ANNUAL FINANCIAL STATEMENT DECEMBER 2016

Toyota Caetano Portugal, S.A.

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GENERAL

CORPORATE BODIES

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Vice Chairman

Maria Olívia Almeida Madureira
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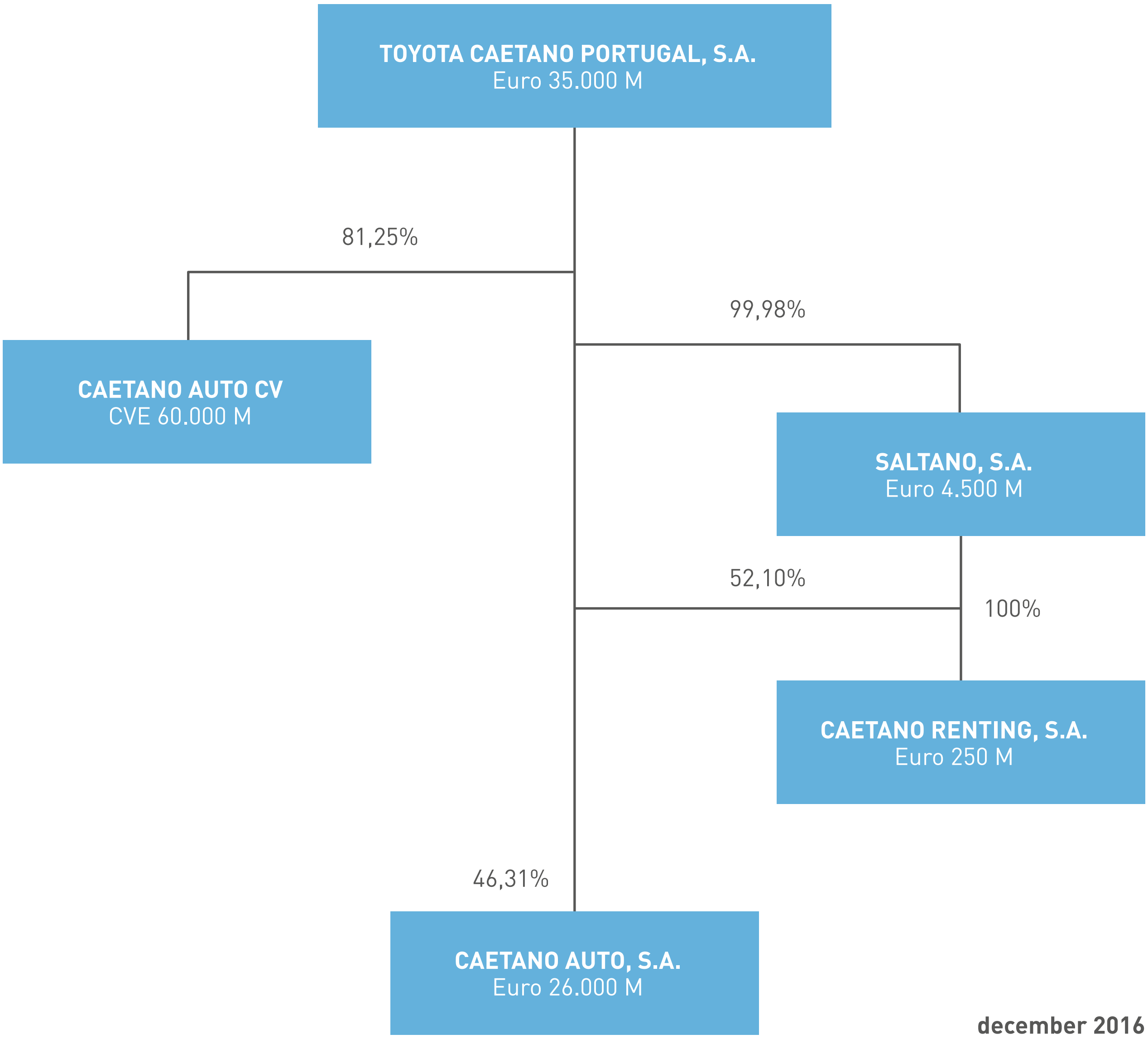

december 2016

GENERAL INFORMATION

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Established in 4th July 1946

