clutches.
- Launching of the 2015 Accessories Programme (Extra Incentive), aimed at improving the sales of this type of products.
- Training the network to establish proactive contacts with customers (Maintenance, ITV).
- Updating of notification postcards, with the creation of a new segment. This new segment is aimed at customers with Toyota vehicles over five years old, which have not performed their scheduled maintenance for more than three years. The aim of the new card format is to invite such customers to perform a pre-inspection, while simultaneously replacing the oil and filter under the Toyota 5+ Service.
- Dissemination and training on the Active Reception Process for the Toyota dealership network. This is a new way of developing the relationship with Toyota Customers, through support and follow-up from the time of service scheduling, to reception when the car arrives, up to after-sales follow-up after delivery. The aim is to optimize business opportunities through a personalized and humanized customer care, in which the Service Advisor seeks to sell the right product/service, to the right Customer, at the right time, and thus earn their trust and recommendation.

- Developing Maintenance Contracts for the latest Auris and Avensis generations.
- Continuous promotion of tyre deals, as part of specific campaigns held by the different brands.
- Across-the-board training of technicians and certification of the Toyota service centre network, as well as specialization on hybrid technology (Hybrid Service).

INDUSTRIAL MACHINES

Toyota Industrial Equipment

	MARKET			TOYOTA + BT SALES				
	'14	'15	Change	'14		'15		Change
			%	QTY	Share	QTY	Share	%
Counterbalanced Forklifts	1023	1025	0,2	307	30,0	295	28,8	-3,9
Warehouse Equipment	1153	1856	61,0	316	27,4	870	46,9	175,3
TOTAL LHM	**2176**	**2881**	**32,4**	**623**	**28,6**	**1165**	**40,4**	**87,0**

Source: ACAP

Market

In 2015, the Cargo Handling Machines market consolidated the upward trend it had already shown in 2014, with a 32.4% growth.

However, it is important to note that this growth was mainly associated with the Warehouse equipment segment, in which the variation in the sales volume was 61% over the previous year. This variation is mainly related to fleet deals concluded during the year in question.
Regarding the Counterbalanced Forklift Trucks segment, the market remained virtually unchanged (+0.2%), corresponding to 2 more units sold.

Toyota + BT Sales

Regarding the sales of Toyota Counterbalanced Forklift Trucks there was a 3.9% decrease in comparison with the same period of the previous year, thus placing our market share at 28.8%.

In terms of the sales of BT Warehouse Equipment, there was an unusual growth of 175.3%, placing our market share at 46.9%. This growth is justified by the fact that it was BT that closed the major fleet deals that had a significant impact on the market and, consequently, raised our share to levels up to nearly 47%.

In terms of sales ranking, Toyota + BT maintained its leadership in the Cargo Handling Machinery Market, with a market share of 40.4%, well ahead of the 2nd best-rated company, whose share was only 17%.

FUTURE PROSPECTS FOR 2016

Given the unusually sharp market growth witnessed in 2015, and in view of the current political and economic climate, we forecast that, in 2016, the market will not grow, and may even show a slight decrease.

Regarding the performance of Toyota + BT, we expect to maintain market leadership, but with a lower share, as the conditions verified in 2015 (significant fleet deals) will not be repeated in 2016.

QUALITY & ENVIRONMENT

Aware of the role it plays in the community in which it operates, Toyota Caetano Portugal has been prioritizing, over the years, the implementation of a policy of transparency and openness, materializing its sustainability strategy in an ethical and socially and environmentally correct management.

During 2015, the strategy defined is clearly evident in the actions that were implemented and in the results obtained:

- Within the scope of the Integrated Quality and Environment Management System, highlight goes to the conduction of internal and external audits (*certification agency – SGS*), consolidating the excellent management practices based on the ISO 9001 and ISO 14001 standards.

- The *Kaizen Lean* quality management is part of Toyota Caetano Portugal's DNA, supported mainly by the *Toyota Way* culture, from which we highlight respect for people and continuous improvement (*Kaizen*). With the aim of strengthening the *Kaizen Lean* activity, we implemented several improvement actions this year, from which we highlight the *Toyota Business Pratices* (TBP) methodology, the daily Kaizen, 5S and Kaizen Suggestions.

- For the second consecutive year, Toyota Caetano Portugal participated in the annual report on Sustainable Development "*Carbon Disclosure Project*" (CDP), promoting corporate transparency and the calculation of the company's carbon footprint. The score achieved in 2015 was 91 D, and Toyota Caetano Portugal was distinguished with the CDP "Improvement Award – Portugal".

(The mission of the *Carbon Disclosure Project (CDP)* is to compile and distribute high-quality information to encourage investors, companies and governments to adopt measures to promote sustainable development and corporate competitiveness.)

- The positioning of hybrid technology lies at the foundation of the sustainable mobility proposals offered by Toyota. Together with Toyota Motor Europe, Toyota Caetano Portugal has been developing a strong strategy for the massification of hybrid and plug-in cars in the domestic market, thus making a major contribution to a direct and effective reduction in CO_2 emissions, having increased the penetration of this technology in the domestic market in 2015.

- Toyota fulfilled its 1 Toyota, 1 Tree project in 2015, by planting 10,000 trees in the regions of Alcanena and Vilar de Mouros. This environmental responsibility campaign, which returns one tree to the forest for each vehicle sold, was implemented by Toyota in 2 phases, with 5,000 trees being planted in each area. In both cases, the brand organized symbolic events with the planting of trees, which involved several buyers of hybrid and conventional Toyota vehicles and different public entities, such as schools, scout groups, among others.

Since it was launched by Toyota Caetano Portugal in 2005, the "1 Toyota, 1 Tree" project has contributed with over 120,000 trees offered to one of Portugal's most valuable heritages, its forests.

- In 2015, for the 6th consecutive year, Toyota achieved the trusted automotive brand and environmentally-trusted brand distinctions, according to the votes of the Portuguese readers of the Reader's Digest magazine. Toyota holds this outstanding position since 2010, when it was chosen as Trusted Brand for the first time. In the 2015 edition, Portuguese consumers reasserted their trust in Toyota.

- Toyota Caetano Portugal promoted the submitting of SPEA's (Portuguese Society for the Study of Birds) application to the international Toyota Motor Corporation's "Environmental Activities Grant Programme". To date, Toyota's "Environmental Activities Grant Programme" has provided support to 304 projects in 53 countries; 26 of these projects were recently added and one of them is Portuguese. The selection was made by a jury comprising Toyota representatives and experts in the field, who assessed the projects in terms of sustainability, territorial extension and ability to fulfill local needs. Out of the 26 new environmental projects, 16 were Japanese, and the other ones were implemented in Africa, Asia, and only one was implemented in Europe, the Portuguese project submitted by SPEA (Portuguese Society for the Study of Birds).

- The *Green Month Campaign*, aimed at raising the company employees' awareness, was launched together with *Toyota Motor Europe*. This year's theme was "Preserve and Keep Nature for the Future".

- Toyota Caetano Portugal reinforced the environmental support provided to the Dealership Network, and is currently preparing its alignment with the "2050 Toyota Environmental Challenge – Toyota Global Challenge".

HUMAN RESOURCES

Personnel Management and Development

Over the last few years, the Portuguese social and entrepreneurial context went through major changes, and Toyota Caetano Portugal has been following those developments, managing its Human Resources with a view to meeting new challenges. In 2015, this led the company to launch an extensive process aimed at restructuring this area, through the creation of a specific structure that integrates human and material resources that are able to respond to an integrated Human Capital management and development system.

Together with the administrative component, which was already properly backed, there was a higher investment on Personnel development, which was additionally supported by an improved internal communication used as a means to attract and retain talent. This global strategy, with expected short-, medium- and long-term results, is based on the following intervention axes: wages and benefits; training and development; careers and compensations; brand and communication.
Following the identification and systematizing of the company's procedures and perceptions in what regards activities related to the integrated organization and management of Human Resources, the intervention, which covers seven different aspects, will take place in stages: aggregation (recruitment and selection); application (reception and integration); rewarding (wages and benefits); development (training and learning); retainment (performance management and career development); monitoring (management by objectives); and communication (internal marketing, social responsibility and *corporate brand*).
In order to support this intervention, and together with the reorganization of the Team, this year we launched a market consultation process to replace the computer RH platform, accompanied by the continuous simplification of the administrative procedures and the restructuring of the "Employee Portal". In the digital area, highlight goes to the growing number of BPM (Business Process Management) tools, which increase efficacy and efficiency and promote innovation, flexibility and continuous improvement.

These new features cover TCAP in its entirety and will allow systematizing and viewing the indicators that combine the payroll area with development, thus contributing to generating a growing volume of significant and relevant analytical data for management support.
Simultaneously, 2015 was the year in which we reviewed our Organizational Model, which brings together the definitions of the different functional plans and groups, limiting wages and benefits, aligning assumptions related to performance management, career development and the planning of training and development activities.
This model will allow providing increasingly stronger support to the practices that guide the path followed by Employees within the Company, from recruitment and selection to dismissal, through the creation of the corresponding specific models, procedures and tools.

By updating the description, analysis and qualification of the different positions, we are not only supporting an increasingly fair and effective Human Resource management when it comes to professional involvement, but also meeting the requirements of the quality certification audits.
Together with the operational results achieved by TCAP, and keeping in mind the Portuguese macro context, the results of this restructuring, which has only just begun, are visible in a series of Personnel Management and Development indicators, which are presented below.

With regard to the Establishment Plan, and despite the fact this this year was still market by austerity, there was an increase of nearly 5% compared to 2014.

No. of Employees	2014	2015	Variation
TOYOTA CAETANO PORTUGAL, S.A. - GAIA	251	253	2
TOYOTA CAETANO PORTUGAL, S.A. - OVAR	170	192	22
TOYOTA CAETANO PORTUGAL, S.A. - CARREGADO	73	73	0
TOTAL	494	518	24

The overall rejuvenation of the team, together with the sharing of knowledge is still one of our major concerns and, compared to 2014, there was a slight decrease in the average age of the company's employees.

AVERAGE AGE	2014	2015	Variation
TOYOTA CAETANO PORTUGAL, S.A. - GAIA	45.86	46.20	+0.34
TOYOTA CAETANO PORTUGAL, S.A. - OVAR	44.32	43.48	-0.84
TOYOTA CAETANO PORTUGAL, S.A. - CARREGADO	44.12	43.77	-0.35
AVERAGE / TOTAL	45.07	44.85	-0.22

With regard to our wage policy, and considering an economic climate, which showed some signs of recovery, as well as the Company's operational results, in 2015 it was possible to increase the monthly wages of all the employees who were paid less than 1,000.00 euros by 3%.

Within the scope of our overall reorganization, we allocated specific skills to the recruitment and selection department, for which we also developed a specific model, together with the corresponding tools and procedures.

In order to foster the search for new talent, we improved the application available at the Toyota Caetano's website and extended our network of partners, to include the IEFP and various Educational Institutions. We should also highlight our investment on LinkedIn as a solution to attract and select talents and to promote our brand as an employer.

Pursuing this goal, we increased the integration of professional and academic internships, achieving significant growth, as presented in the following table:

No. Internships	2014	2015	Variation
Professional Internships	16	35	+119%
Curricular Internships	12	20	+67%
Total	28	55	+96%

Continuing our work in an area for which the company sets a national benchmark, our training courses were focused on two areas of intervention - Employee Training and Youth Training.

With regard to the improvement of skills that are crucial to our business, we should highlight the involvement of virtually all the Employees in training courses with an average of 37 hours/Employee. Simultaneously, and following a history that began in 1983, our five training centres - Gaia, Ovar, Braga, Carregado and Sintra - continue to prepare young people to work in the automotive sector in general, and specifically at our facilities, achieving an employability index of over 91% after the completion of a three-year training cycle, which corresponds to the 12th Grade.

The following table presents the training activities attended by both Employees and Youths:

	2014	2015	Variation
EMPLOYEE TRAINING			
No. of Participants	456	516	+ 13%
Volume of Training (Hours)	16,222	19,141	+ 18%
YOUTH TRAINING (Learning)			
No. of Participants	535	497	- 7%
Volume of Training (Hours)	596,957	618,815	+ 3.6%

As a corollary of this strategy, which combines the administrative area of HR with the Personnel development and the internal marketing departments, we should note that communication has been increasingly becoming, in line with the global Toyota guidelines, a decisive element to strengthen the Employees' involvement and commitment, as well as a support for the development of the skills they need to become true ambassadors of the Organization and the Brand.

In short, and in this regard, we would like to highlight the involvement of the Toyota universe in the Inauguration, in July, of the Land Cruiser Assembly Line at the Ovar Plant, the Christmas celebrations, as well as various activities related to health and well-being.

We have continued our long tradition of fostering social responsibility. Throughout the year, we also developed educational initiatives that involved the local community, namely the Porto Futuro intervention, a programme in which young people were able to experience working at Toyota Caetano Portugal for a day, and that aims at bringing students closer to the world of labour and entrepreneurial life.

The use of Marketing skills in Human Resource management will increasingly contribute to attract, develop and retain valuable human capital at TCAP, with the ultimate goal of doing better and more to fully meet our final Customers' needs.

CAETANO AUTO, S.A.

According to data from the Bank of Portugal, in 2015 our Country consolidated the recovery trend it began in 2013, supported mainly by its growing exports.

Specifically in what regards the automotive market, there was a significant growth over 2014 and the brands we represent, Toyota and Lexus, recorded growths of 13,4% and 14,6%, respectively. Thanks to its national dimension, Caetano Auto currently accounts for 70% of Toyota's sales.

In this context, Caetano Auto was responsible for registering 5,843 new vehicles in 2015, which, in comparison with the 5,008 registered in 2014, corresponds to a substantial improvement.

As for the used vehicle business, it was strongly influenced by the growth in the sale of new vehicles, considering the so-called "trade-ins" that are used as a partial payment in the sale of new vehicles. So, the sales of used vehicles in 2015 reached 5,393 units, against the 4,281 sold in 2014.
In terms of after-sales services, despite the reduction in the UIO (Units in Operation) over the last few years, Caetano Auto managed to grow nearly 5,5% in 2015 compared to the previous year, reaching a global turnover of more than 50 million euros.
Specifically in what regards the parts business, there was a positive contribution of the Caetano Glass brand, which significantly increased the sale of car glazings.

In terms of investments, in 2015, Caetano Auto spent over 1 million euros on facilities, namely the expansion of the working area of the collision business in Santarém and also in miscellaneous administrative and workshop equipment.
As a result of the circumstances mentioned above, Caetano Auto closed the 2015 financial year with a positive net result, as was the case in the previous year. We believe that economic and financial stability has been reached, and it is desirable that market conditions remain stable (at least) in 2016.

CAETANO AUTO CV, S.A.

Introduction

The Economic Growth indicators provided by the National Institute of Statistics of Cape Verde showed an increase throughout the last period of the year.
So, compared to 2014, the economic growth recorded a positive development. Even so, the economic climate is still fragile.
In 2016, elections will be held in Cape Verde for the National Assembly, as well as Presidential and Municipal elections, a fact that will necessarily result in some uncertainty with regard to the future of the Country, as well as a natural contraction of demand until these processes are completed.

There will be a series of significant investments in tourist infrastructures in 2016, which may result in additional opportunities for the Brand's commercial vehicle business.

COMMERCIAL ACTIVITY

VEHICLES

SEGMENT	BRAND	2015	2014	Variation	
				Qty.	%
Passenger Cars	Toyota	91	84	+7	+8.33%
	Daihatsu	0	5	-5	-100.00%
Light-Duty Commercial Vehicles	Toyota	185	151	+34	+22.52%
Heavy-Duty Commercial Vehicles	Toyota	21	15	+6	+40.00%
		297	255	+42	+16.47%

Compared with the equivalent period of 2014, Caetano Auto, CV, S.A. sold (+42) units, which corresponds to a growth of 16% in the vehicle business.
The models that contributed the most for the make's positive evolution were, undoubtedly, Dyna, Hiace and Hilux, together with the new Yaris model.

On the other hand, there was a reduction in the sales of the Corolla model, mainly because this model, once key for our business, is reaching the end of its life cycle.

After-Sales

SALES	2015	2014	Variation	
			Rate	%
Parts/Accessories	158,817	139,772	+19,045	+13.63%
Workshop (Labour)	32,915	34,597	-1,682	-4.86%
	191,732	174,369	+17,363	+9.96%

(Amounts Thousand ECV)

In terms of After Sales, there was a decrease in the sale of Labour (-4.86%), a shift mainly related to the collision business.
In terms of the sale of parts and accessories, 2015 witnessed a increase of +13.63%.

The partnership with ENACOL, with the goal of exploring fast services and the sale of parts in the Assomada station, in N'Hagar, achieved an increase of (+42%) compared to the equivalent period of 2014. In February 2015 we launched the new Enacol station in Achada de S. Filipe, which translated into a turnover of more than 12.5 MECV.
With regard to the PGO+ assessment, Caetano Auto achieved a score of 81.5%, which places it at the level of some European facilities.

All the circumstances mentioned above resulted in a clear growth of the business, with the consequent positive impact on profitability, which clearly grew closer to what are normal values in this African market.

CAETANO RENTING, S.A.

In 2015, the Company's average fleet comprised 1,146 units, nearly 13% more than in the previous year. However, at the end of the 2015 financial year the fleet had 1038 units, which corresponds to a increase of 24.16% when compared to the equivalent period of 2014.
The vehicle fleet structure may be detailed as follows:

Light-duty Commercial/Passenger Vehicles:	723 units	(69.65%)
Industrial Equipment:	315 units	(30.35%)

We should note that the Industrial Machinery segment has been growing, and currently accounts for 30.35% of the Company's fleet.
Turnover stood at 3.7 ME, which corresponds to a growth of approximately 5% over the previous financial year.
In view of the above, the Company is able to present marginally positive Net Results, thus meeting, in general terms, the goals set out for the financial year under review.

SALTANO, S.A.

In the development of its holding management activity and with regard to the fiscal year in question, Saltano maintained its holdings essentially unchanged.

The fiscal year 2015 ends with an Equity figure in the amount of 19,2 million euros, which correspond to total net assets of 22.8 million euros, translating an appropriate Degree of Financial Autonomy of 84%.

In order to comply with the legal accounting requirements, Saltano – Investimentos e Gestão, SGPS, SA. accounts for the investments it controls or on which it has a significant influence using the equity method. In 2015, these investments value amounts to 20.7 million euros.

Prospects for 2016

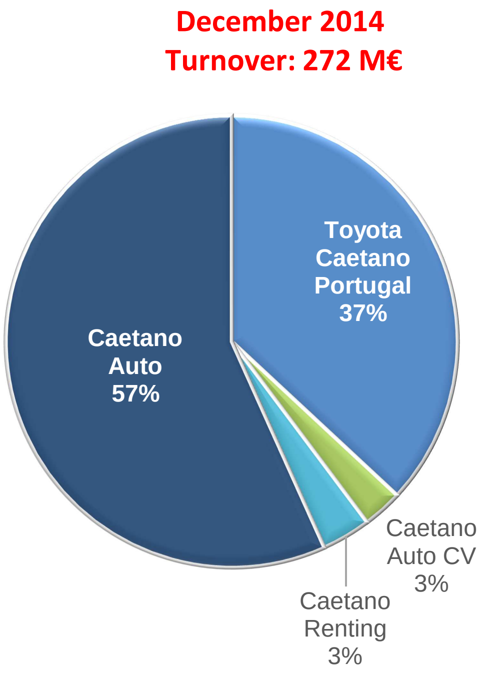
In 2016, the company's activity is expected to be developed under normal conditions.

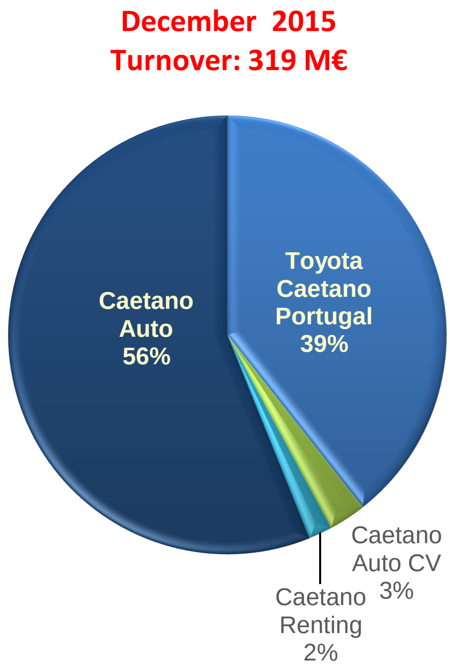
FINANCIAL ACTIVITY

Consolidated analysis

Over the year 2015, Toyota Caetano Group's consolidation perimeter remained unchanged, when compared to the end of the year 2014.

In the period under analysis, the consolidated turnover reached an amount of approximately 319 million euros, thus representing an increase of 17.5%, when compared to the same period of 2014. The growth of the automotive market in Portugal, namely of the Toyota brand, represented by Toyota Caetano Portugal, as well as the impacts of the start of the assembly project (Manufacturing Unit in Ovar) and the marketing in the South African market of the LC70 model, contributed significantly to this increase. Despite its reduced size, the automotive market in Cape Verde also contributed to the favourable evolution of this indicator.





In order to pursue the brand's implementation strategy, it was necessary to moderately sacrifice the marketing margin which, combined with an adequate control of structural costs, has materialised in a consolidated EBITDA of around 24 million euros, 30.6% above the amount achieved in 2014. This result includes about 2.9 million euros, regarding situations which are not directly related to operating activities, particularly arising from the claim of damages occurred in the Carregado Complex, and from the gains recorded with the disposal of investment properties.

The financial results, representing a cost of 2.1 million euros, compared to 1.3 million euros in the same period of 2014, express the increased need for financing in which the Toyota Caetano Portugal Group incurred, in order to meet the growth of activity and, consequently, the creation of inventories capable of responding to an increased demand of their products' target markets.

From the combination of the above aggregates arises a pre-tax profit of around 8.2 million euros, compared to 4.9 million euros recorded in 2014.

The level of financial autonomy stood at 48.8% and continues to demonstrate perfect stability within the Group's capital structure.

In order to synthesise the evolution of the activity and performance of the Toyota Caetano Portugal Group, below is a table with a set of comparative aggregates in the monetary unit of thousands of euros:

	Dec-2014	Dec-2015	Variation
Turnover	271.640	319.308	*17,5%*
Gross Profit	56.036	55.300	*-1,3%*
% (f) sales	*20,6%*	*17,3%*	
External supplies and services	33.447	36.417	*8,9%*
% (f) sales	*12,3%*	*11,4%*	
Staff expenses	35.838	38.673	*7,9%*
% (f) sales	*13,2%*	*12,1%*	
E.B.I.T.D.A.	18.326	23.932	*30,6%*
% (f) sales	*6,7%*	*7,5%*	
Operating income	6.231	10.270	*64,8%*
% (f) sales	*2,3%*	*3,2%*	
Net financial income	-1.343	-2.105	*-56,7%*
% (f) sales	*-0,5%*	*-0,7%*	
Pre-tax results	4.888	8.165	*67,0%*
% (f) sales	*1,8%*	*2,6%*	
Net Bank Credit	38.375	52.448	*36,7%*
Level of financial autonomy	52,0%	48,8%	

According to the latest economic development estimates in Portugal, we deem expectable, despite the introduction of some restrictive measures in the State Budget for 2016, the maintenance of some growth in the automotive sector, which will strengthen the Group's sustainability in the market.

RISK MANAGEMENT

Loans and advances to customers

Toyota Caetano's credit risk is mainly associated with loans to customers, related to its operating activity.

The main goal of Toyota Caetano's credit risk management is to ensure the effective collection of the operating receivables from its Customers, according to the negotiated payment terms.

In order to mitigate the credit risk that results from the potential customer-related defaults on payments, the Group's companies that are exposed to this risk have:
- A specific Credit Risk analysis and monitoring department;
- Proactive credit management processes and procedures that are implemented and always supported by information systems;
- Hedging mechanisms (credit insurance, letters of credit, etc).

Interest Rate Risk

As a result of the relevant proportion of debt at variable rate in its Consolidated Balance Sheet, and of the subsequent interest payment cash flows, Toyota Caetano is exposed to interest rate risk.
Toyota Caetano has been using financial derivatives to hedge, at least partially, its exposure to interest rate variations.

Exchange Rate Risk

As a geographically diversified Group, with subsidiaries located in Cape Verde, the exchange rate risk is mainly the result of commercial transactions, arising from the purchase and sale of products and services in a currency that is different from the functional currency of each company.

The exchange rate risk management policy seeks to minimize the volatility of the investments and operations denominated in foreign currencies, contributing to reduce the sensitivity of the Group's results to exchange rate fluctuations. The Group's exchange rate management policy is focused on a case-by-case assessment of the opportunity to hedge this risk, taking into account, particularly, the specific circumstances of the currencies and countries in question.

Toyota Caetano has been using financial derivatives to hedge, at least partially, its exposure to exchange rate variations.

Liquidity Risk

The goal of Toyota Caetano's liquidity risk management is to ensure that the company has the ability to obtain, in a timely manner, the necessary funding to be able to undertake its business activities, implement its strategy and meet its payment obligations when due, while avoiding the need to obtain funding under unfavourable terms.
For this purpose, the Group's liquidity management involves the following aspects:
a) A consistent financial planning based on operating cash flow forecasts for different time horizons (weekly, monthly, annual and multi-annual);
b) The diversification of funding sources;
c) The diversification of the maturities of the debt issued in order to avoid excessive concentrations of debt repayments in short periods of time;
d) The arrangement of committed (and uncommitted) credit facilities, commercial paper programmes, and other types of financial operations with relationship Banks, ensuring the right balance between satisfactory liquidity levels and adequate commitment fees.
For detailed information, please refer to the Corporate Governance Report.

OWN SHARES

The company did not purchase or sell own shares during this fiscal year. On December 31st, 2015, the company did not hold any own shares.

TO WHOM IT MAY CONCERN

We hereby declare, under the terms and for the purposes of Article 245(1c) of the Securities Code that, as far as we are aware, the individual and consolidated statements of Toyota Caetano Portugal regarding 2015 were prepared in accordance with the relevant accounting standards, providing a true and fair view of the assets and liabilities, financial situation and results of this company and other companies included in its consolidation perimeter, and that the management report contains a faithful account of the business evolution, performance and position of this company and of the subsidiaries included in its consolidation perimeter, as well as a description of the main risks and uncertainties which they face.

PROFIT APPLICATION PROPOSAL

In accordance with the provisions laid down in article 376 (1-b) of the Código das Sociedades Comerciais (Commercial Companies Code), we propose the following allocation for 2015's profits obtained in the financial year, amounting to Euros 6.474.875,07 stated in the individual financial statements of Toyota Caetano Portugal:

a) To non-distributable reserves by profits recognised in investments in subsidiaries resulting from the application of the equity method. Eur 1.142.681,70

b) To dividends to be allocated to Share Capital, 0,15 Eur per share, which considering its 35.000.000 shares totals Eur 5.250.000,00

c) The remainder for the retained earnings account Eur 82.193,37

Other Issues / Acknowledgements

Since the end of 2015 and up to current date, no relevant facts occurred worth of being mentioned.

In order to complete this report, we would like to express our gratitude:

- To our Customers and Dealers, for their permanent trust in our products and for the distinction of their choice.
- To the Banking Entities, for the collaboration and support they have always shown while following up our business.
- To the other Corporate Bodies for always showing their cooperation and support.
- To all the Staff Members for the effort, commitment and dedication shown throughout the year.

Vila Nova de Gaia, April 1st, 2016

The Board of Directors

José Reis da Silva Ramos – Chairman
Maria Angelina Martins Caetano Ramos
Salvador Acácio Martins Caetano
Miguel Pedro Caetano Ramos
Nobuaki Fujii
Matthew Peter Harrison
Rui Manuel Machado de Noronha Mendes

INFORMATION ON THE PARTICIPATION OF THE MANAGING AND SUPERVISORY BOARDS OF TOYOTA CAETANO PORTUGAL, S.A.

(as per article 447 of the Companies Code and according to Article 9(d) and Article 14(7), both of Regulation 5/2008 of CMVM)

In compliance with the provisions of Article 447 of the Companies Code, it is hereby declared that, on 31 December 2015, the members of the Company's management and supervisory bodies did not hold any of its shares or bonds.

It is hereby declared that the members of the Company's management and supervisory boards were not engaged, during the fiscal year of 2015, in any acquisitions, encumbrances or disposals involving the Company's shares or bonds.

It is further stated that the company's securities held by companies in which directors and auditors hold corporate positions are as follows:

- GRUPO SALVADOR CAETANO, SGPS, S.A. (of which **Eng. Salvador Acácio Martins Caetano** is the Chairman of the Board of Directors, **Maria Angelina Martins Caetano Ramos, Ph.D** is the Deputy-Chairman of the Board of Directors, and **Eng. José Reis da Silva Ramos** and **Eng. Miguel Pedro Caetano Ramos** are Members of the Board of Directors) performed no transactions and thus, on 31 December 2015, held 21,288,281 shares, with a nominal value of 1 euro each.

- FUNDAÇÃO SALVADOR CAETANO (of which **Eng. José Reis da Silva Ramos** is the Chairman of the Board of Directors, **Maria Angelina Martins Caetano Ramos, Ph.D** is the spouse of the Chairman of the Board of Directors, and Eng. **Salvador Acácio Martins Caetano** and **Rui Manuel Machado de Noronha Mendes, Ph.D** are Members of the Board of Directors) performed no transactions and thus, on 31 December 2015, held 138,832 shares, with a nominal value of 1 euro each.

- COVIM – Sociedade Agrícola, Silvícola e Imobiliária, S.A (of which **Maria Angelina Martins Caetano Ramos, Ph.D** is the Chairwoman of the Board of Directors, and **Eng. José Reis da Silva Ramos** is the spouse of the Chairwoman of the Board of Directors) performed no transactions and thus, on 31 December 2015, held 393,252 shares, with a nominal value of 1 euro each.

- COCIGA - Construções Civis de Gaia, S.A. (of which **Maria Angelina Martins Caetano Ramos, Ph.D** is the Chairwoman of the Board of Directors, **Eng. José Reis da Silva Ramos** is the spouse of the Chairwoman of the Board of Directors, and **Eng. Salvador Acácio Martins Caetano** is a Member of the Board of Directors) performed no transactions and thus, on 31 December 2015, held 290 shares, with a value of 1 euro each.

For the purpose provided in the final section of Article 447(1) of the Companies Code (companies in a control or group relationship with the company), it is hereby stated that:

- **Eng. José Reis da Silva Ramos**, Chairman of the Board of Directors, holds:
  - 39.49%[1] of the share capital of Grupo Salvador Caetano, SGPS, S.A., a company in a control relationship with the Company.

[1] This percentage includes shares held by the spouse

- **Dr. Maria Angelina Martins Caetano Ramos**, Member of the Board of Directors, holds:
  - 39.49%[1] of the share capital of Grupo Salvador Caetano, SGPS, S.A., a company in a control relationship with the Company.

[1] This percentage includes shares held by the spouse

- **Eng. Salvador Acácio Martins Caetano**, Member of the Board of Directors, holds:
  - 39.49%[1] of the share capital of Grupo Salvador Caetano, SGPS, S.A., a company in a control relationship with the Company.

1 This percentage includes shares held by the spouse

- **Eng. Miguel Pedro Caetano Ramos**, Member of the Board of Directions, holds:
  - 0.00223% of the share capital of Grupo Salvador Caetano, SGPS, S.A., a company in a control relationship with the Company.

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INFORMATION REGARDING THE PARTICIPATION OF SHAREHOLDERS IN TOYOTA CAETANO PORTUGAL, S.A.