V.A.T. PT 500 239 037

Registered on Trade Conservatory Nr. 500239037

Share Capital: EUR 35 000 000

Total Share Capital quoted in "Bolsa de Valores de Lisboa"

MANAGEMENT REPORT

MESSAGE FROM THE CHAIRMAN

2016 was marked by a slight recovery of the market, something that was being witnessed since 2015. Despite the fact that economic confidence improved, the commercial activity indicators are yet to show the growth that should already have been achieved.

From the legislative point of view, Portugal literally began 2016 with a new Government, which managed to maintain a relatively stable political and socio-economic context. The ability to maintain this scenario is key to ensuring that the country and its Companies can develop their business in a balanced and competitive way and regain the trust of international partners and investors.

Furthermore, it is crucial to stress that the trust of the international investors is also gained with the solidity of the automotive sector itself, which should be continuously exposed to consecutive legislative amendments and tax burden variations. In fact, we are often unexpectedly faced with new measures that compromise our current management, the fulfilment of our business plans and our credibility in the eyes of those who rely on our work.

Despite these vicissitudes, we can say that Toyota came to stay and it really did stay. This year we celebrate the 48th anniversary of our establishment as representatives of the brand in Portugal. As we journey toward the fifty years of existence of the now named Toyota Caetano Portugal, new business challenges are arising with the imminent European emissions standards that are stimulating the production of vehicles with alternative fuels, based on hybrid, plug-in hybrid, electric and fuel cell versions, the majority of which are being dealt with by Toyota and Lexus in a ground-breaking way.

With regard to the commercial activity of Toyota Caetano Portugal in 2016, we witnessed a growth of 4% compared to 2015 in the sales of vehicles, with a market share set at 4.1%, particularly justified by a significant increase in sales during the last few months of the year. This result is mainly due to the commitment and dedication of a work team engaged with the brand's objectives.

In what regards our industrial activity, we closed the year with a total of 1823 Toyota Land Cruiser 70 units, a model manufactured at the Toyota Caetano Portugal's Ovar Manufacturing Unit. This result is very representative, because it continues to prove our ability to face up to the challenge that was launched by Toyota Motor Corporation in 2015. I would like to highlight that this project emerged amidst an atmosphere of national austerity and precariousness. Even so, we decided to invest in the production of the Toyota Land Cruiser 70 for the South African market due to its strategic value and interest for the Portuguese economy, demonstrating, once again, that we are on the right track to ensuring the sustainability and operational growth of our Manufacturing Unit, which has always stood out for meeting the highest quality and excellence standards within Toyota worldwide.

In the Industrial Vehicles activity, we affirmed our leadership once again, with a market share of over 30%.

These figures demonstrate Toyota Caetano Portugal's ability to assertively address the challenges it is faced with, turning them into opportunities to create added value.

I would like to highlight the contribution of our Personnel, a team that is passionate, cooperative and committed to making Toyota grow in the different business areas it develops in Portugal. These are the principles that make us stand out and that, day after day, strengthen our performance and ability to develop our activity with precision and excellence.

2017 will surely be a year of hope, with increasingly demanding challenges. We maintain that the political scenario will remain extremely uncertain in the European and global context, so one of our main concerns is to ensure that measures are taken to foster the growth of the economic activity, protecting the investments made by the Companies.

The automotive business models are changing and our Companies need to adapt to the increasing use of the new digital channels. At a time when consumption habits and profiles are becoming increasingly differentiated, demanding real-time information about products and services, more than creativity to stand out from the crowd, the digital world raises the need to develop an integrated, Customer-focused business strategy. We should use the opportunities of the digital world to add value to our operations and, therefore, exceed expectations and dazzle our Customers.

For the new year, I would like to reaffirm our commitment and effort to continuing to grow in a sustainable, responsible manner, always aimed at creating value based on the way in which we develop our businesses and on the trusting relationships we have always sought to build with our Employees, Customers and Partners.

José Ramos

(Chairman & CEO Toyota Caetano Portugal)

INTRODUCTION

According to the provisions in article 245(1), subparagraph a) of the Securities Code, we have prepared the management report and the profit application proposal presented below, as well as the corresponding Appendixes, in compliance with the provisions in articles 447 and 448 of the Commercial Companies Code. For each of the Companies integrated into Toyota Caetano Portugal's consolidation perimeter, 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

In 2016, the main activity of the Ovar Manufacturing Unit resulted in the production of 1,823 units of the Land Cruiser 70 model. This volume was 12% higher than the one recorded in 2015.

The "Pre Delivery Inspection" department transformed/prepared 3,733 units. This decrease in production was the result of the incorporation of less accessories and of the fact that some of these accessories are now incorporated by the dealers.

During the first semester, we placed greater emphasis on training, based on the multiskill development project, which allows increasing the skills of the employees and the capacity of the Manufacturing Unit.

This year, we introduced changes in the product (Minor Change) and enhanced the efficiency increase and cost reduction activities.

PRODUCTION	2016	2015	2014	2013	2012
Toyota Physical Units	1.823	1.629	1.664	1.111	1.381
Transformed Physical Units	3.773	4.353	3.271	2.339	2.174
Total no. of Employees	186	192	170	181	190

2016 was also marked by the following events:

- Accumulated production of 300,000 plant-assembled vehicles, on 5 February, 2016;
- A new time bank signed between Employees and the Company, making labour more flexible in order to meet market needs and fluctuations;
- Audit conducted by APCER as part of the Quality Management System ISO 14001 (renewal) and Quality ISO 9001 (follow-up), on 23, 24 and 27 May;
- Audit to the Assessment of the fire hazards to which the facility is exposed and of its responsiveness in critical scenarios (Risk Assessment), coordinated by TME with support from Tokyo Marine Kiln;
- First Toyota European Safety Management System Audit, carried out on December 6 and 7.

FUTURE PROSPECTS

For the coming year, we expect a production volume in line with the one witnessed in 2016. This volume will be affected by a new Minor Change in the Land Cruiser product, to be introduced in the 2nd semester. It will also be a year to consolidate our ongoing projects, which will allow us to sustainably increase the efficiency of the Manufacturing Unit.

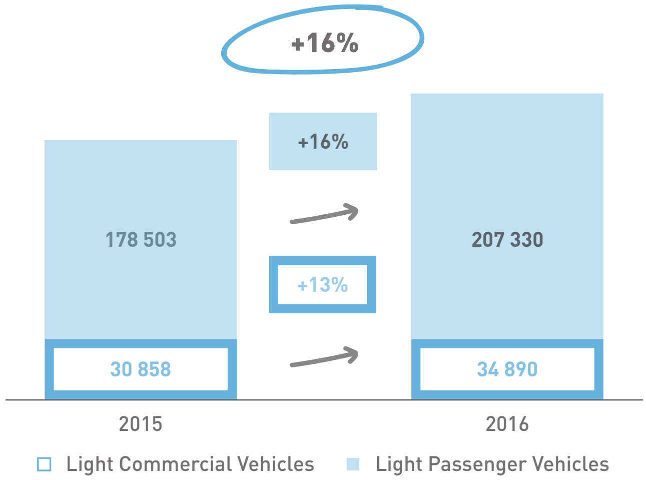
COMMERCIAL ACTIVITY

LIGHT VEHICLES MARKET - FRAMEWORK

2016 showed growth when compared to 2015, with a 16% increase, thus totalling 242,220 vehicles sold.