In accordance with article 448(4) of the Companies Code, the following is a list of the shareholders that, on 31 December 2015, held, at least, 10%, 33% or 50% of the share capital of this company, as well as of the shareholders that have ceased to hold the aforementioned capital percentages:

Shareholders Holders of at least 10%	Shares			
	Held [1] 31.12.2014	Purchased 2015	Sold 2015	Held [2] 31.12.2015
TOYOTA MOTOR EUROPE NV/SA	9,450,000	--	--	9,450,000

[1] Share capital on 31.12.2014: € 35,000,000.00, represented by 35,000,000 shares with a nominal value of € 1.00 each.
[2] Share capital on 31.12.2015: € 35,000,000.00, represented by 35,000,000 shares with a nominal value of € 1.00 each.

Shareholders Holders of at least 50%	Shares			
	Held [1] 31.12.2014	Purchased 2015	Sold 2015	Held [2] 31.12.2015
GRUPO SALVADOR CAETANO, SGPS, SA	21,288,281	--	--	21,288,281

[1] Share capital on 31.12.2014: € 35,000,000.00, represented by 35,000,000 shares with a nominal value of € 1.00 each.
[2] Share capital on 31.12.2015: € 35,000,000.00, represented by 35,000,000 shares with a nominal value of € 1.00 each.

Qualified shareholdings

(Under the terms of Regulation 5/2008 of CMVM)

On 31 December 2015, the shareholders with qualified shareholdings in the company's share capital are the following:

SHAREHOLDER	Shares	% of voting rights
Grupo Salvador Caetano - SGPS, SA	21,288,281	60.824
Toyota Motor Europe NV/SA	9,450,000	27.000
Salvador Fernandes Caetano (Heirs)	1,399,255	3.998

Individual Accounts

December 2015

FINANCIAL HIGHLIGHTS

(Euros)

	Dec'15	Dec'14
SALES	256.808.132	217.989.797
CASHFLOW	14.016.201	10.395.330
NET INCOME	6.474.875	3.753.725
NET FINANCIAL EXPENSES	1.892.774	1.283.173
PAYROLL EXPENSES	15.524.042	14.522.674
NET INVESTMENT	16.958.121	7.096.223
GROSS WORKING CAPITAL	71.434.242	80.325.170
GVA	38.449.031	32.414.197
UNITS SOLDS	14.678	12.253
NUMBER OF EMPLOYEES	519	509

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2015

(Euros)

ASSETS	Notes	31/Dec/2015	31/Dec/2014
NON CURRENT ASSETS			
TANGIBLE FIXED ASSETS	5	27.501.209	19.498.505
INVESTMENT PROPERTIES	6	15.584.625	15.150.587
GOODWILL	7	611.997	611.997
INTANGIBLE ASSETS	8	942.316	
FINANCIAL INVESTMENTS - Equity method	9	39.916.532	40.885.543
OTHER FINANCIAL INVESTMENTS	10	59.504	59.504
ACCOUNTS RECEIVABLE	13 & 19		
OTHER ACCOUNTS RECEIVABLE	15		
DEFERRED TAX ASSETS	11	1.586.483	2.354.141
TOTAL NON CURRENT ASSETS		86.202.665	78.560.277
CURRENT ASSETS			
INVENTORIES	12 & 19	58.717.810	48.084.649
ACCOUNTS RECEIVABLE	13 & 19	87.035.232	86.526.015
DOWN PAYMENTS		482.675	836.231
ACCRUED TAXES	11	971.895	929.440
SHAREHOLDERS	14	804.641	685.529
OTHER ACCOUNTS RECEIVABLE	15	387.157	1.296.800
OTHER FINANCIAL INVESTMENTS	10	3.432.799	3.432.799
DEFERRALS	16	565.688	184.734
CASH AND CASH EQUIVALENTS	4	8.024.428	9.104.055
TOTAL CURRENT ASSETS		160.422.324	151.080.251
TOTAL ASSETS		246.624.989	229.640.528

EQUITY AND LIABILITIES	Notes	31/Dec/2015	31/Dec/2014
EQUITY			
SHARE CAPITAL		35.000.000	35.000.000
LEGAL RESERVE		7.498.903	7.498.903
OTHER RESERVES		68.828.210	70.418.653
RETAINED EARNINGS		0	219.893
ADJUSTMENTS TO FINANCIAL INVESTMENTS - Equity method		5.190.943	5.698.991
REVALUATION RESERVE		6.195.184	6.195.184
OTHER EQUITY MOVEMENTS - Gap transition		106.058	112.494
NET INCOME		6.474.875	3.753.725
TOTAL EQUITY	17	129.294.173	128.897.845
LIABILITIES			
NON CURRENT LIABILITIES			
LOANS	20	24.128.967	20.113.488
SHAREHOLDERS	14		
POST-RETIREMENT OBLIGATIONS	25	3.534.000	3.200.000
DEFERRED TAX LIABILITIES	11	329.109	363.957
TOTAL NON CURRENT LIABILITIES		27.992.076	23.677.445
CURRENT LIABILITIES			
ACCOUNTS PAYABLE	22	31.698.659	26.404.409
DOWN PAYMENTS		383.786	224.574
ACCRUED TAXES	11	8.250.374	9.708.056
SHAREHOLDERS		11.998	10.511
LOANS	20	36.450.473	26.716.616
OTHER ACCOUNTS PAYABLE	15	6.601.069	7.873.022
DEFERRALS	16	5.847.849	5.978.288
DERIVATIVE FINANCIAL INSTRUMENTS - SWAP	23	94.532	149.762
TOTAL CURRENT LIABILITIES		89.338.740	77.065.238
TOTAL LIABILITIES		117.330.816	100.742.683
TOTAL EQUITY + LIABILITIES		246.624.989	229.640.528

CHARTERED ACCOUNTANT
ALEXANDRA MARIA PACHECO GAMA JUNQUEIRA

BOARD OF DIRECTORS
JOSE REIS DA SILVA RAMOS – President
MARIA ANGELINA MARTINS CAETANO RAMOS
SALVADOR ACACIO MARTINS CAETANO
MIGUEL PEDRO CAETANO RAMOS
NOBUAKI FUJII
MATTHEW PETER HARRISON
RUI MANUEL MACHADO DE NORONHA MENDES

INCOME STATEMENT BY NATURE FOR THE YEARS ENDED 31 DECEMBER 2015 AND 2014

	Notes	31/Dec/2015	31/Dec/2014
SALES AND SERVICE RENDERED	26	256.808.132	217.989.797
OPERATING SUBSIDIES	18	2.349.144	2.028.385
GAINS IN FINANCIAL INVESTMETS - Equity method	9	1.142.682	755.212
VARIATION IN PRODUCTION	12	-3.804.553	5.305.085
COST OF GOODS SOLD AND RAW MATERIAL CONSUMED	12	-212.713.834	-186.084.390
EXTERNAL SUPPLIES AND SERVICES	28	-38.677.933	-32.991.116
PAYROL EXPENSES	29	-15.524.042	-14.522.674
IMPAIRMENT IN INVENTORIES	12&19	377.462	
IMPAIRMENT IN ACCOUNTS RECEIVABLE	13&19	-5.338	-190.897
INCREASES / REDUCTIONS OF FAIR VALUE	23	55.231	-30.240
OTHER GAINS	31	37.064.386	28.400.946
OTHER EXPENSES	31	-9.757.147	-8.788.728
INCOME BEFORE DEPRECIATIONS, FINANCIAL COSTS AND INCOME TAX		17.314.189	11.871.379
DEPRECIATIONS	5,6 & 8	-7.579.064	-6.136.301
OPERATIONAL INCOME		9.735.125	5.735.078
INTEREST INCOME		202.728	358.021
INTEREST EXPENSES	32	-2.095.502	-1.641.195
INCOME BEFORE TAXES	**32**	7.842.351	4.451.905
INCOME TAX FOR THE YEAR		-1.367.476	-698.180
NET INCOME	11	6.474.875	3.753.725
EARNINGS PER SHARE	33	0,18	0,11

CHARTERED ACCOUNTANT
ALEXANDRA MARIA PACHECO GAMA JUNQUEIRA

BOARD OF DIRECTORS
JOSE REIS DA SILVA RAMOS – President
MARIA ANGELINA MARTINS CAETANO RAMOS
SALVADOR ACACIO MARTINS CAETANO
MIGUEL PEDRO CAETANO RAMOS
NOBUAKI FUJII
MATTHEW PETER HARRISON
RUI MANUEL MACHADO DE NORONHA MENDES

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY FOR THE PERIODS ENDED 31 DECEMBER 2015 AND 2014

Description	Share Capital	Legal Reserve	Other Reserve	Retained Earnings	Adjustments to Financial Investments	Revaluation Reserve	Outher Equity Movements	Net Income	Total Equity
Balance Sheet at 31 December 2012	**35.000.000**	**7.498.903**	**75.561.244**	**-2.642.591**	**7.098.991**	**6.195.184**	**108.293**	**219.893**	**129.039.918**
Changes in period									
Allocation of Profits				219.893				-219.893	0
Actuarial Losses			-2.500.000		-1.400.000				-3.900.000
Other Changes in Equity			-2.642.591	2.642.591			4.202		4.202
			-5.142.591	2.862.484	-1.400.000		4.202	-219.893	4.202
Net Income								3.753.725	3.753.725
Total Gains and Losses								-146.275	-146.275
Transactions with shareholders in the period									
Dividends									
Balance Sheet at 31 December 2013	**35.000.000**	**7.498.903**	**70.418.653**	**219.893**	**5.698.991**	**6.195.184**	**112.494**	**3.753.725**	**128.897.844**
Balance Sheet at 31 December 2013	**35.000.000**	**7.498.903**	**70.418.653**	**219.893**	**5.698.991**	**6.195.184**	**112.494**	**3.753.725**	**128.897.844**
Changes in period									
Allocation of Profits				198.513	755.212			-953.725	0
Actuarial Losses			-258.850						-542.500
Other Changes in Equity							-6.436		-986.046
			-258.850	198.513	755.212		-6.436	-953.725	-1.528.546
Net Income								6.474.875	6.474.875
Total Gains and Losses								4.952.765	4.952.765
Transactions with shareholders in the period									
Dividends			-1.331.594	-418.406				-2.800.000	-4.550.000
			-1.331.594	-418.406			0	-2.800.000	-4.550.000
Balance Sheet at 31 December 2014	**35.000.000**	**7.498.903**	**68.828.210**	**0**	**6.454.203**	**6.195.184**	**106.056**	**6.474.875**	**129.294.173**

CHARTERED ACCOUNTANT

ALEXANDRA MARIA PACHECO GAMA JUNQUEIRA

BOARD OF DIRECTORS

JOSE REIS DA SILVA RAMOS –Presidente

MARIA ANGELINA MARTINS CAETANO RAMOS

SALVADOR ACÁCIO MARTINS CAETANO

MIGUEL PEDRO CAETANO RAMOS

NOBUAKI FUJII

MATTHEW PETER HARRISON

RUI MANUEL MACHADO DE NORONHA MENDES

CASH FLOW STATEMENT FOR THE YEARS ENDED 31 DECEMBER 2014

(Euros)

	2015		2014	
STATEMENT OF CASH FLOWS ON OPERATING ACTIVITIES				
Collections from Customers	337.945.478		279.727.582	
Payments to Suppliers	-309.005.017		-269.838.599	
Payments to Personnel	-8.557.827		-9.313.416	
Operating Flow		20.382.635		575.567
Payments of Income Tax		-710.630		-656.816
Other Collections/Payments Related to Operating Activities		-25.254.542		-15.051.004
Cash Flow from Operating Activities		-5.582.537		-15.132.252
STATEMENT OF CASH FLOWS ON INVESTING ACTIVITIES				
Collections from:				
Investments			3.123.853	
Tangible Fixed Assets	4.393.169		3.493.715	
Investment Subsidy				
Interest and Others			109	
Dividends		4.393.169		6.617.677
Payments to:				
Investments			0	
Tangible Fixed Assets	-5.211.243		-1.386.303	
Intangible Assets	-946.670	-6.157.913		-1.386.303
Cash Flow from Investing Activities		**-1.764.744**		5.231.374

FINANCING ACTIVITIES

	2015		2014	
STATEMENT OF CASH FLOWS ON FINANCING ACTIVITIES				
Collections from:	8.647.614		4.981.341	
Loans	6.185.217	14.832.831	14.710.054	19.691.395
Payments to:				
Loans			0	
Lease Down Payments			-1.190.706	
Interest and Others	-2.217.437		-1.182.488	
Dividends	-1.787.537		-6.261	-2.379.455
	-4.560.202	-8.565.176		
Cash Flow from Financing Activities		6.267.655		17.311.940

	2015	2014
Cash and Cash Equivalents at Beginning of Period	9.104.055	1.692.993
Cash and Cash Equivalents at End of Period	8.024.428	9.104.055
Net Flow in Cash Equivalents	-1.079.626	7.411.062

CHARTERED ACCOUNTANT
ALEXANDRA MARIA PACHECO GAMA JUNQUEIRA

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NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS AT 31 DECEMBER 2015

(Amounts in Euros)

1. INTRODUCTION

Toyota Caetano Portugal, S.A. ("Toyota Caetano" or "the Company") was incorporated in 1946, with its headquarters in Vila Nova de Gaia, which mainly carries economic activities included in the automotive sector, namely the import, assembly and commercialization of light and heavy vehicles, import and sale of industrial equipment, as well as the corresponding technical assistance.

Its shares are listed in the Lisbon Stock Exchange Market.

Toyota Caetano is the distributor of the brands Toyota and Lexus in Portugal and is the head of a group of companies ("Toyota Caetano Group").

As of 31 December, 2015, the companies of Toyota Caetano Group, their headquarters and abbreviations used, are as follows:

Companies	Headquarters
With headquarters in Portugal:	
Toyota Caetano Portugal, S.A. ("Parent company")	Vila Nova de Gaia
Saltano – Investimentos e Gestão, S.G.P.S., S.A. ("Saltano")	Vila Nova de Gaia
Caetano Renting, S.A. ("Caetano Renting")	Vila Nova de Gaia
Caetano – Auto, S.A. ("Caetano Auto")	Vila Nova de Gaia
With headquarters in foreign countries:	
Caetano Auto CV, S.A. ("Caetano Auto CV")	Praia (Cape Verde)

During 2014 the financial investment in the company Movicargo – Movimentação Industrial, Lda was sold and therefore this Company is out of the Toyota Caetano Group

According to the applicable legislation, Toyota Caetano will present separately, financial consolidated statements as at 31 December 2015 prepared in accordance with International Financial Reporting Standards (IAS/IFRS) as adopted in the European Union.

The following notes are organized in accordance with the structure understood more appropriate to a correct reading and apprehension of the principal politics of accountancy adopted as well as of the most relevant facts occurred in the period in analysis in accordance with *Sistema de Normalização Contabilística* (Portuguese GAAP) in force since 1 January 2010. Therefore, the financial statements were prepared in accordance with the accounting standards NCRF ("Normas Contabilísticas e de Relato Financeiro") approved by the Portuguese Law.

The facts that are not mentioned in these notes are considered to be not relevant to an appropriate understanding of financial statements.

The amounts mentioned are expressed in Euros, because this is the group's functional currency.

2. BASIS OF PRESENTATION AND PRINCIPLE ACCOUNTING POLICIES

The accompanying financial statements have been prepared on a going concern basis from books and accounting records of Toyota Caetano, maintained in accordance with generally accepted accounting principles in Portugal and defined in “SNC” (Portuguese GAAP) in force in the exercise of 2015.
There are no indication that the rules defined in “SNC” (Portuguese GAAP), have been waived.

2.1 FUTURE EFFECTS OF CHANGES IN ACCOUNTING STANDARDS SYSTEM (SNC)

The Accounting Standards System, in Portugal defined in “SNC” (Portuguese GAAP), was amended on 29 July 2015, with the publication of the Notice No. 8256/2015, with application on 1st January 2016, which will generate the following effects on the financial statements of the Company:

"The goodwill will be amortized over a period of its life, which can be up to a period of 10 years, which will involve an impact on the 2016 financial year result in at least about 61.2 thousand euros";

3. MAIN ACCOUNTING POLICIES

The principal accounting policies used in the preparation of the accompanying financial statements are as follows:

a) Intangible assets

Intangible assets are stated at cost and comprise research and development expenses, consisting mainly of costs with technological development associated with production in Ovar factory of the new Land Cruiser model series 70 (LC70) for export market, and Software Programs (Note 8).

The corresponding depreciation is computed on straight line basis on an annual basis in accordance with a period of useful life appreciated of three years.

b) Tangible fixed assets and Investment properties

Tangible fixed assets and as well as the meantime re-classified for investment properties acquired up to 31 December 1997 are stated at cost and can be restated in accordance with Portuguese legislation as follows:

Decree-Law 430/78, of 27 December
Decree-Law 219/82, of 2 June
Decree-Law 399-G/84, of 28 December
Decree-Law 118-B/86, of 27 May
Decree-Law 111/88, of 2 April
Decree-Law 49/91, of 25 January
Decree-Law 264/92, of 24 November
Decree-Law 31/98, of 11 February

(Amounts in Euros)

Tangible fixed assets acquired after that date are stated at cost according on described at NCFR 3.

Depreciation is computed on straight line basis on an annual basis, accordingly with the following useful lives:

	Years
- Buildings and Other Constructions	20 - 50
- Machinery and Equipment	4 - 16
- Transport Equipment	4 - 5
- Administrative Equipment	3 - 14
- Other Tangible Assets	4 - 8

The depreciations of the period ended at 31 December 2015 were increased as a result of the referred restatement done. A part (40%) of this amount it is not accepted as a cost for corporate income tax purposes (IRC). Additionally, 40% of the depreciations of future exercises related to the effect of the restatement on fixed assets not yet depreciated will not be accepted as fiscal cost either, and the company recorded the correspondent liability for deferred tax (Note 11).
When the net value exceeds the recoverable amount of the asset, an adjustment is made for the estimated recoverable amount through recognition of an impairment of assets.
Gains or losses resulting from the disposals and write offs are determined by the difference between the amount received and the carrying amount of the asset and are recognized as income or expense in the income statement.

c) Financial lease contracts

Tangible fixed assets acquired under financial lease contracts and the corresponding liabilities are recorded by the financial method. Under this method the cost of the fixed assets is recorded and reflected in the balance sheet in caption of tangible fixed assets and the corresponding liability determined in accordance with the contractual financial plan are recorded like obtained financing and reflected in the balance sheet. Installments are composed of interest and capital refunding. Interest included in the lease installments and depreciation of the fixed assets is recognized in the income statement of the period to which they apply (Notes 5 and 21).

d) Financial investments – Equity Method

Financial investments in group companies are stated to MEP.

By Equity Method, “MEP”, the participations in subsidiaries for which Toyota detains a dominant influence are recorded at cost, adjusted by the corresponding value of the Company's share in net income an equity of affiliated companies, in and dividends received.

Dividends from interests in subsidiaries and associates are recorded in the period in which they are received as a straight reduction to the value of the financial participation, once his equivalent had been already considered by the appropriation in MEP of the results of the subsidiaries.

Subsidiaries are all entities over which the Company has the power to decide on the financial or operating policies, which usually is associated with control, directly or indirectly, more than half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing control of the subsidiary that holds about an entity.

Associates are entities over which the Company has between 20% and 50% of the voting rights, or over which the Company has significant influence, but can not exercise its control.

Investments in subsidiaries and associates are stated at the amount resulting from the application of the equity criterion. Under this method, the financial statements include the Company's share of the total recognized gains and losses since the date on which control or significant influence begins until the date that effectively ends. Gains or losses on transactions between the Group and its subsidiaries and associated companies are eliminated. Dividends paid by the subsidiaries and associates are considered reductions of investment held.

It is made an assessment of investments in subsidiaries, associates or joint ventures where there is an evidence that the asset is impaired, a loss is recorded in the income statement where this is confirmed.
When the proportion of the Company accumulated losses of the subsidiary, associate or joint ventures exceeds the value of the investment is registered, the investment is carried at zero value while the equity of the associated company is not positive, except when the Company has commitments to the subsidiary, associate or joint ventures, recording a provision in such cases the liability item "Provisions" to meet those obligations.

e) Financial Instruments

The company classifies financial instruments into the following categories:
- Financial instruments at cost or amortized cost less impairment losses
- Financial instruments at fair value through profit & loss

<u>Financial instruments at cost or amortized cost less impairment losses</u>

This category includes financial instruments that satisfy at least one of the following conditions:

- The entity designates the referred financial instruments to be measured at cost or amortized cost less impairment losses at the moment of initial recognition, and they meet the following criteria: a) defined maturity or spot instruments; b) fixed income or income based on a floating rate that is a common index rate or that includes a spread; c) doesn’t contain any contractual clause that could cause nominal value or accumulated interest’s loss;

- Contracts to concede or receive loans that: a) cannot be settled on a net base; b) are expected to meet the conditions to be recognized at cost or amortized cost less impairment losses; and c) the entity designates, at the initial recognition moment, to be measured at cost or amortized cost less impairment losses;

- Equity instruments that are not publicly traded and whose fair value cannot be reliably estimated, as well as contracts connected with those instruments that may cause their settlement.

Toyota Caetano Portugal’s financial instruments that belong to this class are as follows:
- Investments in small private companies (Other Financial Investments – Note 10);
- Loan to Saltano (Other Financial Investments – Note 10);
- Accounts Receivable, Accounts Payable and Other Accounts Receivable and Payable (Notes 13, 14, 15, 22 and 34)

Financial instruments at fair value through profit & loss

A financial instrument is classified in this category if it doesn't meet conditions to be classified as a financial instrument at cost or amortized cost less impairment losses.

Toyota Caetano Portugal's financial instruments that belong to this class are as follows:

- Derivative financial instruments not designated for hedge accounting (Note 23).

f) Inventories

Merchandise, raw, subsidiary and consumable materials are stated at average cost, which is lower than market value.

Finished and intermediate goods and work in progress are stated at production cost, which is lower than market value. Production costs include incorporated raw materials, direct labor, production overheads and external services.

g) Government Grants

Non refundable subsidies received to finance tangible fixed assets are recorded in "Other Reserve" when granted and recognized in the Statement of profit and loss proportionally to the depreciation of the subsidized assets (Note 18).

Operating subsidies are recorded in the period in which they are received (Note 18).

h) Post-Retirement Obligations

Toyota Caetano Portugal incorporated by public deed dated December 29, 1988 the Salvador Caetano Pension Fund, with subsequent updates in February 2, 1994, April 30, 1996, August 9, 1996, July 4, 2003, February 2, 2007, December 30, 2008, December 23, 2011 and December 31, 2013.

In order to estimate its liabilities for the payment of the mentioned responsibilities, the company obtains annually an actuarial calculation of the liabilities for past services in accordance with the "Current Unit Credit Method".

Recorded liabilities as of the statement of financial position date relate to the present value of future benefits adjusted for actuarial profits or losses and/or for liabilities for past services not recognised, net of the fair value of net assets within the pension fund (Note 25).

i) Income Taxes

Income tax payable is determined based on the taxable results of the companies included in the fiscal consolidation group (Toyota Caetano Portugal, Caetano Auto, Caetano Renting and Saltano), according to the fiscal regime applicable in the country of each Group company's head office (Portugal) (Note 11).

The current income tax is calculated based on Toyota Caetano's taxable results.

Deferred income taxes are computed using the statement of financial position liability method and reflect the timing differences between the amount of assets and liabilities for accounting purposes and the corresponding amounts for tax purposes.

The deferred tax assets and liabilities are computed on an annual basis using the tax rates that are expected to be in force at the time these temporary differences are reversed.

Deferred tax assets are only recorded when there is reasonable expectation that sufficient taxable profits will arise in the future to allow their use or when there are temporary taxed differences that overcome temporary deductible differences at the time of its reversal. At the end of each year the Company reviews its recorded and unrecorded deferred tax assets which are reduced whenever their realization ceases to be likely, or recorded if it is likely that taxable profits will be generated in the future to enable them to be recovered.

Deferred tax assets and liabilities are recorded in the income statement, except if they relate to items directly recorded in equity, situations in which the corresponding deferred tax is also recorded in equity captions.

j) Accrual basis

Toyota Caetano records income and expenses on an accrual basis. Under this basis, income and expenses are recorded in the period to which they are related independently of when the amounts are received or paid. The differences between the amounts received and paid and the corresponding income and expenses are recorded in “Accruals” and “Deferrals” captions (Notes 15 and 16).

l) Employee termination indemnities

The Company has the policy of recording employee termination indemnities as an operational expense in the year in which they are agreed.

During the period ended in 31 December 2015 there were paid indemnities in the amount of approximately Euros 118.000 (approximately Euros 51.000 in 31 December 2014)(Note 29).

m) Provisions

Provisions are recognized when, and only when, the company has a present obligation (legal or constructive) arising from a past event; it is probable that an outflow of resources will be required and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each statement of financial position date and adjusted as to reflect the best estimate of its fair value as of that date (Note 19).

Restructuring provisions are recorded by the company whenever there is a formal and detailed restructuring plan and it has been communicated to parties involved.

n) Contingent Assets and Liabilities

Contingent liabilities are defined by the company as (i) possible obligations from past events and which existence will only be confirmed by the occurrence or not of one or more uncertain future events not totally under Toyota Caetano’s control or (ii) present obligations from past events not recognized because it is not expected that an output of resources that incorporate economic benefits will be necessary to settle the obligation or its amount cannot be reliably measured.

Contingent liabilities are not recorded in the financial statements, being disclosed in the respective Notes, unless the probability of a cash outflow is remote. In these situations no disclosure is made.

Contingent assets are possible assets that arise from past events and whose existence will only be confirmed by the occurrence or not of one or more uncertain future events not totally under the company's control.

Contingent assets are not recorded in the financial statements but only disclosed when it is likely the existence of future economic benefits.

o) Financial Expenses

The financial expenses related with loans obtained (interest, bonus, accessory costs and lease contract's interests) are recorded as cost in the income statement of the year to which they relate, on an accrual basis.

p) Balances and transactions expressed in foreign currencies

Assets and liabilities expressed in foreign currencies are converted to Euros at the prevailing exchange rates published by "Banco de Portugal". Favorable and unfavorable exchange differences, arising from changes between the exchange rates prevailing on the dates of the transactions and those in effect on the dates of payment, collection or as of the period, are recorded in the Income Statement.

q) Revenue

The revenue is recognized net of taxes and commercial discounts, by the fair value of the amount received or to be received.

Sales' revenue is recognized in the income statement when the inherent assets risks and significant advantages are already under the buyer's jurisdiction and when it is reasonably possible to measure the corresponding income.

Revenue related with services rendered is recognized in accordance with the percentage of completion method.

r) Judgments and estimates

During the preparation of the financial statements, the Board of Directors of the company based itself in the best knowledge and in the experience of past and/or present events considering some assumptions relating to future events.

Most significant accounting estimates included in attached financial statements as of December 31, 2015 and 2014 include:

- Useful lives of tangible and intangible assets;
- Registration of adjustments to the assets values (accounts receivable and inventories) and provisions;
- Impairment tests performed to goodwill;
- Discharge of the fair value of derivative financial instruments; and
- Clearance of responsibilities with Pension complements.

(Amounts in Euros)

The underlying estimations and assumptions were determined based in the best knowledge existing at the date of approval of the financial statements of the events and transactions being carry out as well as in the experience of past and/or present events. Nevertheless, some situations may occur in subsequent periods which, not being predicted at the date of approval of the financial statements, were not consider in these estimations. The changes in the estimations that occur after the date of the financial statements shall be corrected in a foresight way. Due to this fact and to the uncertainty degree associated, the real results of the transactions may differ from the corresponding estimations. Changes to these estimates, which occur after publication of these financial statements, will be corrected in a prospective way, in accordance with NCRF 4.

Main estimates and judgments related to future events included in the financial statements preparation are described in the attached Notes.

s) Subsequent events

Events occurring after the statement of financial position date which provide additional information about conditions prevailing at the time of the statement of financial position (‘adjusting events’) are reflected in the financial statements. Events occurring after the statement of financial position date that provide information on post-statement of financial position conditions (‘non adjusting events’), when material, are disclosed in the Notes to the financial statements.

The financial statements have estimations that present no risk of a material adjustment in assets or liabilities of the future year.

4. CASH AND CASH EQUIVALENTS

The amounts included in caption "Cash and cash equivalents" correspond to cash, bank deposits and other treasury applications which mature in less than three months, and that can be mobilized immediately with insignificant risk of change in value.

As of 31 December 2015 and 31 December 2014 cash and cash equivalents detail was the following:

Items	31/Dec/2015	31/Dec/2014
Money	81.274	82.372
Bank Deposits at Immediate Disposal	7.943.154	9.017.119
Cash Equivalents		4.564
Cash and Cash Equivalents	8.024.428	9.104.055

5. TANGIBLE FIXED ASSETS

During 2015 and 2014, the movement in tangible fixed assets as well as in the accumulated depreciation were as follows:

NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS AT 31 DECEMBER 2015

(Amounts in Euros)

2015	Land	Buildings and Other Constructions	Machirnery and Equipments	Vehicles	Administrative Equipment	Other Fixed Assets	Construction in Progress	Total
Gross								
Final Balance 31/12/2014	3.908.048	31.403.771	50.826.485	35.140.756	6.042.756	2.903.102	69.000	130.293.919
Increases	37.978	1.219.037	2.187.423	12.079.581	24.688	18.721	328.459	15.895.889
Disposals			-24.166	-5.044.199		-1.609		-5.069.974
Transfers and Write offs		-140.131	-899.991			-10.775		-1.050.897
Final Balance 31/12/2015	3.946.027	32.482.677	52.089.751	42.176.138	6.067.444	2.909.440	397.459	140.068.937
Depreciations								
Final Balance 31/12/2014		28.826.155	48.384.892	24.788.935	5.972.853	2.822.580		110.795.415
Increases		455.223	1.047.563	5.069.271	43.754	29.564		6.645.376
Disposals			-24.166	-3.881.348		-1.609		-3.907.123
Transfers and Write offs		-124.935	-830.229			-10.775		-965.939
Final Balance 31/12/2015		29.156.443	48.578.059	25.976.858	6.016.608	2.839.761		112.567.729
Net Value	3.946.027	3.326.234	3.511.692	16.199.281	50.836	69.679	397.459	27.501.209

2014	Land	Buildings and Other Constructions	Machirnery and Equipments	Vehicles	Administrative Equipment	Other Fixed Assets	Construction in Progress	Total
Gross								
Opening Balance 31/12/2013	3.908.048	31.385.731	50.146.808	33.092.903	6.030.711	2.885.603	338.776	127.788.580
Increases		18.041	679.677	7.197.570	13.762	17.499	69.000	7.995.549
Disposals				-5.149.717	-1.716			-5.151.433
Transfers and Write offs							-338.776	-338.776
Final Balance 31/12/2014	3.908.048	31.403.771	50.826.485	35.140.756	6.042.756	2.903.102	69.000	130.293.919
Depreciations								
Opening Balance 31/12/2013		28.411.749	47.639.795	23.921.827	5.922.284	2.791.637		108.687.292
Increases		414.406	745.097	4.447.321	52.286	30.943		5.690.053
Disposals				-3.580.214	-1.716			-3.581.930
Transfers and Write offs								
Final Balance 31/12/2014		28.826.155	48.384.892	24.788.935	5.972.853	2.822.580		110.795.415
Net Value	3.908.048	2.577.616	2.441.593	10.351.821	69.903	80.522	69.000	19.498.505

The acquisition cost considered at the transition moment has a net effect of legal revaluations of 1.303.335 Euros.

The increases recorded in the period in Buildings and Machinery and Equipment are due mainly to investments in Ovar Plant for the production of the new Land Cruiser model series 70 (LC70) for the South African market.

As at 31 December 2015 and 2014 the tangible fixed assets used under finance lease are resented as follows:

		Acquisition value	Depreciations	Current Value
Industrial Equipment	2015	17.023.229	4.547.283	12.475.946
	2014	7.315.355	1.751.599	5.563.727

6. INVESTMENT PROPERTIES

As at 31 December 2015 and 31 of December of 2014, the caption “Investment properties” correspond to real estate assets detained by Toyota Caetano in order to obtain income through its lease or increase in value. These assets are measured at acquisition cost.

Gains associated to Investment properties are registered in the caption “Other Gains” and they ascended to 3.275.409 Euros in the period ended in 31 December 2015 (3.443.276 Euros in 31 December 2014).

During 2015 and 2014, the movements occurred in the investment properties as well as in the accumulated depreciation were as follows:

NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS AT 31 DECEMBER 2015

(Amounts in Euros)

2015	Land	Buildings and Other Constructions	Total
Gross			
Final Balance 31/12/2014	9.850.956	32.071.453	41.922.409
Increases		2.045.360	2.045.360
Disposals	-68.274	-290.724	-358.998
Transfers and Write offs		-1.819.706	-1.819.706
Final Balance 31/12/2015	9.782.682	32.006.383	41.789.065
Depreciations			
Final Balance 31/12/2014		26.771.822	26.771.822
Increases		462.530	462.530
Disposals		-29.072	-29.072
Transfers and Write offs		-1.000.839	-1.000.839
Final Balance 31/12/2015		26.204.441	26.204.441
Net Value	9.782.682	5.801.942	15.584.624

2014	Land	Buildings and Other Constructions	Total
Gross			
Opening Balance 31/12/2013	9.850.956	31.062.501	40.913.457
Increases		670.177	670.177
Disposals			
Transfers and Write offs		338.776	338.776
Final Balance 31/12/2014	9.850.956	32.071.453	41.922.409
Depreciations			
Opening Balance 31/12/2013		26.325.574	26.325.574
Increases		446.248	446.248
Disposals			
Transfers and Write offs			
Final Balance 31/12/2014		26.771.822	26.771.822
Net Value	9.850.956	5.299.631	15.150.587

The transfer occurred in 2014 is due to the reclassification of the property located in Azoia, Leiria from tangible fixed assets to Investment properties.

The movements in the period are due to the acquisition of a construction called Pavilion B located in Vila Nova de Gaia facilities and the write off of our properties located in the so-called Carregado Industrial Complex due to the incident that occurred on March 3rd, 2015, caused by a fire. During the period occurs also the disposal of the industrial building located in Pedroso, Vila Nova de Gaia, with matrix Article U-12942.

The acquisition cost considered at the transition moment has a net effect of legal revaluations of 4.525.822 Euros.

Additionally, in accordance with external appraisals made by independent experts and in accordance with evaluation criteria usually accepted for real estate markets, the fair value of those investment properties amounts to, approximately, 61,9 million Euros.

NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS AT 31 DECEMBER 2015

(Amounts in Euros)

The external appraisals done to some investment properties in the end of 2012, 2014 and 2015 don´t show any situation of impairment.

In result of all the internal appraisal prepared by the Company to the other investment properties as there was no major building works, no accidents except for Carregado industrial facilities or to non existing investment properties in areas of accelerated degradation, the Board of Directors is convinced that there is no significant change in the fair value of those investment properties in 2015, except for Carregado industrial facilities, believing that are valid the appraisals done in 2012 and 2013.

The detail of investment properties in 2015 and 2014:

Buildings	Place	Appraisal	Dec-15		Dec-14	
			Carrying Amount	Fair Value at 31/12/2015	Carrying Amount	Fair Value at 31/12/2014
Industrial Facilities	V.N. Gaia	Internal	3.454.289	11.448.000	1.626.278	9.048.000
Industrial Facilities	V.N. Gaia	Internal	273.052	788.000	614.811	802.000
Industrial Facilities	Carregado	Internal	5.135.484	21.518.000	6.002.898	23.828.000
Industrial Warehouse	V.N. Gaia	Internal	1.044.637	6.003.000	1.146.993	6.003.000
Commercial Facilities	Lisboa	Internal	1.199.980	1.247.000	1.229.368	1.247.000
Land	Leiria	External	355.125	797.000	355.126	797.000
Commercial Facilities	Cascais	Internal	125.331	834.000	133.676	834.000
	Cascais	Internal	277.980	950.000	291.367	950.000
	Prior Velho	External	2.943.103	15.550.000	2.943.103	14.655.000
	Loures	Internal	201.122	849.000	205.172	849.000
	Vila Franca Xira	Internal	458.457	1.648.000	480.536	1.648.000
	Benavente	Internal	116.065	302.000	121.262	302.000
			15.584.625	61.934.000	15.150.590	60.963.000

The investment properties' fair value of the external appraisal disclosed in December 31, 2015 and 2014 was determined by an independent appraiser (Market Method, Cost Method, Return Method and Use Method).

7. GOODWILL

The caption "Goodwill" is related with BT Activity (forklifts) resulting from Movicargo´s acquisition in 2008, whose activity was transferred to the parent company Toyota Caetano Portugal.

During 2015, didn't occurr any changes to the Goodwill value.

Under SNC *Goodwill* is not amortized, being tested annually for impairment. In 2015, BT's *Goodwill* was subject to the referred test and no impairment was detected.

For impairment test's purposes, the recoverable amount was determined in accordance with the Value in Use, through the discounted cash flows model and based on business plans carried out by people in charge, being approved by management. The discount rate used is considered to represent the risks inherent to the business.

In 31 December 2015, the main assumptions of the test are as follows:

	Industrial Equipment Division
Goodwill	611.997
Cash Flows Projection Period	5 years
Growth Rate (g) (1)	0%
Discount Rate (2)	9,22%

(1) Growth rate used to extrapolate cash flows beyond the period considered in the business plan
(2) Discount rate applied to projected cash flows

The Board, supported by the estimated discounted cash flows, concluded that on December 31, 2015, the net book value of assets, including goodwill (612 thousand of Euros), does not exceed its recoverable amount (18 millions of Euros).

The projections of cash flows were based on historical performance and on expectations of improved efficiency. The management believe that a possible change (within a normal scenario) in key assumptions used in calculating the recoverable amount will not result in impairment losses.

(Amounts in Euros)

8. INTANGIBLE ASSETS

During 2015 and 2014, the movements in intangible assets were as follows:

2015	Research & Develepment Expenses	Software	Total
Gross			
Final Balance 31/12/2014	0	991.705	991.705
Increases	1.394.907	18.567	1.413.474
Disposals			0
Transfers and Write offs			0
Final Balance 31/12/2015	1.394.907	1.010.272	2.405.179
Depreciations			0
Final Balance 31/12/2014	0	991.705	991.705
Increases	464.969	6.189	471.158
Disposals			0
Transfers and Write offs			0
Final Balance 31/12/2015	464.969	997.894	1.462.863
Net Value	929.938	12.378	942.316

2014	Research & Develepment Expenses	Software	Total
Gross			
Opening Balance 31/12/2013	0	992.122	992.122
Increases			0
Disposals		-417	-417
Transfers and Write offs			0
Final Balance 31/12/2014	0	991.705	991.705
Depreciations			0
Opening Balance 31/12/2013	0	992.122	992.122
Increases			0
Disposals		-417	-417
Transfers and Write offs			0
Final Balance 31/12/2014	0	991.705	991.705
Net Value	0	0	0

The increases in Intangible assets are due to technical development expenses associated with production in Ovar factory of the new Land Cruiser model series 70 (LC70) for export market.

NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS AT 31 DECEMBER 2015

(Amounts in Euros)

9. FINANCIAL INVESTMENTS – EQUITY METHOD

In 31 December 2015 and 31 December 2014, the financial investments were as follows:

	Movicargo	Caetano Auto	CVM	Saltano	MEP Adjustments	Total
31 December 2013	**408.453**	**16.978.418**	**4.654.269**	**19.998.902**	**501.369**	**42.541.411**
Acquisitions						**0**
Gains/Losses		1.209	-52.039	314.153		**263.323**
Other Capital Movements						**0**
Disposal	-400.590					**-400.590**
Others (atuarial losses)					-1.400.000	**-1.400.000**
Others	-7.863				-110.739	**-118.602**
Dividends received						**0**
31 December 2014	**0**	**16.979.627**	**4.602.231**	**20.313.055**	**-1.009.370**	**40.885.543**
Acquisitions						**0**
Gains/Losses		45.942	124.139	142.442		**312.522**
Other Capital Movements		-460.136		-495.188	-24.285	**-979.610**
Disposal						**0**
Others (atuarial losses)		-648.200		-751.800	1.116.350	**-283.650**
Others					-18.273	**-18.273**
Dividends received						
31 December 2015	**0**	**15.917.233**	**4.726.371**	**19.208.508**	**64.422**	**39.916.533**

The gains and losses from group companies shown in Income Statement(1.142.682 Euros) include:

Gains in financial investments - Equity method	312.522
Intercompany margin deferral (Note 16)	848.432
Others	-18.272

During the period ended in December 31,2015 there is no change in the rates of participation in Subsidiaries Companies, that are as follows:

	Caetano Auto		Caetano Auto CV		Saltano	
	31/Dec/15	31/Dec/14	31/Dec/15	31/Dec/14	31/Dec/15	31/Dec/14
Equity	34.378.472	36.673.060	5.817.785	5.664.980	19.212.351	20.317.120
Net Income	99.226	2.612	152.805	-64.056	142.470	314.216
% Direct	46,30%	46,30%	81,24%	81,24%	99,98%	99,98%
% Indirect	98,40%	98,40%	81,24%	81,24%	99,98%	99,98%

Subsidiaries' financial position and net income can be summarized as follows:

NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS AT 31 DECEMBER 2015

(Amounts in Euros)

31-12-2015	Caetano Auto	Caetano Auto CV	Saltano
Assets			
Current	47.146.673	6.142.745	2.054.105
Non Current	50.210.634	1.493.829	20.739.683
Liabilities			
Current	56.929.407	1.818.789	3.581.438
Non Current	6.049.428		
Equity	**34.378.472**	**5.817.785**	**19.212.351**
Income	197.262.523	9.023.052	145.306
Expenses	-197.163.298	-8.870.247	-2.836
Net Income	**99.226**	**152.805**	**142.470**

31-12-2014	Caetano Auto	Caetano Auto CV	Saltano
Assets			
Current	52.337.701	4.993.138	2.057.887
Non Current	52.811.859	1.505.496	21.842.211
Liabilities			
Current	63.631.669	833.654	3.583.249
Non Current	4.844.831		
Equity	**36.673.060**	**5.664.980**	**20.317.120**
Income	173.728.943	7.965.446	357.577
Expenses	-173.726.332	-8.029.502	-43.361
Net Income	**2.612**	**-64.056**	**314.216**

10. OTHER FINANCIAL INVESTMENTS

	2015	2014
Non Current Assets		
Investments in small private companies	59.504	59.504
Current Assets		
Loan to Saltano, SGPS, SA (Note 14)	3.432.799	3.432.799

The increase in Investments in small companies is due to small investments already existing at Caetano Components that were transferred in result of the closing of the Company.

Both financial assets are measured at amortized cost less impairment losses.

(Amounts in Euros)

The Board believes that the carrying amount of investments in small private companies is roughly near its fair value.

11. INCOME TAXES

In March 2007 the Company took the decision to apply to the Corporate Income Tax for the Group (RETGS) according to the articles 69th and 70th of Income Tax Code (CIRC) and beginning in 1st January 2007. In consequence, the parent company (Toyota Caetano Portugal, S.A.) shall book the income tax calculated in the Group Companies (Toyota Caetano Portugal, Caetano Auto, Saltano, and Caetano Renting) in order to determine the group income tax.

Amounts and nature of the assets and liabilities for deferred taxes recorded in 2015 comprise (Debits/ (Credits)):

	Balance 31 December 2015			
	Deferred tax assets	Deferred tax liability	Reflected in Income Statement	Reflected in Equity
Provisions not accepted as fiscal costs	1.062.592		84.929	
40% of depreciation as a result of legal revaluation of fixed assets		(48.576)	(3.572)	
Effect of the reinvestments of the gains in fixed assets sales		(165.772)	(24.428)	
Gains in fixed assets according nº7 Art. 7º Law			(5.136)	
Reserve captive		(88.374)		
Valluation of financial instruments	21.270		12.427	
Fiscal Losses (RETGS)	502.621		706.201	
Transition adjustments Investments Subsidies		(26.387)		1711
Total	1.586.483	(329.109)	770.419	1.711

The line of Fiscal Losses (RETGS) in the amount of 502.621 Euros results of tax losses recognized by the subsidiary companies in the regime.

The Group Companies' operating profits forecasted to the next year show that the carrying amount of deferred tax assets recognized at 31 December 2015 will be totally recovered.

Additionally, the Income Statement caption "Income taxes" was determined as follows:

Income taxes in year ended 31 December 2015	597.057
Deferred income taxes in year ended 31 December 2015	770.419
	1.367.476

NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS AT 31 DECEMBER 2015

(Amounts in Euros)

The liability caption "Accrued Taxes", as of 31 December 2015 and 2014, does not include outstanding overdue debts, and comprise:

Items	2015	2014
Corporate Income Tax for the Year 2013 (RETGS)	614.257	609.384
Corporate Income Tax for the Year 2014 (RETGS)	337.077	
Corporate Income Tax for the Year (estimate)	-597.057	-359.391
Corporate Income Tax(payments in advance) for the Year	697.478	793.433
Corporate Income Tax for the Year (RETGS)	-79.861	-113.985
Total Assets	971.895	929.440
Vehicles Tax	1.590.785	2.209.294
Custom Duties	272.437	71.802
Value Added Tax	5.769.793	6.840.673
Other Tax	617.359	586.288
Total Liabilities	8.250.374	9.708.056

The Corporate Income Tax 2015(RETGS) for each group company can be analysed as follows:

Saltano	-596
Caetano Renting	-48.519
Caetano Auto	128.975
	79.860

The caption Down Payments at December 31, 2015 present no debt in situation of delay.

The reconciliation of the earnings before taxes of the years ended at 31 December, 2015 and 2014 can be analysed as follows:

	DEC/15	DEC/14
Income Before Taxes	7.842.351	4.451.905
Equity variations - Transition Condition		24.314
Equity Method (art.º18,nº18)	-1.142.682	-755.212
Restitution of non deductible tazes andexcess on income tax provision		
Reversion of impairment losses taxed	-383.915	-257.795
Accounting Capital Gains	-3.845.010	-1.276.446
Elimination of Economical Double taxation on Distrubuted Income (art.º 51)		-729.411
Derivative Fiancial Instruments (art.º 49)	-55.231	
Fiscal Benefits	-34.576	-110.536
Income not subject to taxation	-5.461.413	-2.374.187
Equity Method (art.º18,nº18)		
Non deductible depretion and amortization (art.º 34, nº1)	113.009	144.052
50% fiscal Capital Gains	1.922.505	529.025
Payment of non deductible taxes and insufficiency on income tax provision		
Derivative Fiancial Instruments (art.º 49)		30.240
Others	387.633	59.538
Expenses not subject to taxation	2.423.147	762.856
Fiscal income	4.804.085	2.109.675
Tax expense at rate aplicable in Portugal 21%	1.008.858	485.225
Local tax 1,5%	72.061	31.645
State tax	99.123	18.290
National tax expense (Taxe at rate aplicable in Portugal (22,5%))	1.180.042	535.161
Deferred tax	64.219	-869
Addicional Income tax	123.216	163.888
Effective Tax Expenses	1.367.476	698.180

(Amounts in Euros)

The Corporate Income Tax for the Year 2015 referred in the detail of caption "Accrued Taxes" comprise:

Tax expense (70% fiscal income * 21%)	302.657
Local tax	72.061
State tax	99.123
Additional Income tax	123.216
	597.057

The tax expenses calculated above, in the amount of 1.008.858 Euros, settle Deferred tax assets on fiscal losses of previous years in the amount of 706.201 Euros.

12. INVENTORIES

As of 31 December 2015 and 31 December 2014, inventories detail was the following:

Items	31/Dec/2015	31/Dec/2014
Goods	45.952.257	38.034.011
Raw materials	10.080.953	3.938.945
Finished and Intermediate goods	1.613.906	5.503.201
Work in Progress	1.070.695	985.953
Lost of impairments - Goods (Note 19)	0	-377.462
	58.717.810	48.084.649

The cost of goods sold and consumed for 2015 was as follows:

Items	Goods	Raw Materials	Total
Opening Balances	38.034.011	3.938.945	41.972.957
Purchases	189.815.042	36.959.044	226.774.086
Closing Balances	45.952.257	10.080.953	56.033.209
	181.896.797	30.817.037	212.713.834

The variation of production for 2015 was as follows:

Items	Finished and Intermediate Goods	Work in Progress	Total
Closing Balances	1.613.906	1.070.695	2.684.601
Opening Balances	5.503.201	985.953	6.489.154
	-3.889.294	84.741	-3.804.553

(Amounts in Euros)

13. ACCOUNTS RECEIVABLE

As of 31 December 2015 and 31 December 2014 Accounts Receivable detail was the following:

Items	31/Dec/2015	31/Dec/2014
Current Assets		
Accounts Receivable	92.803.105	92.458.711
Current Accounts	86.862.871	86.518.477
Doubtful Accounts	5.940.234	5.940.234
Lost of impairments (Note 19)	5.767.873	5.932.696
	87.035.232	86.526.015

14. TOYOTA CAETANO PORTUGAL GROUP COMPANIES

Due and payable balances with Group and Associated companies, which, as of 31 December 2015 and 2014, were recorded in the captions “Accounts receivable”, “Accounts payable”, “Other financial investments” and “ Shareholders”, as follows:

	31/Dec/2015	31/Dec/2014
Accounts Receivable	49.477.654	52.739.811
Accounts Payable	-857.707	-690.805
Shareholders		
- RETGS’s Companies (Note 11)		
. Saltano, SGPS, S.A.	147.394	147.990
. Caetano Renting, S.A.	-538.122	-489.603
. Caetano Auto, S.A.	1.195.369	1.027.142
	---------------	-------------
	804.641	685.529
Other Financial Investments (Note 10)		
. Saltano, SGPS, SA.	3.432.799	3.432.799

Accounts Receivable and Accounts Payable (Notes 13 and 22)

(Amounts in Euros)

Intercompany balances and transactions related with accounts receivable and payable were as follows:

2015	Comercial Debt		Products		Fixed Assets	Services		Others	
	Receivable	Payable	Sales	Purchases	Disposals	Rendered	Obtained	Expenses	Gains
CAETANO AUTO CV, S.A.	503.406	200	4.879.290				200		81.672
CAETANO RENTING, SA	7.989.083	77.874	9.599.154	7.445.972	-36.585		69.007	197.400	519.898
CAETANO AUTO, S.A.	40.985.166	779.632	125.612.573	409.912	-831.890		7.269.721	9.898.988	2.052.240
Total	49.477.654	857.707	140.091.017	7.855.884	-868.476		7.338.927	10.096.388	2.653.809

2014	Comercial Debt		Products		Fixed Assets	Services		Others	
	Receivable	Payable	Sales	Purchases	Disposals	Rendered	Obtained	Expenses	Gains
CAETANO AUTO CV, S.A.	46.727		4.418.290				786		1.563
CAETANO RENTING, SA	6.234.771	78	9.155.979	8.365.070			69.007	94.633	300.414
CAETANO AUTO, S.A.	46.458.313	690.727	113.571.668	474.719	-1.144.087		5.279.656	7.737.070	1.276.948
Total	52.739.811	690.805	127.145.937	8.839.789	-1.144.087		5.349.448	7.831.704	1.578.925

15. OTHER ACCOUNTS PAYABLE AND RECEIVABLE

Other Accounts Payable and Receivable's detail at 31 December 2015 and 2014 is as follows:

Other Accounts Payable	31/Dec/2015	31/Dec/2014
Interest	92.530	248.128
Sales Campaigns	2.072.912	2.327.476
Vacations pay and Bonus	1.960.865	1.825.889
Anticipaded costs related with sold vehicles	949.923	1.788.944
Supplies	154.746	459.226
Warranty claims	66.336	72.911
Car tax related with disposed vehicles not registered	526.486	481.714
Personnel	262.939	263.375
Publicity	143.873	18.529
Royalties	108.164	115.434
Insurance	262.294	271.396
Total	6.601.069	7.873.022

Other Accounts Receivable - Current Asset	31/Dec/2015	31/Dec/2014
Recover of Sales Campaigns		978.000
Recover Logistics	335.530	48.249
Renting	4.241	10.427
Other Accounts Receivable	47.385	260.123
Total	387.157	1.296.800

(Amounts in Euros)

16. DEFERRALS

As of 31 December 2015 and 2014, these items were as follows:

Asset Deferrals	2015	2014
Insurance	91.734	76.683
Interest from Commercial Paper Programs	50.144	10.923
Others Expenses to recognize	423.810	97.128
	565.688	**184.734**

Liabilities Deferrals	2015	2014
Debtors interest	6.457	6.994
Signage to be charged to dealers	539.568	641.414
Intercompany margin deferral	1.432.744	2.281.176
Conservation Vehicles Contract	3.692.098	2.617.692
Others Gains to recognize	176.982	431.012
	5.847.849	**5.978.288**

The caption Others Gains to recognize relates mainly to rents received in advance of rental machines.

The caption Conservation Vehicles Contract refers to a Plan of Conservation scheduled, acquired by the clients when purchasing vehicle, for a period of 5 years beginning in the end of 2012.

17. EQUITY

Composition of Share Capital

As of 31 December 2015 Toyota Caetano share capital was represented by 35.000.000 bearer shares, totally subscribed and realized, with a nominal value of 1 Euro.

The identification of corporate entities with more than 20% of issued capital was as follows:

- Grupo Salvador Caetano (S.G.P.S.), S.A	60,82%
- Toyota Motor Europe NV/SA	27,00%

The parent company Grupo Salvador Caetano (S.G.P.S.), S.A has the headquarters at Avenida Vasco da Gama, nº 1410, Oliveira do Douro, Gaia.

Dividends

In 2015 were distributed dividends in amount of 4.550.000 Euros (2.800.000 Euros as a result of application of net income of 2014 and 1.750.000 euros in sequence of a resolution of the General Shareholders Meeting).

The Board of Directors will propose that a dividend shall be paid in the amount of 5.250.000 Euros. This proposal must be approved in the next General Shareholders Meeting.

Legal reserve

The legal reserve is already fully incorporated under the commercial legislation (20% of the share capital), so it is no longer required that a minimum of 5% of annual net profit is destined for its endowment. This reserve is not available for distribution, except in case of dissolution of the Company, but may be used in share capital increases or used to absorb accumulated losses once other reserves have been exhausted.

Other reserves

Other reserves include:

- reserves created by the company (68.539.522 Euros);
- reserve referent to the recognition of a FEDER premium net of fiscal effect (288.688 Euros)

Revaluation reserves

The revaluation reserves cannot be distributed to the shareholders, except if they are completely depreciated and if the respective assets that were revaluated have been alienated.

Adjustments to Financial Investments – *Equity Method*

Adjustments related with the *Equity Method* adoption.

Other Equity Movements

Include subsidies and support recognized as required NCRF22 (Accounting for Government Grants and Disclosure of Government Assistance).

The distributable amount in Equity, excluding Net Income is 68.539.522 Euros, includes in Other reserves.

Proposal for the Allocation of the Profits

In accordance with the provisions laid down in article 376 (1-b) of the Código das Sociedades Comerciais (Commercial Companies Code), we propose the following allocation for 2015's profits obtained in the financial year, amounting to Euros 6.474.875,07 stated in the individual financial statements of Toyota Caetano Portugal:

a) To non-distributable reserves by profits recognised in investments in subsidiaries resulting from the application of the equity method.
Eur 1.142.681,70

b) To dividends to be allocated to Share Capital, 0,15 Eur per share, which considering its 35.000.000 shares totals Eur 5.250.000,00

c) The remainder for the retained earnings account Eur 82.193,37

(Amounts in Euros)

18. GOVERNMENT GRANTS

The detail of the movements in captions subsidies and support received during 2015 is as follows (Note 3 g)

PROGRAM	Subsidies Received in previous years	Subsidies Received	Recognised in period	Deferred to future
POE1.2 – SIME A application 00/07099	124.883		8.147	116.735
FEDER	392.773			392.773
sub-total for subsidies to fixed and intangible assets	517.656		8.147	509.508
Operational Program for the Human Potencial (POPH)		2.349.144	2.349.144	
sub-total for operating subsidies		2.349.144	2.349.144	

19. PROVISIONS AND IMPAIRMENTS

During 2015 and 2014, the following movements occurred in provisions and impairments:

Items 31/Dec/2015	Opening Balances	Increases	Disposals	Write-Offs	Final Balances
Doubtful Accounts Receivable	5.932.696	16.190	-170.161	-10.852	5.767.873
Inventories	377.462			-377.462	0
	6.310.157	16.190	-170.161	-388.314	5.767.872

Items 31/Dec/2014	Opening Balances	Increases	Disposals	Write-Offs	Final Balances
Doubtful Accounts Receivable	6.273.895	215.887	-532.096	-24.990	5.932.696
Inventories	377.462				377.462
	6.651.357	215.887	-532.096	-24.990	6.310.157

The increases and reversals of provisions have resulted from an internal evaluation made to accounts receivable's recoverable amounts and inventories.

(Amounts in Euros)

20. LOANS AND FINANCIAL EXPENSES

As of 31 December 2015 and 2014, loans can be detailed as follows

	31/Dec/2015	31/Dec/2014
Current Liability		
Current Bank Financing	10.000.000	10.000.000
Commercial Paper Programs	21.700.000	13.400.000
Bank Loan	1.842.105	1.842.105
Financial Leases	2.908.367	1.201.833
Others		272.678
	---------------	---------------
	36.450.473	**26.716.616**
Non Current Liability		
Bank loan	13.210.527	15.052.632
Financial Leases	10.918.440	5.060.856
	---------------	---------------
	24.198.627	**20.113.488**

Loans are measured at amortized cost, being the effective interest rate coincident with the nominal interest rate.

Interests relating to the Commercial Paper Programs and bank Loans mentioned above are indexed to Euribor, plus a spread which varies between 165 and 375 bps.

Other Loans refer to the investment refundable grant received in 2009 and the last reimbursement will occur in 2015 January.

The maturity of the outstanding loans as per December 31, 2015 can be detailed as follows:

	2016	2017	2018	2019	>2020	Total
Bank Financing	10.000.000					10.000.000
Commercial Paper Programs	21.700.000					21.700.000
Bank Loan	1.842.105	6.210.526	7.000.000			15.052.632
Financial Leases	2.908.367	2.949.873	2.870.666	3.036.822	2.061.080	13.826.808
Other Loans						0
	36.450.473	9.160.400	9.870.666	3.036.822	2.061.080	60.579.440

During 2015 and 2014 the detail of the costs supported with Loans and other financial instruments was as follows (Note 32):

(Amounts in Euros)

	31/Dec/2015	31/Dec/2014
Commercial Paper Programs	292.248	136.706
Current Bank Loans	174.216	266.930
Non Current Bank Loans	575.245	454.343
Financial Leases	537.775	218.932
Financial Instruments	84.897	58.307
Others	11.843	22.459
	1.676.225	1.157.678

The detail of derivative financial instruments' contract conditions are explained on Note 23.

We detail then the outstanding amount in the balance regarding the loans obtained for which were granted mortgages:

- Bank Loans 6.052.632

21. LEASES

As of 31 December 2015, the company was maintaining responsibilities like tenant relative to future installments of financial lease contracts of industrial equipment in the amount of 6.262.689 Euros, which are included in the caption "Loans" (Note 20).

The item "Loans" (current and non-current) include liabilities for leasing contracts, related to the purchase of facilities and equipment. The detail of this caption, as well as the reimbursement plan can be summarized as follows:

			Medium/Long term				
Contract	Leasing	Short-Term	2017	2018	2019 and following	Total non current	TOTAL
Diverse	Industrial Equipment						
	Capital	2.908.367	2.949.873	2.870.666	5.097.901	10.918.441	13.826.808
	Interest	601.882	455.617	309.055	214.480	979.152	1.581.034

The fair value of the liabilities for leasing contracts is similar to the fair value of the leased assets.

22. ACCOUNTS PAYABLE

As of 31 December 2015 and 2014 this caption was composed of current accounts with suppliers, which end at short term.

23. DERIVATIVE FINANCIAL INSTRUMENTS

Interest rate Derivatives

Althoug these derivatives were contracted for interest rate hedging purposes as well as funding cost optimization, they haven't been designated for hedge accounting. Thus, they are measured at fair value through profit or loss.

(Amounts in Euros)

The fair value of these derivative financial instruments at December 31, 2015 was negative at 94.532 Euros (31 December 2014 was negative EUR 149.762) and comprises an actual exposure of 6.052.632 Euros, since 22 December, 2014 for a period of one year and half.

These derivatives' valuation were provided at 31 December 2015 by the bank with whom they were contracted, taking into account future cash flows and risk estimates.

It is the intention of Toyota Caetano to hold these instruments until their maturities, so this form of assessment reflects the best estimate of present value of future cash flows to be generated by such instruments

24. FINANCIAL COMMITMENTS NOT INCLUDED IN STATEMENT OF FINANCIAL POSITION

As of 31 December, 2015 and 2014, Toyota Caetano had assumed the following financial commitments:

Responsabilities	31/Dec/2015	31/Dec/2014
Commitments assumed by guaranties	1.500.000	2.500.000
A.T.A. Fiscal Authorities	4.000.000	4.000.000
Other Guaranties	994.671	996.396
Total	6.494.671	7.496.396

At 31 December 2015, the financial commitments classified A.T.A include guarantee on imports provided to Customs Agency.

As a result of loans amounting to 11,1 million Euros Toyota Caetano granted the respective financial institutions mortgages on properties valued at the time of the referred loans, approximately 25,1 million Euros.

25. POST-RETIREMENT OBLIGATIONS

Toyota Caetano (together with other associated and related companies) incorporated, by public deed dated December 29, 1988, the Salvador Caetano Pension Fund, which was subsequently updated in February 2, 1994, April 30, 1996, August 9, 1996, July 4, 2003, February 2, 2007, December 30, 2008, December 23, 2011 and December 31, 2013.

The Pension Fund was set up to, while Toyota Caetano maintains the decision to make contributions to the referred fund, provide employees (beneficiaries), at their retirement date, the right to a pension complement, which is not subject to update and is based on a percentage of the salary, among other conditions.

A request was made as of 19 December 2006 to the fund manager of the Salvador Caetano Pension Fund (ESAF – Espirito Santo Activos Financeiros, S.A.), to act near the "ISP - Instituto de Seguros de Portugal" and take the necessary measures to change the defined benefit plan into a defined contribution plan, among other changes.

(Amounts in Euros)

Following the above mentioned, a dossier was sent on December 18, 2007 to Instituto de Seguros de Portugal containing the proposals to change the “Constitutive Contract” of Salvador Caetano Pension Fund, as well as the minute of approval of these changes by the Pensions Fund Advisory Committee, and requesting, with effects as from January 1, 2008, the approval of these changes.

The proposal for changing the pension complement, dully approved by the Pension Funds Advisory Committee (“Comissão de Acompanhamento do Fundo de Pensões”), includes the maintenance of a defined benefit plan for the current retired workers and ex-employees with acquired rights, as well as for all the current employees with more than 50 years and more than 15 years of service completed until January 1, 2008. A new group will be created to which all current employees with less than 50 years and/or less than 15 years of service will be transferred.

At December 29, 2008 Toyota Caetano Portugal, S.A. received a letter from ISP - Instituto de Seguros de Portugal (Portuguese Insurance Institute) with the approval of the pretended alterations and entering into force starting from January 1, 2008. ISP determined in the referred approval that the employees associated to the Salvador Caetano Pension Fund who at January 1, 2008 had achieved 15 years of service and had ages inferior to 50 years (and that shall integrate a Defined Contribution Plan) have the right to an individual “initial capital” according to the new Plan, determined according to the actuarial responsibilities as at December 31, 2007 and based on the presumptions and criteria used on that year.