Passenger vehicles and light commercial vehicles showed a positive trend when compared to the equivalent period of the previous year, with a positive variation of 16% and 13%, respectively.

Market Development



Source: ACAP (Portuguese Automobile Trade Association)

We should point out the following, as explanatory factors for the market's performance/growth:

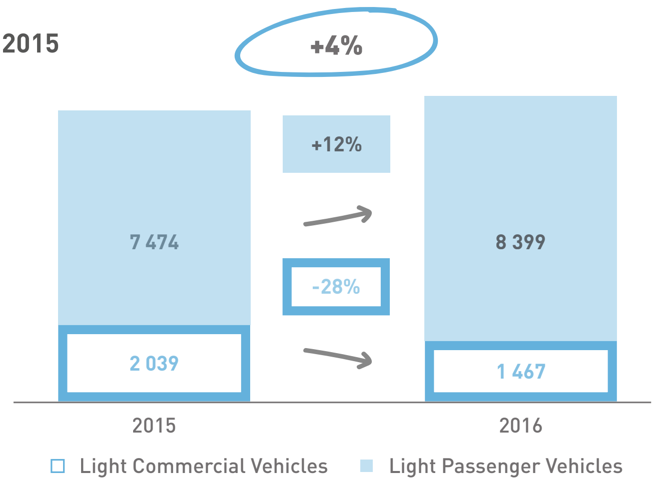
1. In 2016, Portugal witnessed an improvement in its main macroeconomic indicators, which ended up recording positive figures, most notably the growth of the consumer confidence index and also of the GDP.
2. We should highlight the impact on the rent-a-car market, as well as the strongly aggressive competition, particularly in the B and C segments.

TOYOTA VEHICLES

In 2016, Toyota's sales showed an overall increase of 4%, reaching a total of 9,866 units, which correspond to a market share of 4.1%.

Toyota's performance was different, depending on whether we are talking about Light Passenger Vehicles or Light Commercial Vehicles:

Toyota Evolution: 2016 vs 2015



(1) In Light Passenger Vehicles, Toyota grew by around 12%, with a market share of 4.1%. This fact is, for the most part, the result of the performance of the Yaris and Auris volume models.

We should highlight the relevance of the Aygo and RAV4 models, which had a positive performance, in terms of both volume and market share;

We would particularly like to mention the strong growth in hybrid vehicles (+61% compared to 2015), which now represent more than 25% of the total of the brand's passenger vehicle sales.

(2) In Light Commercial Vehicles, Toyota has a market share of 4.2%.

Note: At the end of 2015, Toyota stopped selling the Dyna model.

For 2017, the overall priorities and goals defined include:

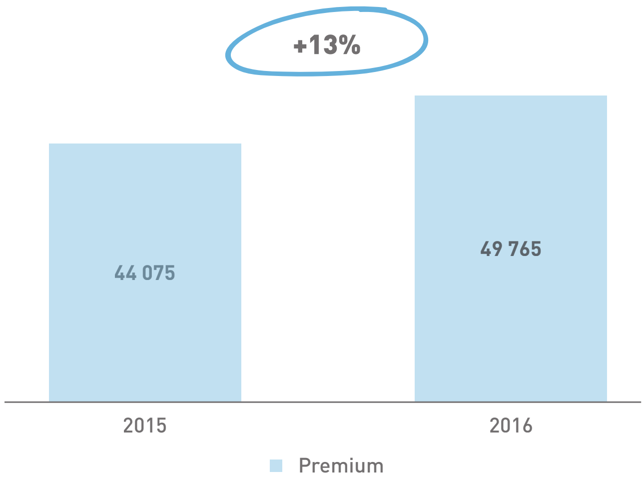
- Capitalising on the most representative models in terms of sales - Yaris and Auris, based on the launch of the new Yaris and on the launch of a special Auris series;
- Launching the New C-HR Model, which represents the expansion of the Toyota range to the important C-Crossover segment (only hybrid engines offered in this segment), one of the segments with the highest growth over the last few years.
- 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 Prius Plug-in Generation and the New C-HR Model.
- Enhancing the commercial range, renewed in 2016 with the New Generations of the Proace and Hilux models.