The actuarial presumptions used by the fund manager include the Mortality Table and disability TV 73/77 and SuisseRe 2001, respectively, as well as well as salary increase rate, pensions increase rate and average rate of return of 0%, 0% and 2,3%, respectively.

The variation of the Fund responsibilities of the Company with the Defined benefit plan in 2015 can be summarized as follows:

Responsibilities at January 1, 2015	20.218.005
Cost of the current services	44.694
Cost of interest	732.402
(Gains) and actuarial losses	616.619
Pension payment	(1.484.800)
Responsibilities at December 31, 2015	20.126.920

The allocation of this amount during 2015 to both plans (Defined benefit plan and Defined contribution plan) can be summarized as follows:

(Amounts in Euros)

Item	Defined benefit plan	Defined contribution plan	Total
Fund amount at December 31, 2014	16.988.766	3.937.544	20.924.308
Contributions	399.100	396.944	796.044
Real recovery of the plan assets	618.464	157.645	776.109
Pension payment	-1.484.800	-31.854	-1.516.654
Transfers between Members	73.636	-22.243	51.393
Fund amount at December 31, 2015	16.593.166	4.438.034	21.031.200

At 31 December 2015, the Pension Fund's portfolio that covers the defined benefit plan was as follows:

Portfolio	%	Value at 31-12-2015
Stocks	9,0%	1.493.385
Bonds	39,8%	6.604.080
Real Estate	37,4%	6.205.844
Cash	10,7%	1.775.469
Other Assets	.3,1%	514.388
Total	100%	16.593.166

The evolution of the pension fund's value and Toyota Caetano Portugal's responsabilities related with the defined benefit plan are as follows:

	2015	2014
Responsibility's Values	20.126.920	20.218.005
Fund's Value	16.593.166	16.988.766

The Toyota Caetano Portugal responsibilities shown above was safeguarded through the creation of an accrual of costs for about 3,534 million reflected in the Balance sheet caption of Post-Retirement Obligations (3,2 million in 31 december 2014).

26. SALES AND SERVICES RENDERED BY GEOGRAPHIC MARKETS

Sales and services rendered by geographic markets, in 2015 and 2014, was as follows:

(Amounts in Euros)

	2015	2014		2015	2014		2015	2014	
	National Market		Var (%)	External Market		Var (%)	Total		Var (%)
Light Vehicles	169.620.505	155.221.023	9%	29.306.075	13.983.740	110%	198.926.580	169.204.763	18%
Heavy Vehicles				243.518,74	415.390	-41%	243.519	415.390	-41%
Industrial Vehicles	17.057.891	11.000.369	55%	66.436	100.940	-34%	17.124.327	11.101.309	54%
Spare Parts and Accessories	36.128.615	33.093.150	9%	524.409	580.029	-10%	36.653.024	33.673.179	9%
Others	3.852.059	3.583.725	7%	8.623	11.432	-25%	3.860.682	3.595.157	7%
	226.659.070	202.898.267	12%	30.149.061	15.091.531	100%	256.808.132	217.989.797	18%

27. SEGMENTS INFORMATION

The main information relating to the business segments existing on December, 2015 and 2014, prepared according to the same accounting policies and criteria adopted in the preparation of the financial statements, is as follows:

31/Dec/2015	NATIONAL						EXTERNAL					Total
	Vehicles		Industrial Equipment			Others	Vehicles		Inadustrial Equipment			
	Industry	Commercial	Commercial	Services	Rental		Industry	Commercial	Commercial	Services	Rental	
PROFITS												
External sales	13.152.446	194.339.004	17.036.151	2.052.875			25.231.427	4.899.430	88.176	8.623		256.808.132
Suplementary income					11.371.255						21.740	11.392.995
INCOME												
Operational income	-2.658.678	7.906.319	846.898	1.658.136	1.231.606		-783.698	353.001	19.624	6.665	12.570	8.592.443
Financial income	37.312	1.763.447	12.842	5.997	31.985		28.013	12.790	325	16	47	1.892.773
Gains in subsidiaries						1.142.682						1.142.681
Net income	-2.695.990	5.319.915	722.318	1.430.802	1.038.908	1.142.682	-811.711	294.634	16.714	5.758	10.845	6.474.875
OTHER INFORMATION												
Total assets	41.180.066	167.279.434	11.494.005	2.422.197	25.218.298							246.624.989
Total liabilities	9.609.144	88.829.987	1.311.987	320.755	18.107.376							117.330.816
Investments in subsidiaries (1)						39.916.532						39.916.532
Capital Expenditur (2)	5.225.897	1.867.815	24.541	42.730	9.797.139							16.958.120
Depreciation (3)	1.352.891	2.001.875	55.401	41.403	4.127.494							7.579.064

31/Dec/2014	NATIONAL						EXTERNAL					Total
	Vehicles		Industrial Equipment			Others	Vehicles		Inadustrial Equipment			
	Industry	Commercial	Commercial	Services	Rental		Industry	Commercial	Commercial	Services	Rental	
PROFITS												
External sales	13.364.282	176.375.155	11.146.958	2.024.771			10.850.627	4.128.531	88.040	11.432		217.989.797
Suplementary income					9.904.240						12.900	9.917.140
INCOME												
Operational income	-1.304.760	3.431.116	306.608	1.278.832	2.006.878		-1.014.367	260.370	910	8.824	5.456	4.979.866
Financial income	-319	459.828	-2.139	421	820.643		117	4.250	376	-5	1	1.283.173
Gains in subsidiaries	6.834	848.720				-48.697		-51.646				755.212
Net income	-1.297.607	3.475.157	272.914	1.130.037	1.048.559	-48.697	-1.014.484	174.749	472	7.805	4.821	3.753.725
OTHER INFORMATION												
Total assets	43.381.979	152.142.838	14.825.945	2.196.886	17.092.879							229.640.527
Total liabilities	7.844.907	79.488.438	4.412.767	655.157	8.341.415							100.742.683
Investments in subsidiaries (1)												
Capital Expenditur (2)	1.585.813	1.602.704	83.080	59.881	3.764.745							7.096.222
Depreciation (3)	1.371.297	1.385.902	71.841	51.781	3.255.480							6.136.301

28. SUPPLIES

At 31 December 2015 and 2014, supply expenses were as follows:

(Amounts in Euros)

Description	31/Dec/2015	31/Dec/2014
SUBCONTRACTS	**25.068**	**24.935**
Professional Services	2.973.510	2.696.568
Advertising	14.404.005	12.991.969
Vigilance and Security	288.198	303.108
Professional Fees	673.667	678.163
Comissions	132.522	172.444
Repairs and Maintenance	736.072	677.958
Others	2.819.726	2.437.656
Specialized Services	**22.027.699**	**19.957.865**
Tools and Utensils	105.943	64.185
Books and Technical Documentation	230.249	217.526
Office Supplies	228.188	183.111
Gifts	18.024	22.758
Others	10.698.067	7.609.807
Materials	**11.280.471**	**8.097.387**
Electricity	462.902	409.973
Fuel	450.487	469.759
Water	56.312	61.540
Utilities	**969.701**	**941.272**
Traveling Expenses	1.110.748	1.010.756
Personnel Transportation	99.547	91.436
Transportation of Materials	965.827	743.718
Travel and Transportation	**2.176.122**	**1.845.910**
Rent	347.489	392.304
Communications	350.771	437.769
Insurance	762.487	689.618
Royalties	339.332	299.027
Notaries	10.293	10.779
Cleaning and Comfort	388.501	294.252
Other Supplies	**2.198.873**	**2.123.748**
TOTAL SUPPLIES	**38.677.933**	**32.991.116**

(Amounts in Euros)

29. PAYROLL AND AVERAGE NUMBER OF PERSONNEL

At 31 December 2015 and 2014, payroll expenses were as follows:

Description	31/Dec/2015	31/Dec/2014
Payroll - Management	358.512	358.416
Payroll - Other Personnel	9.652.154	9.562.102
Benefit Plans	628.053	235.542
Termination Indemnities	117.941	51.159
Social Security Contributions	2.395.285	2.315.672
Workmen's Insurance	191.326	218.109
Social Costs	1.221.283	1.063.747
Others	959.487	717.927
PAYROLL EXPENSES	**15.524.042**	**14.522.674**

During the years ended as of December 31, 2015 and 2014, the average number of personnel was as follows:

Items	Dec´15	Dec´14
Employees	363	379
Production Personnel	152	123
	516	**502**

30. REMUNERATION OF BOARD MEMBERS

The remuneration of the board members in Toyota Caetano Portugal, S.A. during the years 2015 and 2014, was as follows:

Board Members	31/Dec/2015	31/Dec/2014
Board of Directors	347.183	347.183
Board of Auditors	8.400	8.450

(Amounts in Euros)

31. OTHER OPERATING EXPENSES AND OTHER GAINS

As of 31 December, 2015 and 2014, the captions “Other Expenses” and “Other Gains” were as follows:

OTHER EXPENSES	31/Dec/2015	31/Dec/2014
Tax	617.636	684.595
Cash Discount Granted	7.271	10.501
Bad Depts	895	371.000
Losses on Inventories	52.604	77.904
Losses on Fixed Assets	941.161	14.858
Other Expenses	8.137.580	7.629.870
	9.757.147	8.788.728

The caption Losses on fixed assets included, in addition to the loss on disposal of tangible fixed assets, the losses resulting from the fire that broke out earlier this year in the Carregado industrial facilities in the amount of 903.826 Euros.

The caption Other Expenses includes trade incentives and bonuses granted to dealers.

OTHER GAINS	31/Dec/201	31/Dec/2014
Suplementary Income	32.082.889	26.822.185
Obtained Cash Discounts	7.753	32.182
Recovery of Bad Debts	79	3.154
Gains on Inventories	63.263	137.575
Gains on Fixed Assets	4.832.146	1.329.357
Other Gains	78.257	76.494
	37.064.386	28.400.946

The supplementary income refers to equipment and real estate renting fees, as well as provided services and warranties’ recovery.

Gains on fixed assets included capital gains resulting from disposals and payments received from insurance claims, in particular the amount received following the fire that broke out earlier this year in Carregado industrial facilities of 2.310.344 Euros.

32. FINANCIAL INCOME AND EXPENSES

As of 31 December, 2015 and 2014, the captions “Financial Income” and “Financial Expenses” were as follows:

Expenses	31/Dec/2015	31/Dec/2014
Interest	1.676.225	1.157.678
Other Expenses	419.277	483.517
	2.095.502	1.641.195

(Amounts in Euros)

Gains	31/Dec/2015	31/Dec/2014
Interest	202.728	358.021

33. EARNINGS PER SHARE

The earnings per share for the year ended as of December 31, 2015 and 2014 were computed based on the following amounts:

	Dec-15	Dec-14
Net Income		
Basic	6.474.875	3.753.725
Diluted	6.474.875	3.753.725
Number of shares	35.000.000	35.000.000
Earnings per share (basic and diluted)	0,15	0,11

During the year there were no changes in the number of shares.

34. OTHER RELATED PARTIES

Balances and transactions details between Toyota Caetano Portugal and Related Parties other than those referred on Note 14 can be summarized as follows:

NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS AT 31 DECEMBER 2015

(Amounts in Euros)

Other Related Companies	Comercial Debt		Products		Fixed Assets	Services		Others	
	Receivable	Payable	Sales	Purchases	Purchases	Rendered	Obtained	Expenses	Gains
AMORIM BRITO & SARDINHA LDA	77								2.268
CAETANO BAVIERA - COMÉRCIO DE AUTOMÓVEIS, SA	375.096	7.798	3.307.051	2.012	-22.672		210.386	267.566	466.937
CAETANO ACTIVE (SUL),LDA	-599		397						444
CAETANO CITY E ACTIVE (NORTE) SA	34		177						767
CAETANO DRIVE SPORT URBAN (NORTE)SA	-920		4.553						5.347
CAETANO FORMULA (NORTE),SA	1.274		3.004						1.196
CAETANO MOTORS , SA	-325		3.592						58
CAETANO PARTS LDA	1.639	532	2.066		-9.250		210		7.104
CAETANO POWER SA	2.061		4.191						4.846
CAETANO RETAILSGPS, S.A.	21.253		-275						69.121
CAETANO STAR (SUL) SA	1.305		1.449						8.479
CAETANO TECHNIK E SQUADRA LDA	1.121		2.085						1.447
PLATINIUM V H - IMPORTAÇÃO AUTOMOVEIS SA	9.048							1.604	23.218
CAETANO UK LIMITED									300
CAETANOBUS-FABRICAÇÃO DE CARROÇARIAS SA	7.412.082		54.406		2.001.951		143.588	1.500	3.443.218
CAETANO AERONAUTIC	238.028		62.662						233.382
CAETSU SA		346.288	24.752	2.640			2.701.989	310	
CARPLUS-COMERCIO AUTOMOVEIS SA	1.048	555	1.075						5.990
CHOICE CAR-COMERCIO AUTOMOVEIS SA	461								2.494
FINLOG - ALUGUER E COMÉRCIO AUTO, SA	6.102	29.948	263.352	73.923			363.898	30.920	26.207
GRUPO SALVADOR CAETANO,SGPS, SA	102								102
GUÉRIN-RENT-A-CAR(DOIS),LDA	56.813								61.245
IBERICAR AUTO NIPON, SA	15.525			24.897					
LUSILECTRA - VEÍCULOS E EQUIPAMENTOS, SA	164.163	98.637	172.928	33.667	608.664		162.805	1.864	74.129
MDS AUTO - MEDIAÇÃO SEGUROS SA	1.119	3.772							2.519
PORTIANGA - COMÉRCIO INTERNACIONAL E PARTICIPAÇÕES, SA	185.226	294	2.083				239		58.754
RIGOR - CONSULTORIA E GESTÃO, SA	122.326	582.969	156		75.978		2.346.537	7.050	300.653
LIDERA SOLUCIONES SL							15.141		
MOVICARGO	115.609	75.041		2.488.545	751		48.103	1.974.877	20.535
SEARAS MORENAS LDA									17
CENTRAL SOLAR CASTANHOS	102								102
PV LOIRAL	102								102
GLOBALWATT SGPS SA									51
SALVADOR CAETANO AUTO AFRICA, SGPS, SA	31								26
VAS AFRICA									563
DRIVE ANGOLA SA	300								300
ROBERT HUDSON ,LTD	34.857		33.302						6.492
SALVADOR CAETANO EQUIPAMENTOS SA			238						6
CAETANO FÓRMULA EAST ÁFRICA SA									177
CAETANO FÓRMULA WEST ÁFRICA SA	55								2.255
CAETANO FÓRMULA MOÇAMBIQUE SA	300								1.131
CAETANO EQUIPAMENTOS SA									315
CAETANO MOVE ÁFRICA SA									17
ATLANTICA	5.111								
COCIGA - CONSTRUÇÕES CIVIS DE GAIA, SA	534	135.073	425		1.271.076		88.676		4.427
SIMOGA - SOC. IMOBILIÁRIA DE GAIA, SA	1.036								
POAL	17.806								
SPRAMO - PUBLICIDADE & IMAGEM, S.A.		681							
RARCON - ARQUITECTURA E CONSULTADORIA, SA		18.344			80.210		137.772	6.500	166
LUSO ASSISTENCIA									1.669
ISLAND RENT									2.103
CIBERGUIA	9.954								
TURISPAIVA - SOCIEDADE TURÍSTICA PAIVENSE, LDA.	315								769
TOYOTA MOTOR CORPORATION	88	5.826.371		36.096.544	1.364.157			192.979	1.033
TOYOTA MOTOR EUROPE	6.110.804	16.654.953	24.860.001	156.454.466				439.312	10.136.253

35. CONTINGENT ASSETS AND LIABILITIES

Litigation in progress:

The Board of Directors and its legal advisors believe that the arguments presented by a former agent, who claims compensation for the termination of the agency contract, is not in accordance with applicable law and thereby no losses will result to the company, so it was not recorded any provision in the financial statements. The termination of the agency contract was due to default by the Agent.

In January of 2011, the trial concludes with a favourable decision to Toyota Caetano Portugal, but the Agent submitted an appeal in September 2011 appeal, pending a new decision.

During the period ended was presented in Supreme Court allegations of appeal.

In 2013 the company was notified of the decision from Supreme Court to pay a compensation for indirect and non-patrimonial losses. We have to deduct the receivable accounts plus interest related to a claim made against the Agent.

The Board of directors believe that there are no responsibilities to the Company resulting from the conclusion of the judicial procedure.

(Amounts in Euros)

36. INFORMATION RELATED TO ENVIRONMENTAL AREA

The company adopts the necessary measures relating to the environment, aiming to fulfil current applicable legislation.

The Toyota Caetano Board of Directors does not estimate that there are risks related to the environmental protection and improvement, not having received any infraction related to this matter during 2015.

37. END-OF-LIFE VEHICLES

In September 2000 the European Commission voted on a directive regarding end-of-life vehicles and the responsibility of Producers/Distributors for dismantling and recycling them.

Producers/Distributors will have to bear at least a significant part of the cost of the take back of vehicles put on the market as of July 1, 2002 and from January 1, 2008 for vehicles put on the market.

This legislation will impact Toyota vehicles sold in Portugal. Toyota Caetano and Toyota are closely monitoring the development of Portuguese National Legislation in order to access the impact on their financial statements.

Is our conviction in face of the studies already done into the Portuguese market, and taking notice on the possible valorization of the residues from the end-of-life vehicles dismantling, that the effective impact of this legislation in the Company accounts will be reduced or null.

Meanwhile and according to the legislation introduced (Dec./Law 196/2003), the Company contracted with “ValorCar – Sociedade de Gestão de Veículos em Fim de Vida, Lda” - a licensed entity for the management of an integrated system of ELV- the transfer of the responsibilities in this process.

38. REMUNERATION OF STATUTORY AUDITOR

The remuneration of the Statutory Auditor, PricewatherhouseCoopers & Associados – S.R.O.C., Lda. for 2015, was as follows:

	31.12.2015
Total fees related statutory audit	29.500

39. FINANCIAL STATEMENTS APPROVAL

The financial statements were approved by the Board of Directors on 1st April 2016.

40. SUBSEQUENT EVENTS

Since the end of 2015 to the present date, and in terms of relevant facts, no significant events occurred

CHARTERED ACCOUNTANT
ALEXANDRA MARIA PACHECO GAMA JUNQUEIRA

BOARD OF DIRECTORS

JOSÉ REIS DA SILVA RAMOS - President
MARIA ANGELINA MARTINS CAETANO RAMOS
SALVADOR ACÁCIO MARTINS CAETANO
MIGUEL PEDRO CAETANO RAMOS
NOBUAKI FUJII
MATTHEW PETER HARRISON
RUI MANUEL MACHADO DE NORONHA MENDES

Consolidated Accounts

December 2015

CONSOLIDATED FINANCIAL HIGHLIGHTS

	Dec-15	Dec-14	Dec-13
TURNOVER	319.307.542	271.639.918	222.923.191
CASH-FLOW	20.569.096	16.286.390	13.004.089
INTEREST AND OTHERS	2.105.152	1.343.024	1.743.901
PERSONNEL EXPENSES	38.673.292	35.838.481	34.924.650
NET INVESTMENT	22.915.693	13.022.095	4.791.647
NUMBER OF EMPLOYEES	1.567	1.492	1.478
NET INCOME WITH MINORITY INTEREST	6.166.789	3.960.251	-2.416
NET INCOME WITH OUT MINORITY INTEREST	6.134.247	3.973.763	60.656
DEGREE OF AUTONOMY	48,76%	52,01%	64,01%

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2015, 31 DECEMBER 2014

ASSETS		31-12-2015	31-12-2014
NON-CURRENT ASSETS			
Goodwill	8	611.997	611.997
Intangible Assets	5	1.460.526	654.916
Tangible Fixed Assets	6	83.589.227	74.805.462
Investment properties	7	16.665.199	17.345.321
Available for sale Financial Investments	9	3.463.450	3.119.634
Deferred tax Assets	14	2.248.042	3.179.411
Accounts Receivable	11	46.553	108.556
Total non-current assets		108.084.994	99.825.297
CURRENT ASSETS			
Inventories	10 and 24	82.163.203	69.990.056
Accounts Receivable	11 and 24	56.830.687	57.493.329
Other Credits	12	3.146.581	4.417.305
Public Enteties	21	1.254.043	997.206
Other Current Assets	13	3.074.581	3.215.482
Cash and cash equivalents	15	11.364.954	12.530.999
Total current assets		157.834.049	148.644.377
Total assets		265.919.043	248.469.674
SHAREHOLDERS' EQUITY & LIABILITIES			
EQUITY			
Share capital	16	35.000.000	35.000.000
Legal Reserve	16	7.498.903	7.498.903
Revaluation reserves	16	6.195.184	6.195.184
Translation reserves	16	(1.695.238)	(1.695.238)
Fair value reserves	9 and 16	382.767	38.951
Other Reserve	16	74.490.374	76.591.909
Net Income		6.134.247	3.973.763
		128.006.237	127.603.472
Non-controlled Interests	17	1.647.295	1.630.768
Total equity		129.653.532	129.234.240
LIABILITIES:			
NON-CURRENT LIABILITIES			
Loans	18	27.011.863	23.137.232
Pension Fund liabilities	23	5.700.000	5.000.000
Provisions	24	303.252	311.551
Deferred tax liabilities	14	1.723.613	1.798.006
Total non-current liabilities		34.738.728	30.246.789
CURRENT LIABILITIES			
Loans	18	36.801.453	27.768.843
Accounts Payable	19	36.237.691	31.579.655
Other Creditors	20	1.265.885	1.740.504
Public Enteties	21	9.663.087	10.938.452
Other current liabilities	22	17.464.135	16.811.429
Derivative financial instruments	25	94.532	149.762
Total current liabilities		101.526.783	88.988.645
Total liabilities and shareholder' equity		265.919.043	248.469.674

The annex integrates the Balance sheet at 31 December 2015.

CHARTERED ACCOUNTANT
ALEXANDRA MARIA PACHECO GAMA JUNQUEIRA

BOARD OF DIRECTORS
JOSÉ REIS DA SILVA RAMOS – President
MARIA ANGELINA MARTINS CAETANO RAMOS
SALVADOR ACÁCIO MARTINS CAETANO
MIGUEL PEDRO CAETANO RAMOS
NOBUAKI FUJII
MATTHEW PETER HARRISON
RUI MANUEL MACHADO DE NORONHA MENDES

CONSOLIDATED INCOME STATEMENT

AT 31 DECEMBER 2015 and 2014

		31-12-2015	31-12-2014
Operating Income:			
Sales	29	299.879.607	252.557.779
Service Rendered	29	19.427.935	19.082.141
Other Operating Income	32	46.228.677	35.569.623
Variation of Products	10	(3.825.916)	5.332.436
		361.710.303	312.541.979
Operating expenses:			
Cost of sales	10	(260.181.357)	(220.936.623)
External Supplies and Services	30	(36.416.747)	(33.447.294)
Payroll Expenses	31	(38.673.292)	(35.838.481)
Depreciations and Amortizations	5, 6 and 7	(13.662.625)	(12.094.953)
Provisions and Impairment loss	24	494.055	(1.124.266)
Other Operating expenses	32	(3.000.555)	(2.869.726)
		(351.440.521)	(306.311.343)
Operating Results		10.269.782	6.230.636
Expense and financial losses	33	(2.193.639)	(1.527.526)
Income and financial gains	33	88.487	184.503
Profit before tax		8.164.630	4.887.613
Income tax for the year	26	(1.997.841)	(927.362)
		6.166.789	3.960.251
Profit from discontinued operations			
Income tax for the year from discontinued operations			
		-	-
Net profit for the period		6.166.789	3.960.251
Net profit for the period from continuing operations attributable to:			
Equity holders of the parent		6.134.247	3.973.763
Minority interest		32.542	(13.512)
		6.166.789	3.960.251
Net profit for the period from discontinued operations attributable to:			
Equity holders of the parent		-	-
Minority interest		-	-
		-	-
Net profit for the period attributable to:			
Equity holders of the parent		6.134.247	3.973.763
Non-controlled interests		32.542	(13.512)
		6.166.789	3.960.251
Earnings per share:			
Basic			
from continuing operations	27	**0,175**	**0,114**
from discontinued operations		**-**	**-**
		0,175	**0,114**
Diluted			
from continuing operations	27	**0,175**	**0,114**
from discontinued operations		**-**	**-**
		0,175	**0,114**

The annex integrates the Income Statement at 31 December 2015

CHARTERED ACCOUNTANT
ALEXANDRA MARIA PACHECO GAMA JUNQUEIRA

BOARD OF DIRECTORS
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CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

AT 31 DECEMBER 2015 and 2014

(Amounts expressed in Euros)

	Equity attibutable to the parent company										
	Share capital	Legal Reserves	Reavaluation Reserves	Translation reserves	Fair value reserves	Other Reserve	Total reserves	Net profit	Subtotal	Non-controlled Interests	Total
Balances at 31 of December 2013	35.000.000	7.498.903	6.195.184	(1.695.238)	260.693	80.429.549	92.689.091	60.656	127.749.747	1.646.250	129.395.997
Changes in the period:											
Application of the Consolidated Net Income 2013	-	-	-	-	-	60.656	60.656	(60.656)	-	-	-
Translation reserves changes	-	-	-	-	-	-	-	-	-	-	-
Available for sale Investments fair value changes	-	-	-	-	(221.742)	-	(221.742)	-	(221.742)	-	(221.742)
Others	-	-	-	-	-	(3.900.000)	(3.900.000)	-	(3.900.000)	-	(3.900.000)
	-	-	-	-	(221.742)	(3.839.344)	(4.061.086)	(60.656)	(4.121.742)	-	(4.121.742)
Consolidated net profit for the period	-	-	-	-	-	-	-	3.973.763	3.973.763	(13.512)	3.960.251
Total comprehensive income for the year	-	-	-	-	(221.742)	(3.900.000)	(4.121.742)	3.973.763	(147.979)	(13.512)	(161.491)
Transactions with equity holders											
Aquisition of non controlled interest	-	-	-	-	-	1.704	1.704	-	1.704	(1.970)	(266)
Distributed dividends	-	-	-	-	-	-	-	-	-	-	-
Balances at 31 of December 2014	35.000.000	7.498.903	6.195.184	(1.695.238)	38.951	76.591.909	88.629.709	3.973.763	127.603.472	1.630.768	129.234.240
Balances at 31 of December 2014	35.000.000	7.498.903	6.195.184	(1.695.238)	38.951	76.591.909	88.629.709	3.973.763	127.603.472	1.630.768	129.234.240
Changes in the period:											
Application of the Consolidated Net Income 2014	-	-	-	-	-	3.973.763	3.973.763	(3.973.763)	-	-	-
Others	-	-	-	-	-	(982.798)	(982.798)	-	(982.798)	-	(982.798)
Available for sale Investments fair value changes	-	-	-	-	343.816	-	343.816	-	343.816	-	343.816
Actuarial losses	-	-	-	-	-	(542.500)	(542.500)	-	(542.500)	-	(542.500)
	-	-	-	-	343.816	2.448.465	2.792.281	(3.973.763)	(1.181.482)	-	(1.181.482)
Consolidated net profit for the period	-	-	-	-	-	-	-	6.134.247	6.134.247	32.542	6.166.789
Total comprehensive income for the year	-	-	-	-	343.816	(542.500)	(198.684)	6.134.247	5.935.563	32.542	5.968.105
Transactions with equity holders											
Aquisition of non controlled interest	-	-	-	-	-	-	-	-	-	(16.015)	(16.015)
Distributed dividends	-	-	-	-	-	(4.550.000)	(4.550.000)	-	(4.550.000)	-	(4.550.000)
Balances at 31 of December 2015	35.000.000	7.498.903	6.195.184	(1.695.238)	382.767	74.490.374	86.871.990	6.134.247	128.006.237	1.647.295	129.653.532

The annex integrates this Statement at 31 December 2015.

CHARTERED ACCOUNTANT
ALEXANDRA MARIA PACHECO GAMA JUNQUEIRA

BOARD OF DIRECTORS
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CONSOLIDATED STATMENT OF THE COMPREHENSIVE INCOME

AT 31 DECEMBER 2015 and 2014

(Amounts expressed in Euros)

	31-12-2015	31-12-2014
Consolidated net profit for the period, including minority interest	6.166.789	3.960.251
Components of other consolidated comprehensive income, that could be recycled by profit and loss:		
Available for sale Financial Investments fair value changes	343.816	(221.742)
Components of other consolidated comprehensive income, that could not be recycled by profit and loss:		
Actuarial losses net of tax	(542.500)	(3.900.000)
Consolidated comprehensive income	5.968.105	(161.491)
Atributable to:		
Equity holders of the parent company	5.935.563	(147.979)
Non-controlled interests	32.542	(13.512)

The annex integrates this Statement at 31 December 2015.

CHARTERED ACCONTANT
ALEXANDRA MARIA PACHECO GAMA JUNQUEIRA

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CONSOLIDATED CASH FLOWS STATEMENT

(Euros)

OPERATING ACTIVITIES	Dec-15		Dec-14	
Collections from Customers	320.519.560		258.877.084	
Payments to Suppliers	(304.217.012)		(254.913.057)	
Payments to Employees	(31.079.100)		(29.101.017)	
Operating Flow		**(14.776.552)**		**(25.136.990)**
Payments of Income Tax		(781.675)		(605.798)
Other Collections/Payments Related to Operating Activities		23.936.800		13.882.357
Cash Flow from Operating Activities		**8.378.573**		**(11.860.431)**

INVESTING ACTIVITIES

	Dec-15		Dec-14	
Collections from:				
Investments				
Investments Properties	4.245.461		64.386	
Tangible Fixed Assets	2.807.093		3.201.773	
Intangible Assets				
Subsidies				
Interest and Other income	74.737		239.951	
Dividends		7.127.291		3.506.110
Payments to:				
Investments	(6.755)		(474)	
Investments Properties				
Tangible Fixed Assets	(11.404.398)		(3.685.759)	
Intangible Assets	(1.474.235)	(12.885.388)	(254.581)	(3.940.814)
Cash Flow from Investment Activities		**(5.758.097)**		**(434.704)**

FINANCING ACTIVITIES

	Dec-15		Dec-14	
Collections from:				
Loans	23.352.632	23.352.632	20.557.895	20.557.895
Payments to:				
Loans	(17.893.476)		(545.356)	
Lease Down Payments	(2.333.471)		(1.489.251)	
Interest and Other costs	(2.349.775)		(1.430.728)	
Dividends	(4.562.431)	(27.139.153)	(6.261)	(3.471.596)
Cash Flow from Financing Activities		**(3.786.521)**		**17.086.299**

CASH

	Dec-15	Dec-14
Cash and Cash Equivalents at Beginning of Period (Note 15)	12.530.999	7.676.781
Changes in perimeter (Note 4)		(63.054)
Cash and Cash Equivalents at End of Period (Note 15)	11.364.954	12.530.999
Net Flow in Cash Equivalents	**(1.166.045)**	**4.791.164**

ADMINISTRATIVE MANAGER
ALEXANDRA MARIA PACHECO GAMA JUNQUEIRA

BOARD OF DIRECTORS
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

(Amounts in Euros)

1. INTRODUCTION

Toyota Caetano Portugal, S.A. ("Toyota Caetano" or "Company") was incorporated in 1946, has its headquarters in Vila Nova de Gaia, and is the Parent Company of a Group of companies ("Toyota Caetano Group" or "Group"), which mainly develop economic activities included in the automotive sector, namely the import, assembly and commercialization of vehicles, bus and coach industry, sale and rental of industrial equipment forklifts, sale of vehicles parts, as well as the corresponding technical assistance.

Toyota Caetano Group develops its activity mainly in Portugal and Cape Verde.

Toyota Caetano shares are listed in Euronext Lisbon since October 1987.

The attached financial statements are stated in Euros (rounding by unit), as this is the functional currency used in the economic environment where the Group operates. Foreign operations and transactions are included in the consolidated financial statements in accordance with the policy described in Note 2.2 c).

2. MAIN ACCOUNTING POLICIES

The main accounting policies adopted in the preparation of the consolidated financial statements are as follows:

2.1 BASIS OF PRESENTATION

These financial statements relate to the consolidated financial statements of Toyota Caetano Group and were prepared according to the IFRS – International Financial Reporting Standards, as issued by the International Accounting Standards Board ("IASB"), the International Accounting Standards (IAS), as issued by the International Accounting Standards Committee ("IASC"), and its respective interpretations - IFRIC and SIC, as issued, respectively, by the International Financial Reporting Interpretations Committee ("IFRIC") and by the Standing Interpretation Committee ("SIC"), that have been endorsed by the European Union, being effective for the annual periods beginning on or after 1 January 2015.

The accompanying consolidated financial statements have been prepared on a going concern basis and having as basis the principle of the historical cost and, in the case of some financial instruments, fair value, based on the accounting records of the companies included in consolidation (Note 4).

The following standards, interpretations, amendments and revisions endorsed by the European Union and mandatory in the fiscal years beginning on or after 1 January 2015, were adopted by the first time in the fiscal year ended at 31 December 2015:

a) Changes to accounting standards applicable to periods beginning on or after 1 January 2015:

(i) Standards:

- **Annual Improvements 2011 - 2013.** The 2011-2013 annual improvements affects: IFRS 1, IFRS 3, IFRS 13 and IAS 40. This amendment did not have any impact in the financial statements of the Entity.

(ii) Interpretations

- **IFRIC 21** (new), 'Levies'. Interpretation to IAS 37 and the recognition of a liability, clarifying that the obligation event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment. This amendment did not have any impact in the financial statements of the Entity.

b) New standards and changes to existing standards, which though are already published, its application is only mandatory for annual periods beginning from February 1, 2015 or at a later date:

(i) Standards:

- **Annual Improvements 2010 - 2012,** (generally effective for annual periods beginning on or after 1 February 2015). The 2010-2012 annual improvements affects: IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16 and 38, and IAS 24. This amendment did not have any impact in the financial statements of the Entity.

- **IAS 19** (amendment), 'Defined benefit plans – Employee contributions' (effective for annual periods beginning on or after 1 February 2015). This amendment applies to contributions from employees or third parties to defined benefit plans and aims to simplify the accounting when contributions are not associated to the number of years of service. This amendment did not have any impact in the financial statements of the Entity.

- **IAS 1** (amendment), 'Disclosure initiative' (effective for annual periods beginning on or after 1 January 2016). This amendment provides guidance on materiality and aggregation, the presentation of subtotals, the structure of financial statements, the disclosure of accounting policies and OCI items presentation when arising from investments measured at equity method. This amendment did not have any impact in the financial statements of the Entity.

- **IAS 16 and IAS 38** (amendment), 'Acceptable methods of depreciation and amortisation calculation' (effective for annual periods beginning on or after 1 January 2016). This amendment clarifies that the use of revenue-based methods to calculate the depreciation / amortization of an asset is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an asset. It shall be applied prospectively. This amendment did not have any impact in the financial statements of the Entity.

- **IAS 16 and IAS 41** (amendment), 'Agriculture: bearer plants' (effective for annual periods beginning on or after 1 January 2016). This amendment defines the concept of a bearer plant and removes it from the scope of IAS 41 – Agriculture, to the scope of IAS 16 – Property, plant and equipment, with the consequential impact on measurement. However, the produce growing on bearer plants will remain within the scope of IAS 41 - Agriculture. This amendment did not have any impact in the financial statements of the Entity.

- **IAS 27** (amendment), 'Equity method in separate financial statements' (effective for annual periods beginning on or after 1 January 2016). This amendment allows entities to use equity method to measure investments in subsidiaries, joint ventures and associates in separate financial statements. This amendment applies retrospectively. This amendment did not have any impact in the financial statements of the Entity.

- **Amendment to IFRS 10, 12 and IAS 28**, 'Investment entities: applying consolidation exception'' (effective for annual periods beginning on or after 1 January 2016). This amendment is still subject to endorsement by the European Union. This amendment clarifies that the exemption from the obligation to prepare consolidated financial statements by investment entities applies to an intermediate parent which is a subsidiary of an investment entity. The policy choice to apply the equity method, under IAS 28, is extended to an entity which is not an investment entity, but has an interest in an associate, or joint venture, which is an investment entity. This amendment did not have any impact in the financial statements of the Entity.

- **IFRS 11** (amendment), 'Accounting for the acquisition of interests in joint operations (effective for annual periods beginning on or after 1 January 2016). This amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business, through the application of IFRS 3's principles. This amendment did not have any impact in the financial statements of the Entity.

- **Annual Improvements 2012 - 2014**, (effective for annual periods beginning on or after 1 January 2016). The 2012-2014 annual improvements affects: IFRS 5, IFRS 7, IAS 19 and IAS 34 This amendment did not have any impact in the financial statements of the Entity.

- **IFRS 9** (new), 'Financial instruments' (effective for annual periods beginning on or after 1 January 2018). This standard is still subject to endorsement by the European Union. IFRS 9 replaces the guidance in IAS 39, regarding: (i) the classification and measurement of financial assets and liabilities; (ii) the recognition of credit impairment (through the expected credit losses model); and (iii) the hedge accounting requirements and recognition. It is not expected impact of future adoption of this amendment on the financial statements of the entity, in addition to the fact that the fair value of financial instruments for equity ceases to be recyclable by results.

- **IFRS 15** (new), 'Revenue from contracts with customers' (effective for annual periods beginning on or after 1 January 2018). This standard is still subject to endorsement by European Union. This new standard, applies only to contracts with customers to provide goods or services, and requires an entity to recognise revenue when the contractual obligation to deliver the goods or services is satisfied and by the amount that reflects the consideration the entity is expected to be entitled to, following a five step approach. This amendment did not have any impact in the financial statements of the Entity.

2.2 CONSOLIDATION PRINCIPLES

Consolidation principles used by the Group were as follows:

a) Investments in Group companies

Investments in companies in which the Group is exposed , or has voting rights , to variable returns as a result of their involvement in these companies , and has the ability to affect those returns through the power of these companies (definition of control used by the Group), were included in the consolidated financial statements by the full consolidation method. Equity and net results corresponding to third parties participations in those companies are recorded separately in the consolidated statement of financial position and in the consolidated income statement under the caption “Non controlled Interests”. Fully consolidated companies are listed in Note 4.

When losses attributable to minority shareholders exceed non controlled interest in shareholders equity, the Group absorbs the excess.

For business combinations earlier than 2010, it was adopted the purchase method to account for subsidiary’s acquisitions. The acquisition cost correspond to the fair value, determined at the acquisition date, of the assets given, equity instruments issued and liabilities incurred or assumed. The identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are initially recognised at fair value on the acquisition date, irrespective of the existence of non-controlling interests. The surplus in the cost of acquisition relating to the fair value of the parcel of the Group of the assets identifiable acquired are registered as Goodwill. If the cost of acquisition is lower than the fair value of the net assets of the acquired subsidiary, the difference is recognised directly in the Consolidated Income Statement.

For business combinations that have occurred on or after 1 January 2010, the Group has applied IFRS 3 Revised. According to the referred standard, the purchase method continues to be considered on business combinations, with the following significant changes:

(i) the amounts that compose the purchase price are valued at fair value, being given the option to, on a transaction to transaction basis, measure non controlling interests by the proportion of the acquired company’s net assets or at the fair value of the assets and liabilities acquired;

(ii) the costs related to the acquisition are recognized as expenses.

It was also applied since 1 January 2010, the IAS 27 reviewed, which requires that all transactions with non controlling interests to be recognized on Equity, when there is no change on the control of the entity. Also, it isn’t recognized goodwill or any profit or loss. When there is a loss of control on the entity, any remaining interest is remea at fair value, with a gain or loss being recognized on the consolidated income statement.

The results of Group companies acquired or disposed of during the period are included in the consolidated income statement from the effective date of acquisition or until the date of their disposal.

Adjustments to the financial statements of Toyota Caetano companies are performed, whenever necessary, in order to adapt accounting policies to those used by the Group. Intercompany balances and transactions, and dividends distributed between Group companies have been eliminated in the consolidation process.

Whenever the Group has, in substance, control over other entities created for a specific purpose, even if no share capital interest is directly held in those entities, these are consolidated by the full consolidation method.

b) Investments in associated companies

Investments in associated companies (companies where the Group has significant influence, but has no control over financial and operational decisions – usually corresponding to holdings between 20% and 50% in a company’s share capital) are accounted for in accordance with the equity method.

According to the equity method, investments are initially recorded at their acquisition cost annually adjusted by the amount corresponding to the Group’s share on the changes of equity (including the net profit) of the associated companies, against profit and losses of the year and by any dividends received and others variations occurred in the associated companies.

Any excess of the acquisition cost over the Group’s share in the fair value of the identifiable net assets and liabilities acquired is recorded as goodwill which is included in the caption “Goodwill” (note 8)). If those differences are negative they are recorded as a gain of the year in the caption “Gains and losses in associated companies” after reconfirmation of the fair value assigned.

(Amounts in Euros)

An assessment of investments in associated companies is performed, whenever there are signs of impairment, and recorded as a cost, when confirmed. When the losses by impairment recognised in previous years no longer exist, they are submitted to reversion.

When the Group’s share of losses of the associated company exceeds the investment’s book value, the investment is recorded at nil value while the net equity is not positive, except to the extent of the Group’s commitments to the associated company being in such cases recorded a provision to cover those commitments.

Unrealised gains arising from transactions with associated companies are eliminated proportionally to the Group’s interest in the associated company, against investment held. Unrealised losses are also eliminated, but only to the extent that there is no evidence of impairment of the asset transferred.

As of December 31, 2015 and 2014, there were no investments in associated companies.

c) Conversion of financial statements of foreign entities

Assets and liabilities in the financial statements of foreign entities are translated to Euros using the exchange rates in force at the statement of financial position date, and gains and losses as well as cash flows are translated to Euros using the average exchange rates for the year. Exchange rate differences originated after January 1, 2004 are recorded in equity under the caption “Translation reserves”. The accumulated exchange differences generated before January 1, 2004 (IFRS transition date) were written-off against the caption “Other reserves”.

Whenever a foreign entity is disposed, the accumulated exchange rate differences are recorded in the financial statements as a profit or loss in the disposal.

Exchange rates used in 2015 and 2014 in the translation into Euros of foreign subsidiaries were as follows:

31-12-2015

	Currency	Final Exchange Rate for 2015	Average Exchange Rate for 2015	Exchange Rate at the Date of Incorporation	Final Exchange rate for 2014
Caetano Auto CV, SA	CVE	0,009069	0,009069	0,009069	0,009069
Captions		Balance Sheet except Shareholders	Income Statement	Share Capital	Retained Earnings

31-12-2014

	Currency	Final Exchange Rate for 2014	Average Exchange Rate for 2014	Exchange Rate at the Date of Incorporation	Final Exchange rate for 2013
Caetano Auto CV, SA	CVE	0,009069	0,009069	0,009069	0,009069
Captions		Balance Sheet except Shareholders	Income Statement	Share Capital	Retained Earnings

2.3 MAIN ACCOUNTING POLICIES

The main accounting policies used by Toyota Caetano Group in the preparation of the consolidated financial statements were as follows:

a) Tangible Fixed Assets

Tangible fixed assets acquired until January 1, 2004 (IFRS transition date) are recorded at deemed cost, which corresponds to its acquisition cost or its revalue acquisition cost in accordance with generally accepted accounting principles in Portugal (and in the subsidiaries countries) until that date, net of accumulated depreciation and accumulated impairment losses.

Tangible fixed assets acquired after that date is recorded at acquisition cost, net of accumulated depreciation and accumulated impairment losses.

The impairment losses detected in the tangible fixed assets realization value are registered in the year in which they are estimated by counterpart of the item “Provisions and Impairment loss” of the financial statements.

Depreciation is computed on straight-line basis as from the date the asset is first used according to the following expected useful lives:

	Years
- Buildings and other constructions	20 - 50
- Machinery and equipment	7 - 16
- Vehicles	4 - 5
- Tools and utensils	4 - 14
- Administrative equipment	3 - 14
- Other tangible assets	4 - 8

Expenses with maintenance and repair costs of tangible fixed assets are recorded as a cost in the year in which they occur. The repairs of significant amount that increase the estimated usage period of the assets are capitalised and depreciated according to the assets remaining useful life.

Tangible fixed assets in progress relate to tangible assets under construction/development, and are recorded at acquisition cost. These assets are transferred to tangible fixed assets and depreciated as from the date in which they are prepared for use and in the necessary conditions to operate according with the management.

Gains or losses arising from the disposal or write-off of tangible fixed assets are computed as the difference between the selling price and the net book value at the date of disposal/write-off, and are recorded in the statement of profit and loss as “Other operating income” or “Other operating expenses”.

b) Intangible assets

Intangible assets are recorded at acquisition cost, net of accumulated depreciation and accumulated impairment losses. Intangible assets are only recognized if it is likely that future economic benefits will flow to the Group, are controlled by the Group and if their cost can be reliably measured.

Research costs and expenses with new technical knowledge are recorded as costs in the statement of profit and loss when incurred.

Development costs are capitalized as an intangible asset if the Group has proven technical feasibility and ability to finish the development and to sell/use such assets and it is likely that those assets will generate future economic benefits. Development expenses which do not fulfil these requirements are recorded as an expense in the period in which they are incurred.

Internal expenses related to Software maintenance and development are recorded as costs in the statement of profit and loss, except in situations in which these expenses are directly related to projects from which it is likely that future economic benefits will flow to the Group. In such circumstances, these expenses are capitalized as intangible assets.

Intangible assets are depreciated on a straight-line basis over a period of three to five years.

The depreciation charge for each period of intangible assets shall be recognized in profit or loss in item “Depreciations and amortizations”.

c) Investment properties

Investment properties which relate to real estate assets held to obtain income through its lease or for capital gain purposes, and not for use in production, external supplies and services or for administrative purposes, are recorded at its acquisition cost, being the respective fair value disclosed in the Notes to the financial statements (Note 7).

Whenever these assets fair value is lower than the respective acquisition cost, an impairment loss is recorded against the caption “Investment properties amortization” in the statement of profit and loss. As of the moment in which the recorded accumulated impairment losses no longer exist, they are immediately reversed against the caption “Other operating profits” in the statement of profit and loss until the limit of the amount that would have been determined, net of amortizations or depreciations, if no impairment losses would have ever been recognized in previous years.

Investment properties disclosed fair value is determined on an annual basis by an independent appraiser (Market, Cost, Profit and Use Method models).

d) Lease contracts

Lease contracts are classified as (i) financial lease contracts, if all or a substantial part of the risks and benefits related to possession are transferred and as (ii) operational lease contracts if all or a substantial part of the risks and benefits related to possession are not transferred.

Classification as financial lease contracts or as operational lease contracts depends on the substance of the transaction and not on the form of the contract.

Tangible fixed assets acquired under financial lease contracts, as well as the corresponding liabilities are recorded according to the financial method and, consequently, the cost of the fixed asset is recorded in tangible fixed assets captions and the corresponding responsibility as leasing captions. Lease down payments are constituted by interest expenses and by the amortization of capital in accordance with the contractual financial plan, with interests recognised as expenses in the statement of profit or loss for the year to which they relate and with the depreciation of the tangible fixed assets according to their estimated useful lives, according to Note 2.3. a), except when the lease term is shorter than the estimated useful lives.

For lease contracts considered as operational, the rents paid are recognized as an expense in the statement of profit or loss over the rental period (Note 35).

e) Inventories

Goods, raw, subsidiary and consumable materials are stated at acquisition average cost, which is lower than market value.

Finished and intermediate goods as well as work in progress are stated at production cost, which is lower than market value. Production costs include the cost with raw materials, direct labour, production overheads and external services.

Accumulated impairment losses to reduce inventories value reflect the difference between their acquisition cost and net realizable or market value.

f) Government or Other public entities subsidies

Government subsidies are recognized at the respective fair value when there is a solid guarantee that they will be received and that the Company will be able to accomplish the conditions required to its concession.

Non Repayable Subsidies

Non repayable subsidies obtained to finance investment in tangible fixed assets are recorded, only when there is a reasonable guaranty of receiving, as “Other non current liabilities” and “Other current liabilities”, and recognized in the income statement as an income in accordance with the depreciation of the related tangible fixed assets.

The subsidies related to costs incurred are registered as a gain if there is a reasonable guaranty that they will be received, if the company has already incurred in the subsidiary costs and if they fulfill the conditions for their concession.

Repayable Subsidies

The benefit related with government borrowings at an interest rate lower than the market interest rate, is treated in accordance with IAS 39 Financial Instruments: Recognition and Measurement. The benefit of the below-market rate of interest shall be measured as the difference between the initial carrying value of the loan determined in accordance with IAS 39 and the proceeds received. The benefit is accounted in accordance with IAS 20. The entity shall consider the conditions and obligations that have been, or must be, met when identifying the costs for which the benefit of the loan is intended to compensate.

g) Impairment of assets

- Non current assets except Goodwill

Assets are assessed for impairment at each statement of financial position date whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Whenever the carrying amount of an asset exceeds its recoverable amount (defined as the highest of the net sale price and the use value, or as the net sale price for assets held for sale), an impairment loss is recognized in the statement of profit and loss under the caption “Provisions and impairment losses”. The net selling price is the amount that would be obtained from the sale of an asset in a transaction between independent entities, less the cost of the disposal. The value in use is the present value of estimated future cash flows expected to arise from the continued use of an asset and its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if not possible, for the cash-generating unit to which the asset belongs.

The reversal of impairment losses recognized in previous years is recorded when it is concluded that the impairment losses recognized for the asset no longer exist or have decreased. This analysis is performed whenever there is an indication that the impairment losses previously recognized have been reversed. The reversal is recorded in the statement of profit or loss in the caption “Other operating income”. However, the increased carrying amount of an asset due to a reversal of an impairment loss is recognized to the extent it does not exceed the carrying amount that would have been determined (net of depreciation and amortization) had no impairment losses been recognized for that asset in prior years.

- Goodwill

The value of Goodwill is not amortized, being tested for impairment purposes on an annual basis. The recoverable amount is determined as being the present value of estimated future cash flows that are expected to be generated by the continuous use of the asset. Impairment losses of Goodwill are recognized in the income statement in the caption “Provisions and Impairment Losses”.

Goodwill impairment losses cannot be reversed.

h) Financial expenses

Loan’s related financial costs (interests, premiums, ancillary costs and lease interests) are recognised as financial costs in income statement of the period in which they are incurred, in accordance with the accrual principle and the effective interest rate method, except if those costs are directly related to the acquisition, construction or production of fixed assets. In this case, the referred costs are capitalized, being part of the asset cost. The capitalization of these costs begins after the beginning of the preparation of the construction or asset development activities and it is interrupted when the asset is ready to be used or when the project is suspended. Any financial income generated by loans that are directly related with a specific investment, are deducted to financial expenses elected for capitalization purposes.

i) Provisions

Provisions are recognized when, and only when, the Group has a present obligation (legal or constructive) arising from a past event; it is probable that an outflow of resources will be required and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each statement of financial position date and adjusted as to reflect the best estimate of its fair value as of that date (Note 24).

Restructuring provisions are recorded by the Group whenever there is a formal and detailed restructuring plan and it has been communicated to parties involved.

j) Financial instruments

i) Investments

Investments held by the Group are classified as follows: 'Investments measured at fair value through profit and loss', 'Loans and receivables', 'Investments held to maturity' and 'Investments available for sale'. The classification depends on the subjacent intention of the investment acquisition.

Investments at fair value through profit and loss

This category is divided into two subcategories: "investments held for trading" and "investments at fair values through profit and loss". An investment is classified in this category if it is acquired with the objective of being sold at short term or if the adoption of the valorisation through this method significantly eliminates or reduces an accounting difference. The financial derivatives instruments are also classified as held for trading, except if they are designated for hedge accounting effects. The assets within this category are classified as current assets in case they are held for trading or if it is expected that they will be realized within a period inferior to 12 months starting from the Statement of financial position date.

At December 31, 2015 and 2014, Toyota Caetano Group did not have financial instruments registered in the items "investments held for trading" and "investments at fair values through profit and loss".

Investments held to maturity

These are financial non-derivative assets with defined or determinable payment dates, have defined maturity or determined payment dates and there is an intention and capacity to maintain them until the maturity date. These investments are classified as non-current Assets, unless they mature within 12 months as of the statement of financial position date.

Investments available for sale

These are all the remaining investments that are not classified as held to maturity or measured at fair value through profit and loss, being classified as non current assets. This category is included in non current assets, except if the Board of Directors has the intention of alienate the investment within a period inferior to 12 months starting from the Statement of financial position date.

At December 31, 2015, Toyota Caetano Group held shares of Cimóvel - Real Estate Investment Fund (Note 9).

Fair Value of Financial Investments

To determine the fair value of a financial asset or liability, if such a market exists, the market price is applied. A market is regarded as active if quoted prices are readily and regularly available from an exchange, broker or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. Otherwise, which is the case of some financial assets and liabilities, valuation techniques that are generally accepted in the market are used based on market assumptions (e.g.: discounted cash flow models that incorporate interest rate curves and market volatility, which is the case of derivative financial instruments).

Investments are all initially recognized at fair value, including transaction costs, with the exception of investments recognized at fair value through profit or loss. In this case, investments are initially recognized at fair value, and the respective transaction costs are recognized directly in the income statement.

"Available for sale investments" and "investments at fair value through profit or loss" are kept at fair value at the balance sheet date, without deducting any transaction cost that could occur until the time of disposal.

Available for sale investments representative of share capital from unquoted companies are recognized at the acquisition, taking into account the existence or not of impairment losses. It is conviction of the Board that the fair value of these investments does not differ significantly from their acquisition cost.

Gains and losses arising from a change in the fair value of investments available for sale are recorded under equity caption “Fair value reserves” until the investment is sold or disposed, or until it is determined to be impaired. At that moment, the accumulated gains or losses previously recognized in equity are transferred to profit and loss statement for the period.

All purchases and sales of investments are recorded on their trade date, which is on the date the Group assumes all risks and obligations related to the purchase or sale of the asset.

The “investments held to maturity” are registered by the amortized cost through the effective interest rate method.

Gains and losses, realized or not, coming from a fair value change in the “investments at fair values through profit and loss” are registered in the income statement. Gains and losses, realized or not, coming from a fair value change of the non monetary investments available for sale are recognized in Equity, in item “Fair value reserves” until the investment is sold, received or any way alienated, or until the investment fair value is lower than its acquisition cost and it represents an impairment loss, moment in which the accumulated loss is registered in the income statement.

The fair value of the financial investments available for sale is based on the current market prices. If the market is not net (non listed investments), the Group records the acquisition cost, having in consideration the existence or not of impairment losses. The Board believes that the fair value of these investments is not very different from the acquisition cost. The fair value of the listed investments is calculated based on the stock market closed value at statement of financial position date.

The Group makes evaluations if it considers that at the statement of financial position date exists clear evidence that the financial asset might be in impairment. In case of stock instruments classified as available for sale, have a significant drop or extended of its fair value inferior to its cost, it indicates that an impairment situation is occurring. If there is any evidence of impairment in “investments available for sale”, the accumulated losses – calculated by the difference between the acquisition cost and the fair value deducted from any impairment loss previously recognized in the statement of profit and loss – are retrieved from the equity and recognized in the statement of profit and loss.

The investments are derecognized if the right to receive financial flows has expired or was transferred, and consequently, all associated risks and benefits have been transferred.

ii) Accounts receivables

Accounts receivable not bearing interests are measured at amortized cost, less impairment losses so that they reflect the respective net realizable value. These amounts are not discounted because its effect in the financial actualization is not considered relevant.

Accounts receivable which bear interests (namely those related to partial payments of vehicles sales) are recorded by their total amount, and the part related to interests is recorded in liabilities as a deferred income and recognized in the income statement in accordance with its maturity.

Evidence from the existence of impairment on accounts receivable exists when:

- the counterparty presents significant financial difficulties;
- there are significant delay on principal payments; and
- it is probable that the debtor will enter in a liquidation or financial restructuring process.

The Group uses historic information as well as information provided by the Credit and Legal Department to estimate impairment amounts.

iii) Loans

Loans are recorded as liabilities at their nominal value net of up-front expenses which are directly related to the issuance of those instruments. Financial expenses are calculated based on the effective interest rate and are recorded in the statement of profit and loss on an accrual basis.

iv) Accounts payable

Accounts payable not bearing interests are measured at amortized cost, less impairment losses so that they reflect the respective net realizable value. These amounts are not discounted because its effect in the financial actualization is not considered relevant.

v) Derivative financial instruments

The Group uses derivative financial instruments to cover risks of financial investments. Derivative financial instruments used by the Group (mainly interest rate *swaps* and currency *forwards*), have the specific aim of interest rate risk coverage and exchange rate risk on future transactions in foreign currency.

Derivatives are initially recognized at their cost at the date on which they are contracted, being subsequently measured at fair value. The method used to recognize fair value changes depends on the designation (or not) of derivatives for hedge accounting purposes and on the nature of the hedged item.

For each transaction, the group prepares documentation that justifies the relation between the hedging instrument and the hedged item, as well as the risk management objective and the strategy for the hedge transaction. The group also documents, at the date of negotiation of the hedging, on a continuous basis, its analysis of the effectiveness of the hedging instrument in compensating the fair value or cash flow changes of the hedged items. According to IAS 39, the fair value of financial options should be separated in two parts, intrinsic value and temporal value, because only the intrinsic value can be designated as a hedging instrument. Thus, the effectiveness tests of this kind of derivatives include the intrinsic value of the referred instrument.

The fair value of derivatives acquired for hedging purposes is presented in the note 25. The movements in the hedge reserve are presented in the consolidated statement of changes in equity. The entirety of the fair value of an hedging derivative is classified as a non current asset or liability when the residual maturity of the hedged item is greater than 12 months, and as a current asset or liability when less than 12 months. Negotiation derivatives are classified as current assets or liabilities.

The derivative financial instruments to which the company decides to apply hedge accounting are initially recognized at their cost, which corresponds to their fair value, and, subsequently, measured at fair value through other comprehensive income (*cash flow hedge*) or profit or loss (*fair value hedge*).

The derivative financial instruments, for which the company as not applied hedge accounting, although contracted for economic hedging purposes, are initially recorded by the cost, which corresponds to its fair value, if any, and subsequently re-evaluated by its fair value, which variations, calculated through the evaluations made by the banks with which the Group makes the respective contracts, directly affect the items of the finance results of the consolidated income statement.

vi) Cash and cash equivalents

Cash and its equivalents include cash on hand, bank deposits, term deposits and other treasury applications which reach their maturity within less than three months and are subject to insignificant risks of change in value.

k) Pension complements (Defined benefit plans and Defined contributions plan)

In order to estimate its liabilities for the payment of the mentioned responsibilities, the Group obtains annually an actuarial calculation of the liabilities for past services in accordance with the “Current Unit Credit Method”.

Recorded liabilities as of the statement of financial position date relate to the present value of future benefits adjusted for actuarial profits or losses and/or for liabilities for past services non recognised, net of the fair value of net assets within the pension fund (Note 23). The Group recognized actuarial gains and losses in other reserves, not being recycled for results.

l) Contingent assets and liabilities

Contingent liabilities are defined by the Group as (i) possible obligations from past events and which existence will only be confirmed by the occurrence or not of one or more uncertain future events not totally under Group’s control or (ii) present obligations from past events not recognized because it is not expected that an output of resources that incorporate economic benefits will be necessary to settle the obligation or its amount cannot be reliably measured.

Contingent liabilities are not recorded in the consolidated financial statements, being disclosed in the respective Notes, unless the probability of a cash outflow is remote. In these situations no disclosure is made.

Contingent assets are possible assets that arise from past events and whose existence will only be confirmed by the occurrence or not of one or more uncertain future events not totally under the Group's control.

Contingent assets are not recorded in the consolidated financial statements but only disclosed when it is likely the existence of future economic benefits.

m) Income taxes

Taxes on income for the year are calculated based on the Special Taxation of Groups of Companies ("RETGS"), which includes companies of Toyota Caetano Group based in Portugal: Toyota Caetano Portugal, Caetano Renting, Saltano and Caetano Auto.

The only subsidiary with headquarters in a foreign country (Caetano Auto Cabo Verde) is taxed on an individual basis and in accordance with the applicable legislation.

Deferred taxes are calculated using the balance sheet liability method, reflecting the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax assets and liabilities are not recognized when temporary differences arise from goodwill or from initial recognition of assets and liabilities other than in a business combination. Deferred tax assets and liabilities are calculated and annually reviewed using the tax rates in place or announced and thereby expected to apply at the time the temporary differences are expected to reverse.

Deferred tax assets are recognized only when it is probable that sufficient taxable profits will be available against which the deferred tax assets can be used, or when taxable temporary differences are recognized and expected to reverse in the same period. At each balance sheet date a review is made of the deferred tax assets recognized, which are reduced whenever their future use is no longer likely.

Deferred tax assets and liabilities are recorded in the income statement, except if they relate to items directly recorded in equity, situations in which the corresponding deferred tax is also recorded in equity captions.

n) Accrual basis and Revenue

Revenues and expenses are recorded according to the accrual basis, by which they are recognized in the period to which they relate independently of when the amounts are received or paid. Differences between the amounts received and paid and corresponding income and expenses are recorded in the captions "accruals and deferrals" included in "Other current assets" and "Other current liabilities".

Income and expenses for which the actual amount is yet unknown are recorded based on the best estimate of the Board of Directors of the Group companies.

Revenue is recognized net of taxes and commercial discounts, by the fair value of the amount received or to be received, knowing that:

- The revenue from sales is recognized in the income statement when the significant part of risks and benefits related with the possession of assets is transferred to the acquirer, it is probable the future economic benefits will flow to the entity and these benefits can be measured reliably.
- The revenue from services rendered is recognized according to the stage of completion of the transaction at the balance sheet date.

o) Statement of financial position classification

All assets and liabilities, including assed and liabilities deferred tax, accomplishable or receivable in more than one year after the statement of financial position date are classified as "Non-current assets or liabilities".

p) Balances and transactions expressed in foreign currency

Assets and liabilities stated in foreign currency were translated into Euros using applicable exchange rates as of statement of financial position date. Exchange differences, favourable and unfavourable, resulting from differences between applicable exchange rates as of the date of the transactions and those applicable as of the date of cash collection, payments or as of statement of financial position date, were recorded as gains and losses in the consolidated income statement.

q) Segment information

In each year the Group identifies the most adequate business and geographic segments.

Information related to the identified business segments is included in Note 28.

r) Non current assets held for sale

Non current assets (and the groups of assets and liabilities to be disposed that are related to them) are classified as held for sale if it is expected that its accounting value will be recovered through disposal, and not through its continuous usage. This condition is only accomplished at the moment in which the sale is highly probable and the asset (and the group of assets and liabilities to be disposed that are related to them) is available for immediate sale under present conditions. Additionally, actions must be in place to allow the conclusion of the sale within a twelve month period after the classification date in this caption.

Non current assets (and the group of assets and liabilities to be disposed that are related to them) classified as held for sale are computed considering the lowest of its accounting or fair value, net of its sale expenses.

As of December 31, 2015 and 2014 there were no non current assets held for sale which fulfil the requirements mentioned above.

s) Subsequent events

Events after the balance sheet date that provide additional information about conditions that existed at the balance sheet date (adjusting events) are reflected in the financial statements. Events after the balance sheet date that are non-adjusting events are disclosed in the notes when material.