PREMIUM MARKET - FRAMEWORK

The Premium Market (at a time when the real concept of Premium Brand is being questioned) also witnessed a positive evolution compared to the previous year, showing 13% growth and reaching a total of 49,765 units sold.

The Premium Market represents nearly 24% of the total of the passenger market.

PREMIUM MARKET DEVELOPMENT



Source: ACAP (Portuguese Automobile Trade Association)

LEXUS VEHICLES

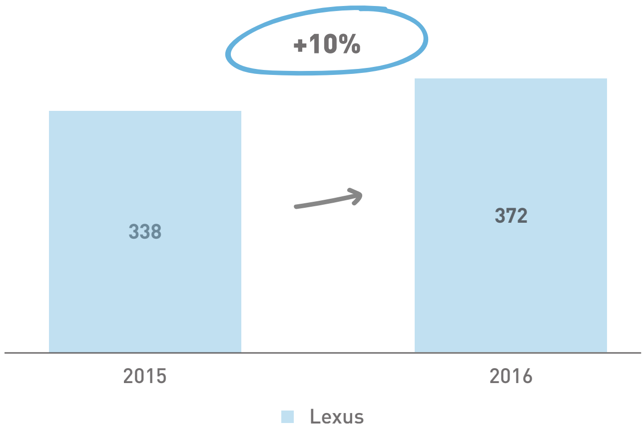
In a complex competitive environment, marked by the strong commercial aggressiveness of the competitors in the C-Premium and D-Premium segments, the Lexus brand, with only the Hybrid version offered on all its models, showed growth of 10%.

In 2016, Lexus registered 372 license plates, which represent a 0.7% market share in the Premium Market.

The performances of the new RC and GS models were decisive for the increase of Lexus sales in 2016.

The IS model, which represents approximately 30% of Lexus sales, was at model-cycle end in 2016, as it will be renewed early in 2017, a fact that somewhat limited a greater growth potential.

Lexus Evolution: 2016 vs 2015



For 2017, the overall goals defined include:

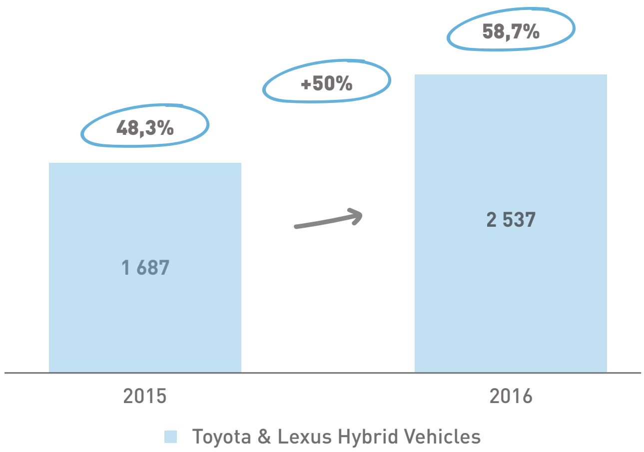
- Strengthening the brand's innovative position, leveraged by a broad and exclusive offer of hybrid vehicles with an advanced design;
- Launching new products: new IS300h, new high-performance hybrid coupé LC500h and the brand's new high-end sedan, the LS500h;
- Capitalising on the most representative models in terms of sales - CT 200h, IS 300h and NX 300h.

TOYOTA AND LEXUS HYBRID SALES - EVOLUTION

In 2016, we should, once again, highlight the performance of the Toyota and Lexus hybrid models, which recorded 50% growth compared to 2015, corresponding to a 58.7% share of the hybrid vehicle market. In 2016, hybrid vehicles already accounted for 28.9% (+7 p.p. vs. 2015) of Toyota and Lexus passenger vehicle sales.