2.4 JUDGMENTS AND ESTIMATES

During the preparation of the consolidated financial statements, the Board of Directors of the Group based itself in the best knowledge and in the experience of past and/or present events considering some assumptions relating to future events.

Most significant accounting estimates included in attached financial statements as of December 31, 2015 and 2014 include:

a) Useful lives of tangible and intangible assets;
b) Registration of adjustments to the assets values (accounts receivable and inventories) and provisions;
c) Impairment tests performed to *goodwill*;
d) Discharge of the fair value of derivative financial instruments; and
e) Clearance of responsibilities with Pension complements.

The underlying estimations and assumptions were determined based in the best knowledge existing at the date of approval of the financial statements of the events and transactions being carry out as well as in the experience of past and/or present events. Nevertheless, some situations may occur in subsequent periods which, not being predicted at the date of approval of the financial statements, were not consider in these estimations. The changes in the estimations that occur after the date of the financial statements shall be corrected in a foresight way. Due to this fact and to the uncertainty degree associated, the real results of the transactions may differ from the corresponding estimations. Changes to these estimates, which occur after publication of these consolidated financial statements, will be corrected in a prospective way, in accordance with IAS 8.

2.5 FINANCIAL RISK MANAGEMENT POLICIES

The Group’s activity is exposed to a variety of financial risks, such as market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. These risks arise from the unpredictability of financial markets that affect the capacity of projected cash flows and profits subject to a perspective of long term ongoing. Management seeks to minimise potential adverse effects that derive from that uncertainty in its financial performance.

The financial risks management is controlled by Toyota Caetano financial department, according to the policies established by the Group Board of Directors. The Board of Directors has established the main principles of global risk management as well as specific policies for some areas, as interest rate risk and credit risk.

i) Foreign currency risk

The Group operates internationally and has a subsidiary operating in Cape Verde. The group selects a functional currency for each subsidiary (Cape Verde Escudo, for the subsidiary Caetano Auto Cabo Verde, S.A.), corresponding to the currency of the economic environment and the ones that better represents its cash flows composition. Foreign currency risk arises mainly from future commercial transactions, as a result of purchases and sales of products and services in a different currency than the functional currency used by each Company.

Foreign currency risk management policies seek to minimize the volatility of investments and transactions made in foreign currencies, aiming to reduce Group's results impact to changes in foreign exchange rates. The Group uses derivative instruments (currency forwards), as the management of foreign currency risk.

The Group foreign currency risk management hedge policies are decided casuistically, considering the foreign currency and country specific circumstances (as At December 31, 2015 and 2014, this situation is not applicable to any of the Group Subsidiaries).

Foreign currency risk related to the foreign subsidiaries financial statements translation, also named translation risk, presents the impact on net equity of the Holding Company, due to the translation of foreign subsidiaries financial statements.

As mentioned in Note 2.2 c), assets and liabilities of foreign subsidiaries are translated into Euros using the exchange rates at statement of financial position date, and gains and losses of these entities are translated into Euros using the average exchange rate of the year. Resulting exchange differences are recorded in equity caption "Translation reserves".

The Group's assets and liabilities amounts (expressed in Euros) recorded in a different currency from Euro can be summarized as follows:

	Assets		Liabilities	
	Dec-15	Dec-14	Dec-15	Dec-14
Cabo Verde Escudo (CVE)	7.636.574	6.498.634	1.818.789	833.654
Great Britain pounds (GBP)	1.644	1.644	989	-
Japanese yen (JPY)	-		266.553	777.900
US Dollar (USD)	-		-	(163)

The sensitivity of the Group to foreign exchange rate changes can be summarized as follows:

		Dec-15		Dec-14	
	Variation	Profit or Loss	Equity	Profit or Loss	Equity
Cabo Verde Escudo (CVE)	5%	7.317	290.566	(3.203)	283.249
Great Britain pounds (GBP)	5%	33	-	82	-
Japanese yen (JPY)	5%	(13.328)	-	(12.227)	-

ii) Price risk

The group is exposed to the changing in raw material's prices used on production processes, namely auto parts. However, considering that the acquisition of those raw materials is not in accordance with a price quoted on an exchange market or formed on a volatile market, the price risk is not considered as being significant.

During 2015 and 2014, the Group has been exposed to the risk of variation of available for sale assets' prices. At 31 December 2015 and 2014, the referred caption is composed only by shares of the closed property investment fund Cimóvel – Fundo de Investimento Imobiliário Fechado (Real Estate Investment Fund). Due to the fact that the referred asset is classified as an available for sale asset, the effect of change in its fair value is recognized in accordance with the principles described on the note 2.3. j).

The Group's sensitivity to price variations in investments available for sale can be summarized as follows (increases/(decreases)):

		Dec-15		Dec-14	
	Variation	Profit or Loss	Equity	Profit or Loss	Equity
CIMÓVEL FUND	10%	-	339.671	-	305.290
CIMÓVEL FUND	-10%	-	(339.671)	-	(305.290)

iii) Interest rate risk

Toyota Caetano debt is indexed to variable interest rates, exposing the total cost of debt to a high risk of volatility. The impact of this volatility on the Group's results and shareholders´ equity mitigated due to the effect of the following factors: (i) possible correlation between the market interest rate levels and economic growth, having a positive effect on the other lines of the Group's consolidated results (particularly operational), thus partially offsetting the increased financial costs ("natural hedge") and (ii) the availability of consolidated liquidity or cash, also remunerated at variable rates.

Toyota Caetano Board of Directors approves the terms and conditions of the funding, analyzing the debt structure, the inherent risks and the different options available in the market, particularly considering the type of interest rates (fixed / variable) and, permanently monitoring conditions and alternatives existing in the market, and decides upon the contracting of occasional interest rate hedging derivative financial instruments.

Interest rate risk sensitivity analysis

The sensitivity analyses presented below was based on exposure to changes in interest rates for financial instruments at the statement of financial position date. For floating rate liabilities, the analysis is prepared assuming the following:

(i) Interest rate is superior in 1 p.p. than the supported interest rate.
(ii) Calculation was made using the Group's debt at the end of the year.
(iii) Spreads maintenance throughout the year.

The sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some assumptions may be correlated.

(Amounts in Euros)

Group's sensitivity to changes in interest rates is summarized as follows (increases/(decreases)):

		Dec-15		Dec-14	
	Variation	Net Income	Equity	Net Income	Equity
Mutual Loans	1 p.p	60.526	-	78.947	-
Guaranteed account	1 p.p	100.000	-	100.000	-
Bank Credits	1 p.p	211	-	204	-
Commercial Paper	1 p.p	217.000	-	134.000	-
Long-term Bank Loan	1 p.p	90.000	-	90.000	-
Debenture Loan	1 p.p	170.404	-	95.953	-
Total		638.141	-	499.104	-
Mutual Loans	(1 p.p)	(60.526)	-	(78.947)	-
Guaranteed account	(1 p.p)	(100.000)	-	(100.000)	-
Bank Credits	(1 p.p)	(211)	-	(204)	-
Commercial Paper	(1 p.p)	(217.000)	-	(134.000)	-
Long-term Bank Loan	(1 p.p)	(90.000)	-	(90.000)	-
Debenture Loan	(1 p.p)	(170.404)	-	(95.953)	-
Total		(638.141)	-	(499.104)	-

The above analysis does not include the consideration of the hedging (*swap*) financial instrument agreed by the Group to face the interest rates variation (Note 25).

iv) Liquidity risk

Liquidity risk is defined as the risk that the Group could not be able to settle or meet its obligations on time or at a reasonable price.

The existence of liquidity in the Group requires the definition of some parameters for the efficient and secure management of liquidity, enabling maximisation of the return obtained and minimisation of the opportunity costs relating to the liquidity.

Toyota Caetano Group liquidity risk management has a threefold objective:

(i) Liquidity, which is to ensure permanent access in the most efficient way to sufficient funds to cover current payments on the respective maturity dates, as well as any unexpected requests for funds;
(ii) Safety, which is the minimisation of the probability of default in the repayment of any application in funds; and
(iii) Financial Efficiency, which is ensuring that the Companies maximise the value / minimize the opportunity cost of holding excess liquidity in the short-term.

All excess liquidity is applied in short-term debt amortization, according to economic and financial reasonableness criteria.

(Amounts in Euros)

In the following table, it is presented the maturity of each financial liability, with non-discounted values, taking into consideration the most pessimistic scenario (the shortest period on which the liability becomes exigible):

Dec-15	Less than 1 year	Between 1 and 2 years	Between 2 and 4 years	More than 4 Years	Total
Loans	36.801.453	9.498.537	13.607.044	3.906.282	63.813.316
Accounts Payable	36.237.691	-	-	-	36.237.691
Public Entities	9.663.087	-	-	-	9.663.087
Other Creditors	1.265.885	-	-	-	1.265.885
	83.968.116	9.498.537	13.607.044	3.906.282	110.979.979

Dec-14	Less than 1 year	Between 1 and 2 years	Between 2 and 4 years	More than 4 Years	Total
Loans	27.768.843	8.915.998	11.313.774	2.907.460	50.906.075
Accounts Payable	31.579.655	-	-	-	31.579.655
Public Entities	10.938.452	-	-	-	10.938.452
Other Creditors	1.740.504	-	-	-	1.740.504
	72.027.454	8.915.998	11.313.774	2.907.460	95.164.686

At 31 December 2015 and 2014, the Group presents a net debt of 52.448.362 Euros and 38.375.076 Euros, respectively, divided between current and non current loans (Note 18) and cash and cash equivalents (Note 15), agreed with the different financial institutions.

v) Capital Risk

The main objective of the Board is to assure the continuity of the operations, providing an adequate remuneration to shareholders and the correspondent benefits to the rest of the stakeholders of the company. For the prosecution of this objective it is fundamental that a careful management of funds invested in the business is assured, trying to keep an optimal capital structure, in order to achieve the desired reduction of the cost of capital. With the purpose of maintaining an adequate capital structure, the Board can propose to the shareholders the measures considered necessary.

The company tries to maintain a level of equity considered adequate to the business characteristics, in order to assure continuity and expansion of the business. The capital structure balance is monitorized through the financial leverage ratio, defined as net debt/ (net debt + equity).

	Dec-15	Dec-14
Debt	63.813.316	50.906.075
Cash and cash equivalents	11.364.954	12.530.999
Net Debt	52.448.362	38.375.076
Equity	129.653.532	129.234.240
Leverage ratio	28,80%	22,90%

The gearing remains between acceptable levels, as established by management.

(Amounts in Euros)

vi) Credit risk

Credit risk refers to the risk that the counterpart will default on its contractual obligations resulting in financial loss to the Group.

The Group's exposure to the credit risk is mainly associated to the receivable accounts of its ordinary activities. Before accepting new clients, the company obtains information from credit rating agencies and makes internal analysis to the collection risk and contingent processes through specific credit and legal departments, attributing credit limits by client, based on the information received.

Risk management seeks to guarantee an effective collection of its credits in the terms negotiated without impact on the financial Group's health. This risk is regularly monitored, being Management's objective (i) to impose credit limits to customers, considering the number of days of sales outstanding, individually or on groups of customers, (ii) control credit levels and (iii) perform regular impairment analysis. The Group obtains credit guarantees whenever the customers' financial situation demands.

Regarding independent dealership customers, the Group requires guarantees "on first demand", whose amounts, as of December 31, 2015 were of, approximately, 7.550.000 Euros (8.169.965 as of December 31, 2014), and whenever these amounts are exceeded, these customers' supplies are suspended.

The adjustments for accounts receivable are calculated considering (a) the client risk profile, (b) the average time of receipt, (c) the client financial situation. The movements of these adjustments for the years ending at December 31, 2015 and 2014 are stated in Note 24.

At December 31, 2015 and 2014, the Group considers that there is no need for additional impairment losses, besides the amounts registered on those dates and stated, briefly, in Note 24.

The amount of customers and other debtors in financial statements, which is net of impairment losses, represents the maximum exposure of the Group to credit risk.

3. CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF MISSTATEMENTS

During the year ended as of December 31, 2015, there were no changes in accounting policies and no material mistakes related with previous periods were identified.

4. GROUP COMPANIES INCLUDED IN CONSOLIDATION

The affiliated companies included in consolidation by the full consolidation method and share of capital held as of December 31, 2015 and 2014, are as follows:

Companies	Effective Percentage Held	
	Dec-15	Dec-14
Toyota Caetano Portugal, SA	Parent Company	
Saltano - Investimentos e Gestão (SGPS), SA	99,98%	99,98%
Caetano Auto CV, SA	81,24%	81,24%
Caetano Renting, SA	99,98%	99,98%
Caetano - Auto, SA	98,40%	98,40%

These subsidiaries were included in the consolidated financial statements using the full consolidation method, as established in IAS 27 – "Consolidated and Separate Financial Statements" (subsidiary control through the major voting rights or other method, being owner of the company's share capital).

(Amounts in Euros)

Changes in the consolidation perimeter

During the year ended December 31, 2015 there was not occurred any change in the composition of the consolidation perimeter.

During the year ended December 31, 2014, there was a change in the composition of the consolidation perimeter, derived from the sale of Movicargo – Movimentação Industrial, Lda. occurred with effect from 1 January, 2014.

5. INTANGIBLE ASSETS

During the year ended as December 31, 2015 and 2014, the movement in intangible assets, as well as in the respective accumulated depreciation and accumulated impairment losses, was as follows:

31-12-2015

	Research and Development Expenses	Industrial Property	Goodwill	Computer Programs	Others Intangible Assets	Intangible Assets in progress	Total
Gross Assets:							
Opening Balances	-	259.977	81.485	1.985.411	24.202	-	2.351.075
Additions	1.394.907	-	-	18.568	-	60.760	1.474.235
Disposals	-	-	-	-	(24.202)	-	(24.202)
Transfer and Write-offs	-	24.202	-	-	-	-	24.202
Ending Balances	1.394.907	284.179	81.485	2.003.979	-	60.760	3.825.310
Accumulated Depreciation and Impairment losses:							
Opening Balances	-	144.391	81.485	1.470.283	-	-	1.696.159
Depreciations	464.969	18.852	-	184.804	-	-	668.625
Ending Balances	464.969	163.243	81.485	1.655.087	-	-	2.364.784
Net Intangible Assets	929.938	120.936	-	348.892	-	60.760	1.460.526

31-12-2014

	Industrial Property	Goodwill	Computer Programs	Other intangible assets	Intangible Assets in progress	Total
Gross Assets:						
Opening Balances	140.816	81.485	1.868.423	-	12.374	2.103.098
Additions	146.663	-	93.107	-	14.811	254.581
Transfer and Write-offs	(27.502)	-	23.881	24.202	(27.185)	(6.604)
Ending Balances	259.977	81.485	1.985.411	24.202	-	2.351.075
Accumulated Depreciation and Impairment losses:						
Opening Balances	117.328	81.485	1.320.210	-	-	1.519.023
Depreciations	30.754	-	147.190	-	-	177.944
Transfer and Write-offs	(3.691)	-	2.883	-	-	(808)
Ending Balances	144.391	81.485	1.470.283	-	-	1.696.159
Net Intangible Assets	115.586	-	515.128	24.202	-	654.916

(Amounts in Euros)

The increases recorded in the period are due to expenditure on technological development associated with production in Ovar factory, of the new model Land Cruiser series 70 (LC70) for export.

6. TANGIBLE FIXED ASSETS

During the years ended as of December 31, 2015 and 2014, the movement in tangible fixed assets, as well as in the respective accumulated depreciation and accumulated impairment losses, was as follows:

31-12-2015

	Land	Buildings and Other Constructions	Machinery and Equipment	Transport Equipment	Administrative Equipment	Other Fixed Assets	Tangible assets in Progress	Total
Gross Assets:								
Opening Balances	16.746.095	93.363.990	58.647.320	45.865.853	7.649.868	4.266.949	69.000	226.609.075
Additions	96.728	1.815.306	2.394.136	27.335.653	219.013	52.073	328.459	32.241.368
Disposals and Write-offs	-	(1.628.749)	(924.157)	(17.675.151)	-	(12.384)	-	(20.240.441)
Transfer	-	(11.996)	-	-	11.996	12.168	-	12.168
Ending Balances	16.842.823	93.538.551	60.117.299	55.526.355	7.880.877	4.318.806	397.459	238.622.170
Accumulated Depreciation and Impairment losses:								
Opening Balances	-	59.461.724	54.104.202	26.833.929	7.396.976	4.006.782	-	151.803.613
Depreciations	-	2.432.996	1.361.110	8.413.172	117.529	88.529	-	12.413.336
Disposals and Write-offs	-	(1.613.717)	(854.395)	(6.703.547)	-	(12.384)	-	(9.184.043)
Transfer		-	(88)	-	125	-		37
Ending Balances	-	60.281.003	54.610.829	28.543.554	7.514.630	4.082.927	-	155.032.943
Net Tangible Assets	16.842.823	33.257.548	5.506.470	26.982.801	366.247	235.879	397.459	83.589.227

31-12-2014

	Land	Buildings and Other Constructions	Machinery and Equipment	Transport Equipment	Administrative Equipment	Other Fixed Assets	Tangible assets in Progress	Total
Gross Assets:								
Opening Balances	16.867.925	91.144.133	57.516.232	43.398.838	7.546.027	4.167.209	2.379.299	223.019.663
Additions	-	1.961.238	897.590	25.939.546	105.555	99.740	69.000	29.072.669
Disposals and Write-offs	-	(440.861)	(1.724)	(23.502.221)	(1.716)	-	-	(23.946.522)
Changes in Perimeter	-	-	344	29.690	2	-	-	30.036
Transfer	(121.830)	699.480	234.878	-	-	-	(2.379.299)	(1.566.771)
Ending Balances	16.746.095	93.363.990	58.647.320	45.865.853	7.649.868	4.266.949	69.000	226.609.075
Accumulated Depreciation and Impairment losses:								
Opening Balances	-	58.171.836	53.041.445	26.102.086	7.275.882	3.858.400	-	148.449.649
Depreciations	-	2.395.948	1.062.679	7.553.538	122.803	148.382	-	11.283.350
Disposals and Write-offs	-	440.861	(266)	(6.851.385)	(1.711)	-	-	(6.412.501)
Changes in Perimeter	-	-	344	29.690	2	-	-	30.036
Transfer	-	(1.546.921)	-	-	-	-	-	(1.546.921)
Ending Balances	-	59.461.724	54.104.202	26.833.929	7.396.976	4.006.782	-	151.803.613
Net Tangible Assets	16.746.095	33.902.266	4.543.118	19.031.924	252.892	260.167	69.000	74.805.462

(Amounts in Euros)

The increases recorded in the period in buildings and basic equipment and tools, are essentially the investment made in Ovar Plant, for the production of the Land Cruiser 70 Series model , LC70 , for the South African market .

The movements registered in item "Transport Equipment" mainly refer to vehicles and forklifts that are being used by the Group as well as being rented, under operating lease, to clients.

As of 31, December 2015, the assets acquired through financial leases are presented as follows:

	Dec-15		
	Gross Assets	Accumulated Depreciation	Net Value
Fixed TangibleAssets	23.286.089	5.335.258	17.950.831

	Dec-14		
	Gross Assets	Accumulated Depreciation	Net Value
Fixed TangibleAssets	13.839.809	2.629.702	11.210.107

7. INVESTMENT PROPERTIES

As of December 31, 2015 and 2014, the caption "Investment properties" refers to real estate's assets held to obtain gains through its rental or for capital gain purposes. These real estate assets are recorded at acquisition cost.

Rentals related to "Investment properties" amounted to 3.303.270 Euros in the year ended as of December 31, 2015 (2.765.899 Euros 31, December 2014).

Additionally, in accordance with appraisals with reference to 2015, the fair value of those investment properties amounts to, approximately, 54 million Euros.

Management believes that a possible change (within a scenario of normal) in the main assumptions used in calculating the fair value will not result in impairment losses, beyond from losses recognized in previous years.

(Amounts in Euros)

The real estate assets recorded in the caption "Investment properties" as of December 31, 2015 and 2014 are made up as follows:

	Dec-15			Dec-14		
Location	Net accounting value	Fair Value	Type	Net accounting value	Fair Value	Type
Vila Nova de Gaia - Av. da República	87.064	1.192.400	internal	109.975	1.192.400	internal
Braga - Av. da Liberdade	604	1.355.000	internal	805	1.355.000	internal
Porto - Rua do Campo Alegre	952.996	2.877.000	internal	999.865	2.876.500	internal/external
Viseu - Teivas	896.000	896.000	external	2.362.971	2.232.970	external
Óbidos - Casal do Lameiro	59.558	1.400.000	internal	60.404	1.400.000	internal
Castro Daire - Av. João Rodrigues Cabrilho	27.709	58.000	internal	28.206	58.000	internal
Caldas da Rainha - Rua Dr. Miguel Bombarda	17.531	85.000	internal	17.531	85.000	internal
Viseu - Quinta do Cano	1.758.024	2.461.740	internal/external	1.773.883	1.609.000	internal/external
Amadora - Rua Elias Garcia	187.935	149.000	internal	191.393	149.000	internal
Portalegre - Zona Industrial	194.099	173.000	internal	199.241	173.000	internal
Portimão - Cabeço do Mocho	424.781	410.000	internal	424.782	410.000	internal
Vila Real de Santo António - Rua de Angola	26.063	83.000	internal	27.497	83.000	internal
Rio Maior	107.000	107.000	internal	107.000	107.000	internal
S. João da Lourosa - Viseu	463.268	487.030	internal	45.190	487.030	external
Vila Nova de Gaia - Avª Vasco da Gama (edifícios A e B)	3.454.289	11.448.000	internal	1.626.278	9.048.000	internal
Vila Nova de Gaia - Avª Vasco da Gama (edifícios G)	1.044.637	6.003.000	internal	1.146.993	6.003.000	internal
Carregado - Quinta da Boa Água / Quinta do Peixoto	5.135.484	21.518.000	internal	6.002.898	23.828.000	internal
Lisboa - Av. Infante Santo	1.199.980	1.247.000	internal	1.229.368	1.247.000	internal
Vila Nova de Gaia - Rua das Pereira	273.052	788.000	internal	614.811	802.000	internal
Leiria - Azóia	355.125	797.000	internal	355.125	797.000	external
Outros		-		21.105	-	
	16.665.199	53.535.170		17.345.321	53.942.900	

The investment properties fair value disclosed in December 31, 2015 and December 31, 2014 was determined on an annual basis by an independent appraiser (Market Method, Cost Method, Return Method and Use Method models).

Additionally, as a result of all internal assessments prepared by the Company for the remaining properties and given the nonexistence of major works in 2015, the absence of relevant claims in 2015, except in the case of the property of Carregado Plant, and the lack of properties in areas of accelerated degradation, is convinced the administrations of that there has been no significant change to the fair value of these properties in 2015, believing they are still valid and current values of the last external evaluation carried out in late 2014, 2013 and 2012.

(Amounts in Euros)

The movement in the caption “Investment properties” as of December 31, 2015 and 2014 was as follows:

31-12-2015

Gross Assets:	Land	Buildings	Total
Opening Balances	9.985.217	36.926.900	46.912.117
Increases	-	2.070.055	2.070.055
Transfer and Writte-offs	(68.274)	(2.863.520)	(2.931.794)
Ending Balances	9.916.943	36.133.435	46.050.378

Accumulated Depreciation	Land	Buildings	Total
Opening Balances	-	29.566.796	29.566.796
Increases	-	580.664	580.664
Transfer and Writte-offs	-	(1.761.095)	(1.761.095)
Impairment Losses		998.814	998.814
Ending Balances	-	29.385.179	29.385.179
Net Value	9.916.943	6.748.256	16.665.199

31-12-2014

Gross Assets:	Land	Buildings	Total
Opening Balances	9.879.302	34.996.495	44.875.797
Increases	-	673.680	673.680
Transfer Writte-offs	(15.915)	(112.869)	(128.784)
Impairment Losses	121.830	1.369.594	1.491.424
Ending Balances	9.985.217	36.926.900	46.912.117

Accumulated Depreciation	Land	Buildings	Total
Opening Balances	-	28.373.070	28.373.070
Increases	-	633.659	633.659
Transfer Writte-offs	-	560.067	560.067
Ending Balances	-	29.566.796	29.566.796
Net Value	9.985.217	7.360.104	17.345.321

The movements in 2015, are due to the acquisition of a construction located in Vila Nova de Gaia facilities and the write off of our properties located in the so-called Carregado Industrial Complex due to the incident, caused by a fire. During the period occurs also the disposal of the industrial building located in Pedroso, Vila Nova de Gaia

In 2015 the impairment loss is related to a building located I Viseu - Teivas.

The transfer occurred in 2014 due to the reclassification of Tangible Fixed Assets for Investment Properties building in Campo Alegre.

(Amounts in Euros)

8. GOODWILL

At December 31, 2015 and 2014 there were not any movements in item “Goodwill”.

The item “Goodwill” is totally related to the amount calculated in the acquisition of the affiliate Movicargo whose business was transferred to the parent Toyota Caetano Portugal, S.A.

The Goodwill is not depreciated. Impairment tests are made annually to the Goodwill.

For impairment analysis, the recoverable amount was determined based on the value in use, according to the discounted cash flows model, based on business plans developed by the people in charge and approved by the management and using discount rates that reflect the risks inherent of the business.

On December 31, 2015, the method and main assumptions used were as follows:

	BT Industrial Equipment Division - South
Goodwill	611.997
Period	Projected cash flows for 5 years
Growth rate (g) (1)	0%
Discount rate (2)	9,22%

1 Growth rate used to extrapolate cash flows beyond the period considered in the business plan
2 Discount rate applied to projected cash flows

The Management, supported by the estimated discounted cash flows discounted, concluded that on December 31, 2015, the net book value of assets, including goodwill (0,6 millions Euros), does not exceed its recoverable amount (18 millions Euros).

The projections of cash flows were based on historical performance and on expectations of improved efficiency. The management believe that a possible change (within a normal scenario) in key assumptions used in calculating the recoverable amount will not result in impairment losses.

9. AVAILABLE FOR SALE FINANCIAL INVESTMENTS

As of December 31, 2015 and 2014 the movements in item “Investments available for sale” were as follows:

	Dec-15	Dec-14
Fair value at January 1	3.119.634	3.341.376
Increase/(decrease) in fair value	343.816	(221.742)
Ending Balances	3.463.450	3.119.634

As of December 31, 2015, “Available for sale investments” include the amount of 3.396.713 Euros (3.052.897 Euros December 31, 2014) corresponding to 580.476 shares of Cimóvel - Real Estate Investment Fund (9,098%), which are recorded at its fair value (the acquisition cost of those shares ascended to 3.013.947 Euros and accumulated change in fair value to 382.767 Euros). The remaining “Investments available for sale” refer to small investments in non listed companies. The Board of Directors consider that the net accounting value is similar to its fair value.

(Amounts in Euros)

Additionally, the impact in equity and impairment losses in 2015 and 2014 from recording "Investments held for sale" at fair value can be summarized as follows:

	Dec-15	Dec-14
Variation in fair value	343.816	(221.742)
Equity effect	343.816	(221.742)

10. INVENTORIES

As of December 31, 2015 and 2014, this caption breakdown is as follows:

	Dec-15	Dec-14
Raw and subsidiary Materials	10.080.953	3.938.945
Production in Process	1.137.959	1.058.306
Finished and semi-finished Products	1.613.906	5.503.201
Merchandise	70.642.162	61.390.733
	83.474.980	71.891.185
Accumulated impairment losses in inventories (Note 24)	(1.311.777)	(1.901.129)
	82.163.203	69.990.056

During the years ended as of December 31, 2015 and 2014, cost of sales was as follows:

	Dec-15			Dec-14		
	Merchandise	Raw and subsidiary Materials	Total	Merchandise	Raw and subsidiary Materials	Total
Opening Balances	61.390.733	3.938.945	65.329.678	40.766.744	2.634.224	43.400.968
Net Purchases	238.586.581	36.988.213	275.574.794	216.428.307	26.437.026	242.865.333
Ending Balances	(70.642.162)	(10.080.953)	(80.723.115)	(61.390.733)	(3.938.945)	(65.329.678)
Total	229.335.152	30.846.205	260.181.357	195.804.318	25.132.305	220.936.623

During the years ended as of December 31, 2015 and 2014, the variation in production was computed as follows:

	Finished and semi-finished products	
	Dec-15	Dec-14
Ending Balances	2.751.865	6.561.507
Inventories adjustments	(16.274)	-
Opening Balances	(6.561.507)	(1.229.071)
Total	(3.825.916)	5.332.436

(Amounts in Euros)

11. ACCOUNTS RECEIVABLE

As of December 31, 2015 and 2014, the detail of this caption was as follows:

	CURRENT ASSETS		NON-CURRENT ASSETS	
	Dec-15	Dec-14	Dec-15	Dec-14
Customers, current accounts	56.738.200	57.485.724	46.553	108.556
Doubtful Accounts Receivable	9.803.136	10.346.220		
	66.541.336	67.831.944	46.553	108.556
Accumulated impairment losses in accounts Receivable (Note 24)	(9.710.649)	(10.338.615)	-	-
	56.830.687	57.493.329	46.553	108.556

Accounts receivable from customers recorded as non current assets corresponds to the customers of the affiliated company Caetano Auto, S.A. that are being paid under formal agreements (whose terms of payment may vary between 1 to 7 years, and which bear interests).

Accounts receivable aging

2015

	- 60 days	60-90 days	90-120 days	+ 120 days	Total
Accounts receivable	36.892.908	2.096.824	1.122.319	11.117.860	51.229.911
Employees	73	9.756	2.094	86.911	98.834
Independent Dealers	5.228.706	202.707	17.731	6.864	5.456.008
Total	42.121.687	2.309.287	1.142.144	11.211.635	56.784.753

2014

	- 60 days	60-90 days	90-120 days	+ 120 days	Total
Accounts receivable	27.939.694	1.984.371	869.256	20.467.150	51.260.471
Employees	108	-	-	170.679	170.787
Independent Dealers	5.643.983	247.642	132.215	139.182	6.163.022
Total	33.583.785	2.232.013	1.001.471	20.777.011	57.594.280

(Amounts in Euros)

Debt maturity considering impairment losses

	- 60 days	60-90 days	90-120 days	+ 120 days	Total
Doubtful Accounts Receivable	3.972	3.406	1.281	9.794.477	9.803.136
Total	3.972	3.406	1.281	9.794.477	9.803.136

2014

	- 60 days	60-90 days	90-120 days	+ 120 days	Total
Doubtful Accounts Receivable	-	-	-	10.346.220	10.346.220
Total	-	-	-	10.346.220	10.346.220

The amounts presented in the consolidated Statement of financial position are net of accumulated impairment losses to doubtful accounts receivable estimated by the Group, in accordance with its experience based on its evaluation of the economic environment at the statement of financial position date. Credit risk concentration is limited, because the customers' basis is wider and not relational. Thus, the Board of Directors understands that the accounting values of accounts receivable are similar to their respective fair value.

12. OTHER CREDITS

As of December 31, 2015 and 2014, the detail of this caption was as follows:

	Current Assets		Non-Current Assets	
	Dec-15	Dec-14	Dec-15	Dec-14
Down Payments to Suppliers	813.122	1.058.748		
Other debtors	2.333.459	3.358.557		
	3.146.581	4.417.305	-	-

The caption "Other credits" includes the amount of, approximately, 0,8 Million Euros as of December 31, 2015 (1,4 Million Euros as of December 31,2014) in referring to advance payments made by the Group related with leasehold improvements in commercial facilities for automotive retail, which were fully invoiced in previous years, being that the remaining amount is expected to be supported in the short term by third parties.

Additionally, this caption includes, as of December 31, 2015, the amount of, approximately, 800.000 Euros (800.000 Euros as of 31 December 2014) to be received from Salvador Caetano Auto Africa, SGPS, S.A..

Finally, this caption also caption includes, as of December 31, 2015, the amount of, approximately, 683.000 Euros to be received from Fundação Salvador Caetano (863.000 Euros at December 31, 2014).

(Amounts in Euros)

13. OTHER CURRENT ASSETS

As of December 31, 2015 and 2014, the detail of this caption was as follows:

	Dec-15	Dec-14
Accrued Income		
Rappel	608.718	765.551
Commission	407.131	198.065
Recover logistics costs	335.530	48.249
Warranty claims	163.732	186.682
Fees	39.794	49.287
Staff	30.807	33.979
Interest	626	16.097
Fleet programs	-	978.000
Others	586.455	533.270
	2.172.793	2.809.180
Deferred Expenses		
Pension Fund	201.710	-
Insurance	126.848	108.271
Rentals	121.827	113.472
Interest	50.144	10.923
Others	401.259	173.636
	901.788	406.302
Total	3.074.581	3.215.482

(Amounts in Euros)

14. DEFERRED TAXES

The detail of deferred tax assets and liabilities recorded in the accompanying consolidated financial statements as of December 31, 2015 and 2014 is as follows:

	2015				
	Dec-14	Profit and Loss Impact(income tax)	Profit and Loss Impact(deferred tax)	Equity Impact	Dec-15
Deferred tax assets:					
Provisions not accepted for tax purpose	372.369	-	(84.929)	-	287.440
Tax losses	1.248.074	(39.252)	(706.200)	-	502.622
Pension Fund liabilities	1.100.000			157.500	1.257.500
IFRS conversion effects:					
Write-off of tangible assets	410.521	-	(246.061)	-	164.460
Write-off of deferred costs	-	-	-	-	-
Derivative financial instruments valuation	48.447	-	(12.427)	-	36.020
	3.179.411	(39.252)	(1.049.617)	157.500	2.248.042
Deferred tax liabilities:					
Depreciation as a result of legal and free revaluation of fixed assets	(703.938)	-	44.829	-	(659.109)
Effect of the reinvestments of the surplus in fixed assets sales	(190.200)	-	24.428	-	(165.772)
Tax gains according to n.º 7 Artº7 30/G 2000 Portuguese Law	(5.136)	-	5.136	-	-
Fair value of investments fixed assets	(898.732)	-	-	-	(898.732)
	(1.798.006)	-	74.393	-	(1.723.613)
Net effect (Note 26)			(975.224)		

(Amounts in Euros)

	Dec-13	Other Deviation	Profit and Loss Impact	Equity Impact	Dec-14
Deferred tax assets:					
Provisions not accepted for tax purpose	447.048	-	(74.679)	-	372.369
Tax losses	1.758.649	(135.767)	(374.808)	-	1.248.074
Pension Fund liabilities				1.100.000	1.100.000
IFRS conversion effects:					
Write-off of tangible assets	615.369	-	(204.848)	-	410.521
Write-off of deferred costs	6.793	-	(6.793)	-	-
Derivative financial instruments valuation	44.033	-	4.414	-	48.447
	2.871.892	(135.767)	(656.714)	1.100.000	3.179.411
Deferred tax liabilities:					
Depreciation as a result of legal and free revaluation of fixed assets	(902.133)	-	198.195	-	(703.938)
Effect of the reinvestments of the surplus in fixed assets sales	(233.602)	-	43.402	-	(190.200)
Future costs that will not be accepted fiscally	(44.077)	-	44.077	-	-
Tax gains according to n.º 7 Artº7 30/G 2000 Portuguese Law	(11.299)	-	6.163	-	(5.136)
Fair value of investments fixed assets	(898.732)	-	-	-	(898.732)
	(2.089.843)	-	291.837	-	(1.798.006)
Net effect (Note 26)			(364.877)		

In 31 December 2015 and 2014, the companies of the Group reported the following tax losses, for which tax deferred assets have been recognized:

	Dec-15		Dec-14		
With Latest date of utilization	Tax Losses	Deferred tax Assets	Tax Losses	Deferred tax Assets	Expiry date
At 2011					
- Consolidated tax Toyota Caetano Portugal	-	-	417.476	104.623	2015
At 2012					
- Consolidated tax Toyota Caetano Portugal	2.339.916	491.382	5.391.483	1.132.211	2017
At 2013					
- Consolidated tax Toyota Caetano Portugal	53.524	11.240	53.524	11.240	2018
	2.393.440	502.622	5.862.483	1.248.074	

(Amounts in Euros)

From January, 2012 (inclusive), the deduction of tax losses carried forward, established in previous years or in progress (includes all reported losses identified in i), ii) and iii)) is limited to 75% of the taxable profit assessed in the relevant fiscal year and from 2014 (inclusive) is limited to 70% of taxable income in each year. This situation requires the annual evaluation of the amount of deferred tax can be recovered within the time indicated above.

As of December 31, 2015 and 2014 tax rates used to compute current and deferred tax assets and liabilities were as follows:

	Tax rates	
	Dec-15	Dec-14
Country of origin of affiliate:		
Portugal	22,5% - 21%	22,5% - 21%
Cape Verde	25,5%	25,5%

Toyota Caetano Group companies with head office in Portugal, are taxed according to the Corporate Income Tax (CIT) in accordance with the Special Taxation Regimen for Groups of Companies ("Regime Especial de Tributação de Grupos de Sociedades - RETGS") as established by articles 69 and 70 of the CIT.

In accordance with the applicable legislation, the income tax returns of Toyota Caetano and other Group companies with headquarters in Portugal are subject to review and correction by the tax authorities for a period of four years. Therefore, the tax declarations since the year of 2012 and 2015 are still subject to review. Statements regarding the Social Security may be revised over a period of five years. The Board of Directors believe that the corrections that may arise from such reviews/inspections will not have a significant impact in the accompanying consolidated financial statements.

Under the terms of article 88 of the Corporate Income Tax Code, the companies with headquarters in Portugal are additionally subject to an income tax over a set of expenses at the rates foreseen in the above mentioned article.

15. CASH AND CASH EQUIVALENTS

As of December 31, 2015 and 2014 cash and cash equivalents detail was the following:

	Dec-15	Dec-14
Cash	118.992	99.349
Bank Deposits	11.245.962	12.427.086
Cash equivalents	-	4.564
	11.364.954	12.530.999

The Company and its affiliates have available credit facilities as of December 31, 2015 amounting to approximately 59,3 Million Euros, which can be used in future operational activities and to fulfil financial commitments. There are no restrictions on the use of these facilities.

16. EQUITY

As of December 31, 2015 and 2014, the Company's share capital, fully subscribed and paid for, consisted of 35.000.000 bearer shares, with a nominal value of 1 Euro each.

The entities with over 20% of subscribed capital are as follows:

- Grupo Salvador Caetano SGPS, S.A.	60,82%
- Toyota Motor Europe NV/SA	27,00%

(Amounts in Euros)

Dividends

The Board of Directors will propose that a dividend shall be paid in the amount of 5.250.000 Euros. This proposal must be approved in the next General Shareholders Meeting.

Legal reserve

Commercial legislation establishes that at least 5% of the net profit of each year must be appropriated to a legal reserve until this reserve equals the statutory minimum requirement of 20% of the share capital. This reserve is not available for distribution, except in case of dissolution of the Company, but may be used in share capital increases or used to absorb accumulated losses once other reserves have been exhausted.

Revaluation reserves

The revaluation reserves cannot be distributed to the shareholders, except if they are completely depreciated and if the respective assets that were revaluated have been alienated.

Translation reserves

The translation reserves reflect the currency variations during the passage of the financial statements of affiliated companies in a currency other than Euro and cannot be distributed or used to absorb losses.

Fair value reserves

The fair value reserves reflect the fair value variations of the investments available for sale and cannot be distributed or used to absorb losses (Note 9).

Other Reserves

Refer to reserves with nature of free reserve that can be distributable according to the commercial legislation.

According to the Portuguese law, the amount of distributable reserves is determined according to the individual financial statements of Toyota Caetano Portugal, presented according to the Normas Contabilísticas e de Relato Financeiro (NCRF, Portuguese GAAP).

17. NON CONTROLLED INTERESTS

Movements in this caption during the year ended as of December 31, 2015 and 2014 were as follows:

	Dec-15	Dec-14
Opening Balances as of January 1	1.630.768	1.646.250
Others	(16.015)	(1.970)
Net profit attributable to Non-controlled Interest	32.542	(13.512)
	1.647.295	1.630.768

The decomposition of the mentioned value by subsidiary company is as follows:

	% NCI	Non-controlled Interest	Net profit attributable to Non-controlled Interest
Saltano SGPS	0,02%	4.036	-
Caetano Auto CV	18,76%	1.102.372	31.750
Caetano Renting	0,02%	559	40
Caetano Auto	1,60%	540.328	752
		1.647.295	32.542

(Amounts in Euros)

The resume of financial information related to each subsidiary that is consolidated is presented below:

	Caetano Auto		Caetano Auto CV	
Item	**2015**	**2014**	**2015**	**2014**
Non - Current Assets	50.210.634	52.337.702	1.493.829	1.505.496
Current Assets	47.146.673	52.811.859	6.142.745	4.993.138
Total assets	**97.357.307**	**105.149.560**	**7.636.574**	**6.498.634**
Non - Current Liabilities	6.049.428	4.844.831	-	-
Current Liabilities	56.929.407	63.631.669	1.818.789	833.654
Total equity	**34.378.472**	**36.673.060**	**5.817.785**	**5.664.980**
Sales and Service Rendered	186.583.747	165.213.802	8.785.688	7.722.977
Operating Results	648.275	270.776	214.307	(64.033)
Net Financial Results	(232.353)	(114.074)	(9.200)	(23)
Income tax for the year	(316.697)	(154.091)	(52.302)	-
Net profit for the period	**99.226**	**2.612**	**152.804**	**(64.056)**

	Caetano Renting		Saltano	
Item	**2015**	**2014**	**2015**	**2014**
Non - Current Assets	10.555.665	8.715.820	20.739.683	21.842.211
Current Assets	1.713.868	1.919.573	2.054.105	2.058.157
Total assets	**12.269.533**	**10.635.393**	**22.793.788**	**23.900.368**
Non - Current Liabilities	200.014	200.014	-	-
Current Liabilities	9.241.907	7.700.779	3.581.438	3.583.249
Total equity	**2.827.612**	**2.734.601**	**19.212.351**	**20.317.119**
Sales and Service Rendered	3.667.882	3.491.671	-	-
Operating Results	236.156	623.522	141.874	352.613
Net Financial Results	(191.642)	(287.084)	-	10
Income tax for the year	48.498	19.837	596	(38.407)
Net profit for the period	**93.012**	**356.276**	**142.470**	**314.216**

(Amounts in Euros)

18. BANK LOANS AND LEASINGS

As of December 31, 2015 and 2014 the caption "Loans" was as follows:

	Dec-15			Dec-14		
	Current	Non-Current	TOTAL	Current	Non-Current	TOTAL
Bank Loan	33.542.105	13.210.526	46.752.631	25.242.105	15.052.632	40.294.737
Overdrafts	20.276	-	20.276	746.337	-	746.337
Other Loans	-	-	-	272.678	-	272.678
Leasing	3.239.072	13.801.337	17.040.409	1.507.723	8.084.600	9.592.323
	36.801.453	27.011.863	63.813.316	27.768.843	23.137.232	50.906.075

As of December 31, 2015 and 2014, the detail of bank loans, overdrafts, others loans and Commercial Paper Programs, as well as its conditions, were as follows:

2015

Description/Beneficiary Company	Used Amount	Limit	Beginning Date	Date-Limit
Non-current				
Mutual Loans				
Toyota Caetano Portugal	4.210.526	4.210.526	22-06-2012	5 years
Toyota Caetano Portugal	9.000.000	9.000.000	15-10-2014	5 years
	13.210.526	13.210.526		
Current				
Mutual Loans	10.000.000	10.000.000		
Guaranteed account	1.842.105	1.842.105	22-06-2012	
Bank Credits	20.276	7.500.000		
Refundable subsidies				
Confirming	-	5.000.000		
Comercial Paper:				
Toyota Caetano Portugal	9.200.000	9.200.000	27-11-2012	5 years
Toyota Caetano Portugal	5.000.000	5.000.000	26-11-2012	5 years
Toyota Caetano Portugal	2.500.000	2.500.000	18-08-2015	1 year(*)
Toyota Caetano Portugal	5.000.000	5.000.000	07-07-2015	5 years
	33.562.381	46.042.105		
	46.772.907	59.252.631		

(*) Automatically renewable up to 4 times.

(Amounts in Euros)

2014

Description/Beneficiary Company	Used Amount	Limit	Beginning Date	Date-Limit
Non-current				
Mutual Loans				
Toyota Caetano Portugal	6.052.632	6.052.632	22-06-2012	5 years
Toyota Caetano Portugal	9.000.000	9.000.000	15-10-2014	
	15.052.632	15.052.632		
Current				
Guaranteed account	10.000.000	10.000.000		
Loan - mutual contract	1.842.105	1.842.105	22-06-2012	
Bank Credits	746.337	7.500.000		
Refundable subsidies	272.678	272.678	30-01-2009	6 years
Confirming	-	5.000.000		
Commercial Paper:				
Toyota Caetano Portugal	9.200.000	9.200.000	27-11-2012	5 years
Toyota Caetano Portugal	4.200.000	4.200.000	26-11-2012	5 years
Caetano Auto	-	9.800.000	29-08-2007	7 years
	26.261.120	47.814.783		
	41.313.752	62.867.415		

Next, we present below the debt amount outstanding, for which there have been granted mortgages (note 37):

- Loan - mutual contract: 6.052.631;
- Commercial Paper: 5.000.000

Interests relating to the financial instruments mentioned above are indexed to Euribor, plus a spread which varies between 1,65% and 3,75%.

(Amounts in Euros)

The item “Leasings” (current and non-current) is related to the purchase of facilities and equipment. The detail of this caption, as well as the reimbursement plan can be summarized as follows:

Contract	Leasings	Current	Non current 2017	2018	2019	> 2019	TOTAL	TOTAL
2028278	Comercial facilities							
	Capital	95.718	96.438	97.164	97.895	217.679	509.176	604.894
	Interests	4.208	3.488	2.762	2.031	1.845	10.126	14.334
559769	Comercial facilities							
	Capital	61.898	62.175	62.453	62.733	617.188	804.549	866.447
	Interests	3.746	3.469	2.911	2.911	12.838	22.129	25.875
626064	Comercial facilities							
	Capital	155.127	160.644	166.358	172.274	897.706	1.396.982	1.552.109
	Interests	51.249	45.732	40.018	34.101	74.287	194.138	245.387
2032103	Comercial facilities							
	Capital	17.962	18.881	19.847	20.832	112.627	172.187	190.149
	Interests	9.099	8.181	7.215	6.199	10.068	31.663	40.762
Various	Industrial Equipment							
	Capital	2.908.367	2.949.873	2.870.666	3.036.822	2.061.082	10.918.443	13.826.810
	Interests	601.882	455.617	309.055	169.829	44.652	979.153	1.581.035
	Total Capital	3.239.072	3.288.011	3.216.488	3.390.556	3.906.282	13.801.337	17.040.409
	Total Interests	670.184	516.487	361.961	215.071	143.690	1.237.209	1.907.393

Debt Maturity

The maturities of existing loans at December 31, 2015 can be summarized as follows:

	2016	2017	2018	2019	> 2019	Total
Mutual Loans	1.842.105	6.210.526	7.000.000	-	-	15.052.631
Bank Credits	20.276	-	-	-	-	20.276
Guaranteed account	10.000.000	-	-	-	-	10.000.000
Comercial Paper	21.700.000	-	-	-	-	21.700.000
Leasing	3.239.072	3.288.011	3.216.488	3.390.556	3.906.282	17.040.409
Total Loans	36.801.453	9.498.537	10.216.488	3.390.556	3.906.282	63.813.316

(Amounts in Euros)

19. ACCOUNTS PAYABLE

As of December 31, 2015 and 2014 this caption was composed of current accounts with suppliers, which end at short term.

The Group, relating to financial risk management, has implemented policies to ensure that all liabilities are paid for within the defined payment period.

20. OTHER CREDITORS

As of December 31, 2015 and 2014 the detail of other creditors was as follows:

	Current Liabilities	
	Dec-15	Dec-14
Shareholders	11.998	12.740
Advances from Customers	1.040.429	1.094.051
Other Creditors	213.458	633.713
	1.265.885	1.740.504

21. PUBLIC ENTITIES

As of December 31, 2015 and 2014 the caption public entities can be summarized as follows:

	Current Assets	
	Dec-15	Dec-14
Public Entities:		
Income Tax	1.148.070	997.206
Value Added Taxes	105.973	-
	1.254.043	997.206

	Current Liabilities	
Public Entities	Dec-15	Dec-14
Income Taxes withheld	384.748	354.852
Value Added Taxes	6.455.178	7.476.294
Vehicles Tax	1.590.785	2.209.294
Custom Duties	272.437	71.802
Employee's social contributions	687.222	621.468
Others	272.717	204.742
	9.663.087	10.938.452

(Amounts in Euros)

Then is presented the decomposition of current income tax expense (see additional information in note 26):

Current taxes	Dec-15	Dec-14
Insufficient Tax	183.099	-
Tax Refunds	-	(178)
Excess of Tax	-	(26.265)
Income Tax	839.518	588.928
	1.022.617	562.485

There are no debts related to public entities (State and Social Security).

22. OTHER CURRENT LIABILITIES

As of December 31, 2015 and 2014 the caption "Other Current Liabilities" was as follows:

	Dec-15	Dec-14
Accrued Cost		
Vacation pay and bonus	5.075.222	4.823.433
Advertising Campaigns	2.072.912	2.327.476
Rappel charges attributable to fleet managers	1.556.149	1.467.198
Specialization cost assigned to vehicles sold	961.699	1.794.121
Accrual for Vehicles Tax	526.486	481.714
Commission	446.254	334.601
Supply costs	367.524	599.283
Advance External Supplies and Services	318.778	429.715
Insurance	317.508	277.140
Municipal Property Tax	127.849	119.129
Royalties	108.164	115.434
Interest	92.530	248.128
Others	1.163.977	1.056.519
	13.135.052	14.073.891
Deferred Income		
Vehicle maintenance contracts	3.025.367	1.115.374
Publicity recuperation	539.568	641.414
Subsidy granted	509.507	517.655
Interest Charged to Customers	6.457	6.994
Others	248.184	456.101
	4.329.083	2.737.538
Total	17.464.135	16.811.429

23. LIABILITIES FOR RETIREMENT PENSION COMPLEMENTS

Toyota Caetano (together with other associated and related companies) incorporated, by public deed dated December 29, 1988, the Salvador Caetano Pension Fund, which was subsequently updated in January 2, 1994, in December 29, 1995, December 23, 2002 and in March 30, 2009.

As of December 31, 2015, the following companies of Toyota Caetano Group were associates of the Salvador Caetano Pension Fund:

- Toyota Caetano Portugal, S.A.
- Caetano Auto – Comércio de Automóveis, S.A.
- Caetano Renting, S.A.

The Pension Fund was set up to, while Toyota Caetano Group maintains the decision to make contributions to the referred fund, provide employees (beneficiaries), at their retirement date, the right to a pension complement, which is not subject to update and is based on a percentage of the salary, among other conditions.

A request was made as of December 19, 2006 to the fund manager of the Salvador Caetano Pension Fund (GNB – Sociedade Gestora de Fundos de Pensões, S.A.), to act near the "ISP - Instituto de Seguros de Portugal" and take the necessary measures to change the defined benefit plan into a defined contribution plan, among other changes.

Following the above mentioned, a dossier was sent on December 18, 2007 to Instituto de Seguros de Portugal containing the proposals to change the "Constitutive Contract" of Salvador Caetano Pension Fund, as well as the minute of approval of these changes by the Pensions Fund Advisory Committee, and requesting, with effects as from January 1, 2008, the approval of these changes.

The proposal for changing the pension complement, dully approved by the Pension Funds Advisory Committee ("Comissão de Acompanhamento do Fundo de Pensões"), includes the maintenance of a defined benefit plan for the current retired workers and ex-employees with acquired rights, as well as for all the current employees with more than 50 years and more than 15 years of service completed until January 1, 2008. A new group will be created to which all current employees with less than 50 years and/or less than 15 years of service will be transferred.

At December 29, 2008 Toyota Caetano Portugal, S.A. received a letter from ISP - Instituto de Seguros de Portugal (Portuguese Insurance Institute) with the approval of the pretended alterations and entering into force starting from January 1, 2008. ISP determined in the referred approval that the employees associated to the Salvador Caetano Pension Fund who at January 1, 2008 had achieved 15 years of service and had ages inferior to 50 years (and that shall integrate a Defined Contribution Plan) have the right to an individual "initial capital" according to the new Plan, determined according to the actuarial responsibilities as at December 31, 2007 and based on the presumptions and criteria used on that year.

The actuarial presumptions used by the fund manager include, the Mortality Table and disability TV 73/77 and SuisseRe 2001, respectively, as well as well as salary increase rate, pensions increase rate and discount rate of 0%, 0% and 2,3%, respectively.

(Amounts in Euros)

The movement of the Fund responsibilities of the Company with the Defined benefit plan in 2015 and 2014 can be summarized as follows:

Liability at 1/1/2014	**29.059.458**
Current services cost	127.685
Interest cost	1.256.319
Actuarial (gains)/losses	5.413.539
Pension payments	(2.282.481)
Liability at 31/12/2014	**33.574.520**
Liability at 1/1/2015	**33.574.520**
Current services cost	117.656
Interest cost	1.231.419
Actuarial (gains)/losses	1.493.376
Pension payments	(2.419.290)
Liability at 31/12/2015	**33.997.681**

The allocation of this amount during 2015 and 2014 to both plans (Defined benefit plan and Defined contribution plan) can be summarized as follows:

	Defined Benefit Plan	Defined Contribution Plan	Total
Value of the Fund at 31 December 2013	**28.855.219**	**9.498.744**	**38.353.963**
Contributions	272.431	21.982	294.413
Real return of plan assets	2.230.827	708.805	2.939.632
Pension payments	(2.282.481)	(11.397)	(2.293.878)
Transfers from other associate member account	-	60.400	60.400
Transfers to other associate member account	-	(76.261)	(76.261)
Value of the Fund at 31 December 2014	**29.075.997**	**10.202.273**	**39.278.270**
Contributions	495.476	947.003	1.442.479
Real return of plan assets	1.071.278	385.086	1.456.364
Pension payments	(2.419.292)	(31.854)	(2.451.146)
Transfers from other associate member account	73.634	42.141	115.774
Transfers to other associate member account	-	(48.261)	(48.261)
Value of the Fund at 31 December 2015	**28.297.093**	**11.496.388**	**39.793.481**

(Amounts in Euros)

As of December 31, 2015 and 2014, the breakdown of the asset portfolio of the Fund that covers the defined benefit plan was as follows:

Asset Portfolio	Portfolio Weight	Value 31-12-2015	Portfolio Weight	Value 31-12-2014
Stocks	9,03%	2.555.228	7,91%	2.299.985
Bonds	39,75%	11.248.095	44,48%	12.932.664
Real Estate	37,42%	10.588.772	39,38%	11.451.494
Cash	10,69%	3.029.959	4,37%	1.269.759
Other Assets	3,11%	880.039	3,86%	1.122.096
Total	100%	28.297.093	100%	29.075.997

At December 31, 2015, the investments with an individual weight greater than 5% of the total portfolio of assets in the Fund that covers the defined benefit plan was as follows:

Asset	Portfolio Weight	Value
Cimóvel - Fundo de Investimento Imobiliário Fechado	37,4%	10.588.772

It should be noted that in December 31, 2015, the Fund held approximately 623.626 shares of Toyota Caetano Portugal, SA (623.626 shares at December 2014), whose evaluation in the fund portfolio amounted to about 767.060 Euros (567.500 Euros in December 2014).

The evolution of the Group's responsibilities in the defined benefit plan and the assets of the Fund allocated can be summarized as follows:

Defined benefit plan	2015	2014	2013	2012	2011	2010	2009	2008
Responsibility amount	33.997.681	33.574.520	29.059.458	29.650.534	29.686.944	29.550.745	29.035.762	28.358.503
Fund Amount	28.297.093	29.075.997	28.855.219	28.444.454	26.541.223	28.812.418	28.901.854	28.067.165

The net obligations of Toyota Caetano Portugal Group evidenced above is safeguarded through a provision recorded in the amount of 5,7 million Euros, reflected in the balance sheet, in the item Pension Fund Liabilities.

24. PROVISIONS AND ACCUMULATED IMPAIRMENT LOSSES

Movements occurred in provisions during the years ended as of December 31, 2015 and 2014 were as follows:

31-12-2015

	Opening Balances	Increases	Decrese and Other	Other regularizations	Ending Balances
Accumulated impairment losses in investments	1.781.995	-	-	998.814	2.780.809
Accumulated impairment losses in accounts Receivable (Note 11)	10.338.615	96.216	(112.690)	(611.492)	9.710.649
Accumulated impairment losses in inventories (Note 10)	1.901.129	18.776	(608.128)	-	1.311.777
Provisions	311.551	111.771	-	(120.070)	303.252

31-12-2014

(Amounts in Euros)

	Opening Balances	Increases	Disposals and Other	Other regularizations	Ending Balances
Accumulated impairment losses in investments	1.781.995	-	-	-	1.781.995
Accumulated impairment losses in accounts Receivable (Note 11)	10.634.355	534.187	(59.048)	(770.879)	10.338.615
Accumulated impairment losses in inventories (Note 10)	1.336.902	568.637	(4.410)	-	1.901.129
Provisions	323.424	84.900	-	(96.773)	311.551

The variation observed in the caption impairment losses is related essentially with write-off of impairments of clients.

25. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments used by the Group at December 31, 2015 and 2014 refer to:

Interest rate Derivatives

It is a derivative financial instrument contracted in order to hedge the risk of interest rate associated with a loan agreement (cash flow hedge), which contributes to the reduction of exposure to changes in interest rates or the optimization the cost of funding and has not been designated for accounting purposes coverage. The fair value of such derivative financial instrument at December 31, 2015 was negative by 94,532 Euros (at 31 December 2014 was negative by 149,762 Euros) and comprises the balance sheet date a total exposure of 6,1 million euros from 22 December 2015 for the remaining period of one year and three months.

This derivative financial instrument was valued at December 31, 2015 by the bank with whom it is contracted, taking into account future cash flows and estimated risk (Level 2 fair value hierarchy as paragraph 27a of IFRS 7 - inputs indirectly observable in the market).

It is the intention of Toyota Caetano Group to hold the instrument to maturity, so this valuation reflects the best estimate of the present value of future cash flows to be generated by this instrument.

The fair value changes aroused from derivative financial instruments are recognized in the captions financial income and expenses (note 33).

Then presents summary table of derivatives held at December 31, 2015 and 2014:

Derivate financial instrument	Fair Value 2015	Fair Value 2014	Type	Rate Swap	Rate receivable
Swap taxa de juro BBVA	(94.532)	(149.762)	Negotiation	1,10%	Euribor 3M
TOTAL	(94.532)	(149.762)			

26. INCOME TAXES

The income tax for the year ended as of December 31, 2015 and 2014 was as follows:

	Dec-15	Dec-14
Income Tax (Note 21)	1.022.617	562.485
Deferred income taxes (Note 14)	975.224	364.877
	1.997.841	927.362

(Amounts in Euros)

The reconciliation of the earnings before taxes of the years ended at December 31, 2015 and 2014 can be analysed as follows:

	Dec-15	Dec-14
Profit before taxation	8.164.630	4.887.613
Tax on profit	22,50%	24,50%
Theoretical tax charge	**1.837.042**	**1.197.465**
Accounting surplus	(918.116)	(395.357)
Fiscally surplus	454.044	(68.489)
Reversal of impairment losses	(80.622)	(59.293)
Fair value adjustments	(72.201)	51.001
Fiscally adjustments	(9.253)	(7.082)
Others	71.703	(343.437)
Fiscal losses	(745.452)	(374.808)
Efective Tax	537.144	-
Additional income tax	312.215	588.928
Excess/Insufficient Tax	183.099	(26.265)
Tax Refunds	-	(178)
Others	(9.841)	-
Income Tax	1.022.617	562.485
Deferred income taxes	975.224	364.877
Efective tax charge	**1.997.841**	**927.362**

27. EARNINGS PER SHARE

The earnings per share for the year ended as of December 31, 2015 and 2014 were computed based on the following amounts:

	Dec-15	Dec-14
Earnings		
Basic	6.134.247	3.973.763
Diluted	6.134.247	3.973.763
Number of shares	35.000.000	35.000.000
Earnings per share (basic and diluted)	0,175	0,114

During 2015 and 2014 there were no changes in the number of shares outstanding.

(Amounts in Euros)

28. SEGMENT INFORMATION

The main information relating to the business segments existing on December, 2015 and 2014, prepared according to the same accounting policies and criteria adopted in the preparation of the consolidated financial statements, is as follows:

31-12-2015

	NATIONAL								FOREIGN					REMOVALS	CONSOLIDATED
	Vehicles				Industrial equipments			Others	Vehicles		Industrial equipments				
	Industrie	Commercial	Services	Rental	Machines	Services	Rental		Industrie	Commercial	machines	Services	Rental		
PROFIT															
External Sales	13.152.446	365.120.593	15.153.439	4.487.790	18.048.357	2.052.875	12.414.975	-	25.231.427	14.333.837	88.176	8.623	21.740	(139.413.741)	330.700.537
Income															
Operacional income	(2.667.875)	8.348.062	52.562	168.035	846.898	1.658.136	1.298.805	(2.749)	(783.698)	569.903	19.624	6.665	12.570	742.844	10.269.782
Financial Income	(28.115)	(1.765.298)	(18.841)	(136.188)	(12.842)	(5.997)	(86.518)	(31)	(28.013)	(22.920)	(326)	(16)	(47)	-	(2.105.152)
Net income with non-controlled interests	(2.695.990)	5.070.109	8.045	66.545	722.318	1.430.802	1.065.375	(2.227)	(811.711)	447.835	16.714	5.758	10.845	832.370	6.166.789
Total consolidated assests	41.412.716	256.130.958	7.893.730	8.778.154	11.558.941	2.435.881	28.852.150	23.909.481	-	8.026.355	-	-	-	(123.079.323)	265.919.043
Total consolidated liabilities	9.596.156	146.876.256	5.106.323	6.755.158	1.310.214	320.321	20.769.664	3.589.954	-	2.070.932	-	-	-	(60.129.466)	136.265.511
Capital expenses	5.225.897	1.999.643	91.150	4.128.138	24.541	42.730	10.833.593	152	-	141.940	-	-	-	183.552	22.671.336
Depreciations	1.352.891	3.654.815	187.501	2.881.517	55.401	41.403	4.570.724	313	-	158.365	-	-	-	179.031	13.081.961

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

(Amounts in Euros)

31-12-2014

	NATIONAL								FOREIGN					Removals	Consolidated
	Vehicles				Industrial Equipment			Others	Vehicles		Industrial Equipment				
	Industrie	Commercial	Services	Rental	Machines	Services	Rental		Industrie	Commercial	Machines	Services	Rental		
PROFIT															
External sales	13.364.282	325.237.056	14.873.476	8.577.660	12.316.720	2.024.771	10.817.139	-	10.850.627	13.329.934	88.040	11.432	12.900	(129.946.977)	281.557.060
Income															
Operational income	(1.304.760)	3.310.268	24.277	459.589	306.608	1.278.832	2.169.899	(4.684)	(1.014.367)	198.682	910	8.824	5.456	791.102	6.230.636
Financial income	319	(222.280)	(10.227)	(211.113)	2.139	(421)	(895.701)	10	(117)	(5.260)	(376)	5	(1)	-	(1.343.023)
Net Income with non-controlled interests	(1.304.442)	2.854.755	234	263.127	272.914	1.130.037	1.141.708	(43.080)	(1.014.484)	162.362	472	7.805	4.821	484.022	3.960.251
Other Information															
Total consolidated assets	43.354.723	247.800.305	9.427.278	7.854.762	14.816.630	2.195.506	19.862.771	23.543.072	-	7.408.814	-	-	-	(127.794.187)	248.469.674
Total consolidated liabilities	7.894.006	138.911.531	6.139.322	5.835.125	4.440.385	659.257	10.459.289	3.583.249	-	1.426.390	-	-	-	(60.113.120)	119.235.434
Capital Expenses	1.360.340	3.064.697	217.071	3.528.720	71.267	51.367	3.508.877	-	-	37.666	-	-	-	(72.423)	11.767.582
Depreciation	1.271.572	3.406.308	210.913	2.755.334	66.618	48.015	3.404.442	-	-	176.207	-	-	-	121.884	11.461.293

The line "Turnover" includes Sales, Service Rendered and the amount of about 11.392.995 Euros (9.917.140 Euros as of 31 December 2014) related to equipment rentals accounted in Other Operating Income (Note 32).

The column “Eliminations” mainly includes the elimination of transactions between Group companies included in consolidation, mainly belonging to Vehicles segment.

(Amounts in Euros)

29. SALES AND SERVICES RENDERED BY GEOGRAPHIC MARKETS

The detail of sales and services rendered by geographic markets, during the years ended as of December 31, 2015 and 2014, was as follows:

	Dec-15		Dec-14	
Market	Amount	%	Amount	%
National	284.558.320	89,12%	251.841.951	92,71%
Belgium	24.836.222	7,78%	10.087.444	3,71%
African Countries with Official Portuguese Language	9.387.941	2,94%	8.936.721	3,29%
United Kingdom	225.305	0,07%	248.166	0,09%
Spain	39.503	0,01%	51.199	0,02%
Germany	8.961	0,00%	2.918	0,00%
Others	251.290	0,08%	471.521	0,17%
	319.307.542	100,00%	271.639.920	100,00%

30. EXTERNAL SUPPLIES AND SERVICES

As of December 31, 2015 and 2014, the caption “External supplies and services” was as follows:

	Dec-15	Dec-14
Subcontracts	**1.888.171**	**1.756.744**
Specialized Services	**15.069.044**	**14.941.310**
Professional Services	5.188.763	4.581.772
Advertising	7.008.404	7.286.647
Vigilance and Security	403.910	421.811
Professional Fees	791.266	804.153
Comissions	195.711	455.617
Repairs and Maintenance	1.480.990	1.391.310
Materials	**748.861**	**665.011**
Utilities	**3.008.991**	**2.946.786**
Travel and transportation	**2.588.379**	**2.196.529**
Traveling expenses	1.392.822	1.255.308
Personnel transportation	100.174	91.787
Transportation of materials	1.095.383	849.434
Other supplies	**13.113.301**	**10.940.914**
Rent	2.651.292	2.220.974
Communication	648.714	739.427
Insurance	1.247.558	1.095.682
Royalties	339.332	299.027
Notaries	36.908	26.895
Cleaning and comfort	699.576	572.228
Others Services	7.489.921	5.986.681
	36.416.747	**33.447.294**

(Amounts in Euros)

31. PAYROLL EXPENSES

Payroll expenses are decomposed as follows:

	Dec-15	Dec-14
Payroll Management	550.505	550.505
Payroll Personnel	26.402.788	24.866.774
Benefits Plan	1.017.801	491.833
Termination Indemnities	325.200	229.264
Social Security Contribution	6.422.571	5.972.644
Workmen´s Insurance	345.064	346.424
Others	3.609.363	3.381.037
	38.673.292	35.838.481

During 2015 and 2014, the average number of personnel was as follows:

Personnel	Dec-15	Dec-14
Employees	1.069	1.042
Workers	498	450
	1.567	1.492

32. OTHER OPERATING INCOME AND EXPENSES

As of December 31, 2015 and 2014, the caption “Other operating income” was as follows:

Other operating income	Dec-15	Dec-14
Guarantees recovered and other operating expenses	12.404.517	10.314.914
Lease Equipment	11.386.995	9.911.140
Commissions	3.736.109	2.355.039
Rents charged	3.303.270	2.765.899
Work for the Company	3.229.257	2.387.764
Subsidies	2.424.126	2.111.253
Compensation claims	2.338.020	-
Advertising expenses and sales promotion recovered	2.081.026	2.022.259
Services provided	2.074.004	1.810.834
Expenses recovered	1.552.759	1.285.562
Capital gains in financial investments	1.470.075	-
Gains in the disposal Tangible Fixed Assets	194.820	344.648
Corrections on the previous exercises	33.699	249.227
Gains in the disposal Financial Fixed Assets	-	11.084
	46.228.677	**35.569.623**

(Amounts in Euros)

From the table presented above, we have:

- Recovery of guarantees and other operational expenses – it includes essentially Toyota Motor Europe guarantees and other charges to concessionaires;
- Services provided – refers mainly to administrative fees charged to companies outside the Toyota Caetano perimeter;
- Expenses recovery – it contains mainly revenues related with social services (canteen and staff training) charged to companies outside the Toyota Caetano perimeter;

As of December 31, 2015 and 2014, the caption "Other operating expenses" was as follows:

	Dec-15	Dec-14
Taxes	974.081	1.231.263
Losses in other non-financial investments	942.212	8.244
Losses in Inventories	24.217	15.471
Prompt payment discounts granted	10.096	11.561
Losses in other investments	6.755	11.047
Bad debts	3.551	372.989
Others	1.039.643	1.219.151
Fines and penalties	215.355	94.339
Corrections to previous years	124.316	75.710
Subscriptions	23.987	14.931
Donations	3.548	2.393
Others	672.437	1.031.778
	3.000.555	2.869.726

33. FINANCIAL INCOME AND EXPENSES

Consolidated net financial results as of December 31, 2015 and 2014 were as follows:

Expenses and Losses	Dec-15	Dec-14
Interest	1.750.929	1.235.618
Other Financial Expenses	442.710	291.908
	2.193.639	1.527.526

Income and Gains	Dec-15	Dec-14
Interest	33.257	184.503
Other Financial Income	55.230	-
	88.487	184.503

As of December 31, 2015, the caption "Other Financial Income" includes derivatives' fair value changes on the amount of 55.230 Euros.

(Amounts in Euros)

34. FINANCIAL ASSETS AND LIABILITIES

We summarize in the table below a resume of financial instruments of Toyota Caetano Group as of 31 December 2015 and 2014:

	Note	Financial Assets		Financial Liabilities	
		Dec- 15	Dec -14	Dec- 15	Dec -14
Derivate Financial Instruments	25	-	-	94.532	149.762
Available for sale Assets	9	3.463.450	3.119.634	-	-
Accounts Receivable	11	56.877.240	57.601.885	-	-
Other credits - Current	12	3.146.581	4.417.305	-	-
Bank Loans	18	-	-	46.752.631	40.294.737
Leasings	18	-	-	17.040.409	9.592.323
Overdrafts	18	-	-	20.276	746.337
Other Loans	18	-	-	-	272.678
Other Creditors	20	-	-	1.265.885	1.740.504
Public Entities	21	1.254.043	997.206	9.663.087	10.938.452
Accounts Payable	19	-	-	36.237.691	31.579.655
Cash and Cash Equivalentes	15	11.364.954	12.530.999	-	-
		76.106.268	78.667.029	111.074.511	95.314.448

Financial Instruments at Fair Value

	Note	Financial Assets		Financial Liabilities	
		Dec- 15	Dec -14	Dec- 15	Dec -14
Derivate Financial Instruments	25	-	-	(94.532)	(149.762)
Available for sale Assets	9	3.463.450	3.119.634	-	-
		3.463.450	3.119.634	(94.532)	(149.762)

Classification and Measurement

	Available for sale Assets		Derivate Financial Instruments		Level
	At fair value	At cost	Cash Flow Hedge Accounting	Negotiation	
Cimóvel Fund	3.396.713	-	-	-	1)
Others	-	66.737	-	-	3)
Interest rate swap	-	-	-	(94.532)	2)

(Amounts in Euros)

According to the paragraph 27-A of IFRS 7, we provide below, the disclosure of classification and measurement of financial instruments' fair value, by hierarchy level:

a) level 1 – quoted prices – available for sale financial assets: 3.396.713 Euros (3.052.897 Euros in 2014);

b) level 2 - inputs different from quoted prices included on level 1 that are observable for the asset or liability, both directly (prices), or indirectly – negotiation derivatives (*swap*): -94.532 Euros (-149.762 Euros in 2014);

c) level 3 - inputs for the asset or liability that are not based on observable market data.

Impact on the Income Statement and Other Comprehensive Income

	Impact on equity		Impact on Income	
	Dec- 15	Dec -14	Dec- 15	Dec -14
Derivate Financial Instruments	-	-	55.230	(30.240)
Available for sale Assets	343.816	(221.742)	-	-
	343.816	(221.742)	55.230	(30.240)

35. OPERATIONAL LEASE

During the period of 2015, the minimum payments for operational leases amounted to approximately 6,4 million Euros (7,9 million Euros in 2014). Of that amount, 2,4 million relate to payments with maturity of one year, 4,1 million relate to payments to occur in the period between two to five years and 62 thousand Euros relate to payments of maturity of more than five years.

Minimum payments of operational lease	Dec-15	Dec-14
Not more than one year	2.204.088	2.102.409
More than one year and no more than five	4.172.432	4.657.637
More than five years	62.214	1.177.016
	6.438.734	7.937.062

(Amounts in Euros)

36. RELATED PARTIES

Balances and transactions between the Parent Company and its affiliates, which are related entities to the Parent Company, were eliminated in the consolidation process, so they will not be disclosed in this Note. Balances and transactions details between the Group and the related parties can be summarized as follows:

Company	Comercial Debts		Products		Fixed assets		Services		Others	
	Receivable	payable	Sales	Purchases	Purchases	Disposals	Rendered	Obtained	Costs	Income
Amorim Brito & Sardinha, Lda.	77	-	-	-	-	-	-	-	-	2.268
Atlântica - Companhia Portuguesa de Pesca, S.A.	5.111	-	-	-	-	-	-	-	-	-
Auto Partner Imobiliária, S.A.	-	15.094	-	-	-	-	-	258.252	-	-
Cabo Verde Rent-a-Car, Lda.	22.437	-	-	-	-	-	104.058	146.956	-	-
Caetano Active (Sul), Lda.	1.232	5.730	2.485	35.642	-	-	6.267	16.983	-	444
Caetano Aeronautic, S.A.	267.024	-	64.960	-	-	-	32.368	-	-	237.080
Caetano Baviera - Comércio de Automóveis, S.A.	426.740	130.915	3.307.421	416.282	4.070	22.672	3.535	298.529	267.489	623.719
Caetano City e Active (Norte), S.A.	3.543	4.632	25.861	54.285	-	-	8.240	(15.045)	(76)	22.160
Caetano Drive ,Sport e Urban, S.A.	65.976	49.153	(703)	96.528	609.830	725.155	101.737	360.186	(228)	250.519
Caetano Equipamentos, S.A.	-	-	-	-	-	-	-	-	-	315
Caetano Fórmula , S.A.	93.988	324.877	32.711	811.587	-	45.304	53.874	(27.684)	-	140.668
Caetano Formula East África, S.A.	-	-	-	-	-	-	-	-	-	177
Caetano Fórmula Moçambique S.A	300	-	-	-	-	-	-	-	-	1.131
Caetano Formula Senegal, S.A.U.	2.068	-	-	-	-	-	-	-	-	-
Caetano Fórmula West África, S.A.	55	-	-	-	-	-	-	-	-	2.255
Caetano Motors, S.A.	40.342	337	(15.572)	10.398	-	-	6.526	48.285	(152)	166.275
Caetano Move África, S.A.	-	-	-	-	-	-	-	-	-	17
Caetano One CV, Lda.	204.152	-	116.018	-	-	-	27.832	-	-	25.194
Caetano Parts, Lda.	82.310	1.026.379	1.558.292	6.053.858	-	9.250	4.114	14.584	-	212.125
Caetano Power, S.A.	16.096	2.724	(14.585)	126.510	928.429	1.064.033	16.915	(12.560)	(127)	173.236
Caetano Retail (S.G.P.S.), S.A.	21.253	893	(186)	-	-	-	333	5.442	-	69.121
Caetano Star, S.A.	69.132	36.388	39.284	134.329	-	-	16.506	54.731	(60)	8.907
Caetano Technik, Lda.	37.608	321	(17.425)	10.850	17.732	12.179	(1.542)	(4.990)	(76)	167.613
Caetano UK Limited	-	-	-	-	-	-	-	-	-	300
CaetanoBus - Fabricação de Carroçarias, S.A.	7.717.330	22.704	66.174	65.065	2.001.951	-	4.337	185.175	1.500	3.444.820
Caetsu Publicidade, S.A.	71.619	376.733	79.591	2.640	-	-	30.165	2.800.441	310	238
Carplus - Comércio de Automóveis, S.A.	6.277	855	65.602	-	15.610	14.926	144.342	(3.888)	(152)	218.177
Central Solar de Castanhos, S.A.	102	-	-	-	-	-	-	-	-	102
Choice Car, S.A.	461	-	-	954	-	-	395	-	-	6.266
Ciberguia, S.A.	9.954	-	-	-	-	-	-	-	-	-
Cociga - Construções Civis de Gaia, S.A.	4.730	135.073	425	-	1.523.130	-	-	88.676	-	4.427
Drive Angola, S.A.	300	-	-	-	-	-	-	-	-	300

(Amounts in Euros)

Finlog - Aluguer e Comércio de Automóveis, S.A.	106.728	104.632	854.573	310.318	-	-	203.470	1.131.392	31.181	26.825
Fundação Salvador Caetano	682.722	-	-	-	-	-	-	-	-	-
Globalwatt, (S.G.P.S.), S.A.	-	-	-	-	-	-	-	-	-	51
Grupo Salvador Caetano, (S.G.P.S.), S.A.	39.608	-	-	-	-	-	-	-	-	102
Guérin - Rent-a-Car (Dois), Lda.	101.345	36.773	11.085	171.961	-	-	415.527	59.755	-	75.031
Ibericar Auto Nipon, S.A.	16.300	-	-	24.897	-	-	-	-	-	-
Lavorauto - Administração e Consultoria de Empresas, S.A.	-	-	-	-	-	-	30.597	-	-	-
Lidera Soluciones, S.L.	-	600	-	-	-	-	-	116.141	-	-
Lusilectra - Veículos e Equipamentos, S.A.	183.602	166.203	185.079	31.794	774.818	5.000	70.377	391.711	12.104	76.958
MDS Auto - Mediação de Seguros, S.A.	-	3.263	1.005	-	-	-	660	650.135	13.008	185.188
Movicargo - Movimentação Industrial, Lda.	116.363	75.041	485	2.488.609	751	-	5.056	48.103	1.974.877	21.428
Platinium V.H. - Importação de Automóveis, S.A.	9.181	-	16	-	-	-	1.328	-	1.604	23.218
POAL - Pavimentações e Obras Acessórias, S.A.	17.806	-	-	-	-	-	-	-	-	-
Portianga - Comércio Internacional e Participações, S.A.	202.983	15.517	2.922	71.794	6.199	-	38.488	239	57.496	59.514
PV Loiral- Produção de Energia, Lda.	102	-	-	-	-	-	-	-	-	102
Rarcon - Arquitectura e Consultadoria, S.A.	-	18.344	-	-	87.580	-	-	137.772	6.500	166
Rigor - Consultoria e Gestão, S.A.	137.842	869.261	943	584	114.801	-	124.521	3.960.112	26.218	397.749
Robert Hudson, LTD	34.857	-	33.302	-	-	-	-	-	-	6.492
Salvador Caetano Auto África, (S.G.P.S.), S.A.	811.954	-	-	-	-	-	-	-	-	26
Salvador Caetano Equipamentos, S.A.	-	-	238	-	-	-	-	-	-	6
Searas Morenas, Lda.	-	-	-	-	-	-	-	-	-	17
Simoga - Sociedade Imobiliária de Gaia, S.A.	1.036	-	-	-	-	-	-	-	-	-
Sol Green Watt, S.L.	-	-	-	-	-	-	557	-	-	-
Spramo - Publicidade & Imagem, S.A.	-	681	-	-	-	-	-	-	-	-
Tovicar - Sociedade Comercial de Automóveis, S.A.	5.258	-	-	-	-	-	-	-	-	-
Turispaiva - Sociedade Turística Paivense, S.A.	315	-	-	-	-	-	-	-	-	769
VAS África (S.G.P.S.), S.A.	-	-	-	-	-	-	-	-	-	563
Vas Cabo Verde, Sociedade Unipessoal, S.A.	63.473	-	5.167	-	-	-	92.663	24.019	-	163.073
	11.701.692	3.423.123	6.405.168	10.918.885	6.084.901	1.898.519	1.543.246	10.733.452	2.391.416	6.815.132

Goods and services purchased and sales to related parties were made at market prices.

(Amounts in Euros)

37. CONTINGENT ASSETS AND LIABILITIES

As of December 31, 2015 and 2014, Toyota Caetano Group had assumed the following financial commitments:

Commitments	Dec-15	Dec-14
Credits	110.504	110.504
Guarantees of Imports	7.000.000	7.511.119
	7.110.504	7.621.623

At 31 December 2015 and 2014, the financial commitments classified as "Guarantees for Imports" the amount of 4 million Euros is related with guarantees on imports provided to Customs Agency.

Following the 29,9 million Euros debt contracting process occurred in 2012, remaining, at the present date, approximately 11,1 million Euros outstanding as a liability in the consolidated statement of financial position (see note 18), the Group has granted mortgages to the respective financial institutions, valued at about 37,8 million Euros, at the financing date.

Taxes Liquidation:

Toyota Caetano Portugal,S.A.

According to the legislation, the Company's tax returns are subject to review and correction by the tax authorities during a period of four years unless there are tax losses , have been granted tax benefits or are ongoing inspections complaints or challenges, in which case, depending on the circumstances, the deadlines are extended or suspended . The tax returns for the years 2011 to 2015 may still be subject to review. Statements regarding the Social Security may be revised over a period of five years.

Caetano – Auto, S.A.

The Company records in their assets under the heading of State Public Sector, the interest amount paid to the tax authorities in the amount of 24.909 Euros, which does not agree by the undue understand and, therefore, carried out the necessary judicial review, from the Administrative and Tax Court of Porto.

Litigations in progress

Claim against agency contract termination

The Board of Directors and its legal advisors believe that the arguments presented by a former agent, who claims compensation for the termination of the agency contract, is not in accordance with applicable law and thereby no losses will result to the company, so it was not recorded any provision in the financial statements. The referred agency contract termination was due to breach of contractual obligation.

In January 2011, we concluded the trial in favour of Toyota Caetano Portugal decision, but nevertheless, such Agent appealed in September 2011, pending further decision. During fiscal year 2012 claims and counter-claims of appeal to the Supreme Court were presented.

In 2014, the company notified the Judgment of the Supreme Court having to pay compensation for indirect and personal injury. To this compensation amounts receivable and the related interest on a case brought by the company against the agent will be deducted.

It is conviction of the board that no responsibilities will result for the Group from the end of this process.

(Amounts in Euros)

Judicial claim against collective dismissal

The board and its legal advisors believe that the collective dismissal process occurred in 2012, is based on strong market, structural and technological reasons.

It is conviction of the board that no responsibilities will arise for the Group from the end of this process.

End of life vehicles

In September 2000, the European Commission approved a Directive regarding end-of-life vehicles and the responsibility of Producers/Distributors for dismantling and recycling them.

Producers/Distributors will have to support at least a significant part of the cost of the dismantling of vehicles that went to the market after July 1, 2002, as well as in relation to vehicles produced before this date, but presented as of January 1, 2007.

This legislation will impact Toyota vehicles sold in Portugal. Toyota Caetano and Toyota are closely monitoring the development of Portuguese National Legislation in order to access the impact of these operations in its financial statements.

It is our conviction, in accordance with studies performed on the Portuguese market, and taking in consideration the possible usage of the vehicles parts resulting from the dismantlement, that the effective impact of this legislation in the Company accounts will be reduced or nil.

Meanwhile, and according to the legislation in force (Dec./Law 196/2003), the Company signed a contract with “ValorCar – Sociedade de Gestão de Veículos em Fim de Vida, Lda” - a licensed entity for the management of an integrated system of ELV- the transfer of the liabilities in this process.

Information related to environmental area

The Group adopts the necessary measures relating to the environment, aiming to fulfil current applicable legislation.

The Toyota Caetano Group Board of Directors does not estimate that there are risks related to the environmental protection and improvement, not having received any infraction related to this matter during 2015.

38. REMUNERATION OF BOARD MEMBERS

The remuneration of the board members during the years 2015 and 2014, was as follows:

Board Members	Dec-15	Dec-14
Board of Directors		
Fixed remunerations	550.505	550.505

(Amounts in Euros)

39. REMUNERATION OF STATUTORY AUDITOR

The remuneration of the Statutory Auditor, PricewatherhouseCoopers & Associados – S.R.O.C., Lda. for December 31, 2015 and 2014, was as follows:

	Dec-15	Dec-14
Total fees related statutory audit	59.670	59.525
	59.670	59.525

40. SUBSEQUENT EVENTS

Since the conclusion of the year 2015 and up to date no significant events occurred.

41. FINANCIAL STATEMENTS APPROVAL

The consolidated financial statements were approved by the Board of Directors on April 1, 2016.

42. EXPLANATION ADDED FOR TRANSLATION

These financial statements are a translation of financial statements originally issued in Portuguese language in accordance with IFRS. In the event of discrepancies, the Portuguese language version prevails.

ADMINISTRATIVE MANAGER

ALEXANDRA MARIA PACHECO GAMA JUNQUEIRA

BOARD OF DIRECTORS

JOSÉ REIS DA SILVA RAMOS - President

MARIA ANGELINA MARTINS CAETANO RAMOS

SALVADOR ACÁCIO MARTINS CAETANO

MIGUEL PEDRO CAETANO RAMOS

NOBUAKI FUJII

MATTHEW PETER HARRISON

RUI MANUEL MACHADO DE NORONHA MENDES

OPINIONS

Toyota Caetano Portugal, S.A.

Public Limited Company
Registered Office: Av. Vasco da Gama - Oliveira do Douro - Vila Nova de Gaia
Share Capital: 35.000.000 Euros
Solo Tax and Registry Number at the Commercial
Registry Office of Vila Nova de Gaia 500 239 037

Report and opinion of the Fiscal Council

Dear Shareholders:

1. In accordance with the terms of item g) of article 420.º of the "Código das Sociedades Comerciais" and the Articles of Association, it is our duty submit to your appreciation the report concerning the activity performed and to issue opinion regarding the documents and statements of the individual and consolidated accounts of TOYOTA CAETANO PORTUGAL, SA, referring to the financial year of 2015, which were presented to us by the Board of Directors.

2. In accordance with the assignments conferred to us, during this exercise we proceeded to the follow-up of the social business and to its evolution and, with the frequency and extent considered advisable and appropriate, to the general analysis of the financial procedures and the confirmation by sampling of the respective files.

3. We have no knowledge of any situation which didn't respect the articles of association and the legal terms applicable.

4. We analysed the Individual Legal Certification of Accounts and the Consolidated Legal Certification of Accounts issued by the Statutory External Auditor, with which we agree.

Thus,

5. All members of the Fiscal Council of TOYOTA CAETANO PORTUGAL, S.A., under the terms of item c) of number 1 of article 245.º of the "Código de Valores Mobiliários", hereby declare that, as far as it is their knowledge, the information provided in item a) of the above referred article, including documents of individual and consolidated accounts, was elaborated according to the accounting rules applicable, evidencing a correct and clear image of the assets and liabilities, of the financial situation

and results of TOYOTA CAETANO PORTUGAL, SA and that the management report clearly shows the business evolution, the performance and the position of the Company and companies included in its perimeter of consolidation, evidencing as well a description of the mains risks and incertitude's to be faced.

6. And, under the terms of number 5 of article 420.º of "Código das Sociedades Comerciais", the Fiscal Council of TOYOTA CAETANO PORTUGAL, S.A. states that the report on the structure and practices of corporate governance includes the elements referred in article 245.º-A of "Código dos Valores Mobiliários.".

7. Accordingly, we are of the opinion that the Annual General Meeting:

a) Approve the management report of the Board of Directors and the individual and consolidated Accounts related to the financial year ended on the December 31st, 2015;

b) Approve the proposal for the net result application, contained in the management report of the Board of Directors.

Vila Nova de Gaia, 4th April 2016

Toyota Caetano Portugal, S.A.

Public Limited Company

Registered Office: Av. Vasco da Gama - Oliveira do Douro - Vila Nova de Gaia

Share Capital: 35.000.000 Euros

Solo Tax and Registry Number at the Commercial

Registry Office of Vila Nova de Gaia 500 239 037

Statement of the Fiscal Council

All members of the Fiscal Council of TOYOTA CAETANO PORTUGAL, S.A., under the terms of item c) of number 1 of article 245.º of the "Código de Valores Mobiliários", hereby declare that, as far as it is their knowledge, the information provided in item a) of the above referred article, including documents of individual and consolidated accounts, was elaborated according to the accounting rules applicable, evidencing a correct and clear image of the assets and liabilities, of the financial situation and results of TOYOTA CAETANO PORTUGAL, SA and that the management report clearly shows the business evolution, the performance and the position of the Company and companies included in its perimeter of consolidation, evidencing as well a description of the mains risks and incertitude's to be faced.

Vila Nova de Gaia, 4th April 2016

Audit Report for Statutory and Stock Exchange Regulatory Purposes on the Individual Financial Information
(Free translation from the original in Portuguese)

Introduction

1 As required by law, we present the Audit Report for Statutory and Stock Exchange Regulatory Purposes on the financial information included in the Directors' Report and in the attached financial statements of Toyota Caetano Portugal, S.A., comprising the balance sheet as at December 31, 2015, (which shows total assets of Euro 246,624,989 and total shareholder's equity of Euro 129,294,173 including a net profit of Euro 6,474,875), the statement of income by nature, the statement of changes in equity and the statement of cash flows for the year then ended, and the corresponding notes to the accounts.

Responsibilities

2 It is the responsibility of the Company's Board of Directors (i) to prepare the Directors' Report and the financial statements which present fairly, in all material respects, the financial position of the Company, the results of its operations, the changes in equity and the cash flows; (ii) to prepare historic financial information in accordance with generally accepted accounting principles in Portugal and which is complete, true, up-to-date, clear, objective and lawful, as required by the Portuguese Securities Market Code; (iii) to adopt appropriate accounting policies and criteria; (iv) to maintain an appropriate system of internal control; and (v) to disclose any significant matters which have influenced the activity, financial position or results of the Company.

3 Our responsibility is to verify the financial information included in the financial statements referred to above, namely as to whether it is complete, true, up-to-date, clear, objective and lawful, as required by the Portuguese Securities Market Code, for the purpose of issuing an independent and professional report based on our audit.

Scope

4 We conducted our audit in accordance with the Standards and Technical Recommendations issued by the Institute of Statutory Auditors which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. Accordingly, our audit included: (i) verification, on a sample basis, of the evidence supporting the amounts and disclosures in the financial statements, and assessing the reasonableness of the estimates, based on the judgements and criteria of the Board of Directors used in the preparation of the financial statements; (ii) assessing the appropriateness of the accounting principles used and their disclosure, as applicable; (iii) assessing the applicability of the going concern basis of accounting; (iv) assessing the overall presentation of the financial statements; and (v) assessing the completeness, truthfulness, accuracy, clarity, objectivity and lawfulness of the financial information.

5 Our audit also covered the verification that the information included in the Directors' Report is consistent with the financial statements as well as the verification set forth in paragraphs 4 and 5 of Article 451º of the Companies Code.

6 We believe that our audit provides a reasonable basis for our opinion.

Opinion

7 In our opinion, the financial statements referred to above, present fairly in all material respects, the financial position of Toyota Caetano Portugal, S.A., as at December 31, 2015, the results of its operations, the changes in equity and the cash flows for the year then ended, in accordance with generally accepted accounting principles in Portugal and the information included is complete, true, up-to-date, clear, objective and lawful.

Report on other legal requirements

8 It is also our opinion that the information included in the Directors' Report is consistent with the financial statements for the year and that the Corporate Governance Report includes the information required under Article 245º-A of the Portuguese Securities Market Code.

April 1st, 2016

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda.

Registered in the Comissão do Mercado de Valores Mobiliários with nr. 9077
represented by:
José Pereira Alves, R.O.C.

Audit Report for Statutory and Stock Exchange Regulatory Purposes on the Consolidated Financial Information

(Free translation from the original in Portuguese)

Introduction

1 As required by law, we present the Audit Report for Statutory and Stock Exchange Regulatory Purposes on the financial information included in the Directors' Report and in the attached consolidated financial statements of Toyota Caetano Portugal, S.A., comprising the consolidated statement of financial position as at December 31, 2015 (which shows total assets of Euro 265,919,043 and total shareholder's equity of Euro 129,653,532 including non-controlling interests of Euro 1,647,295 and a net profit of Euro 6,134,247), the consolidated statement of income by nature, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and the corresponding notes to the accounts.

Responsibilities

2 It is the responsibility of the Company's Board of Directors (i) to prepare the Directors' Report and the consolidated financial statements which present fairly, in all material respects, the financial position of the Company and its subsidiaries, the consolidated results and the consolidated comprehensive income of their operations, the changes in consolidated equity and the consolidated cash flows; (ii) to prepare historic financial information in accordance with International Financial Reporting Standards as adopted by the European Union and which is complete, true, up-to-date, clear, objective and lawful, as required by the Portuguese Securities Market Code; (iii) to adopt appropriate accounting policies and criteria; (iv) to maintain appropriate systems of internal control; and (v) to disclose any significant matters which have influenced the activity, financial position or results of the Company and its subsidiaries.

3 Our responsibility is to verify the financial information included in the financial statements referred to above, namely as to whether it is complete, true, up-to-date, clear, objective and lawful, as required by the Portuguese Securities Market Code, for the purpose of issuing an independent and professional report based on our audit.

Scope

4 We conducted our audit in accordance with the Standards and Technical Recommendations issued by the Institute of Statutory Auditors which require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. Accordingly, our audit included: (i) verification that the Company and its subsidiaries' financial statements have been appropriately examined and, for the cases where such an audit was not carried out, verification, on a sample basis, of the evidence supporting the amounts and

disclosures in the consolidated financial statements and assessing the reasonableness of the estimates, based on the judgements and criteria of the Board of Directors used in the preparation of the consolidated financial statements; (ii) verification of the consolidation operations; (iii) assessing the appropriateness of the accounting principles used and their disclosure, as applicable; (iv) assessing the applicability of the going concern basis of accounting; (v) assessing the overall presentation of the consolidated financial statements; and (vi) assessing the completeness, truthfulness, accuracy, clarity, objectivity and lawfulness of the consolidated financial information.

5 Our audit also covered the verification that the information included in the Directors' Report is consistent with the financial statements as well as the verification set forth in paragraphs 4 and 5 of Article 451º of the Companies Code.

6 We believe that our audit provides a reasonable basis for our opinion.

Opinion

7 In our opinion, the consolidated financial statements referred to above, present fairly in all material respects, the consolidated financial position of Toyota Caetano Portugal, S.A., as at December 31, 2015, the consolidated results and the consolidated comprehensive income of its operations, the changes in consolidated equity and the consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union and the information included is complete, true, up-to-date, clear, objective and lawful.

Report on other legal requirements

8 It is also our opinion that the information included in the Directors' Report is consistent with the consolidated financial statements for the year and that the Corporate Governance Report includes the information required under Article 245º-A of the Portuguese Securities Market Code.

April 1st, 2016

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda.

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