This performance was due to a broad and renewed offer of hybrid vehicles, corresponding to a total of 13 models - 7 Toyota and 6 Lexus - and to the focus on disseminating and promoting the benefits of hybrid technology.

Toyota and Lexus Hybrid: 2016 vs 2015



Source: ACAP (Portuguese Automobile Trade Association)

For 2017 we expect the sale of hybrid vehicles to keep growing at a substantially higher rate than that of the growth of the market.

FUTURE PROSPECTS

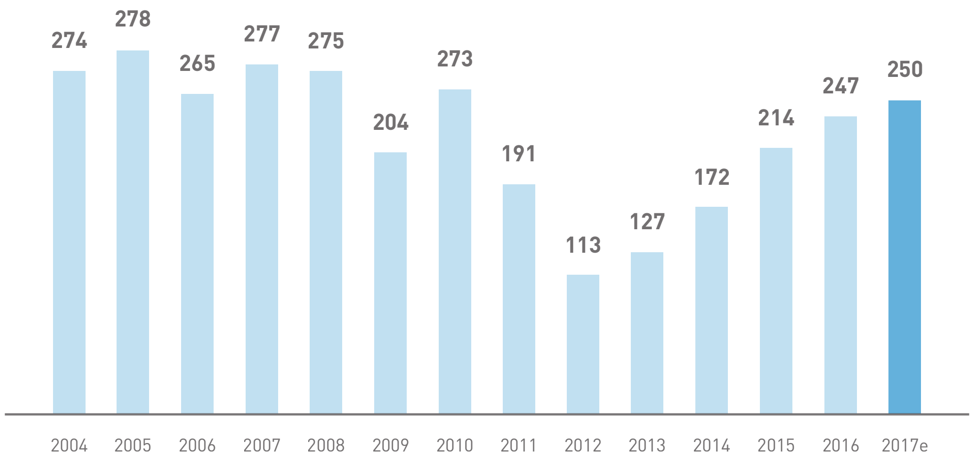
Considering the current economic climate and taking into account the projections published by the Bank of Portugal in the latest Economic Bulletin of December, 2017 is seen as a more positive year:

BANK OF PORTUGAL PROJECTIONS 2016- 2018 RATE OF CHANGE, IN PERCENTAGE	SB DECEMBER 2016		
	2016	2017	2018
GDP	1,2	1,4	1,5
Private Consumption	2,1	1,3	1,4
Public Consumption	1,0	0,0	0,4
GFCF	-1,7	4,4	4,3
Domestic Demand	1,2	1,5	1,7
Exports	3,7	4,8	4,6
Imports	3,5	4,8	4,9
HICP	0,8	1,4	1,5

All indicators are expected to show positive developments compared to 2016.

In view of this scenario, the Market forecast for 2017 suggests growth of 1% over the previous year, corresponding to approximately 250,000 units sold:

Automotive Market Development
in thousands



In view of the conditions described, the goal for 2017 is to sell 10,720 Toyota and Lexus units, a figure that would correspond to a 5% increase over 2016 and amount to a 4.4% market share.

AFTER-SALES

In 2016, the overall turnover of the After-Sales Division totalled more than 34 million euros. This figure includes the "Guarantee Extension +" and the "Total Assistance" services, whose turnover at the end of 2016 reached 1M Euros. The amount corresponding to parts for guarantees reached 4.3 M Euros.

The commercial parts activity (genuine & national incorporation), which excludes accessories, guarantees and services, amounted to approximately 26 M Euros. This amount represents growth of 2.5% compared to 2015.

Considering the reduction and ageing of the Toyota pool, this growth was an excellent result and implied sharp growth in customer retention. In recognition of these developments and of the results that were achieved, Toyota Motor Europe awarded Toyota Caetano Portugal (TCAP) with the prize for Best Strategy and Results in the After-Sales Value Chain, at the European level.

The accessories turnover (which includes merchandising) reached approximately 3M Euros in 2016. These sales were 13.9% higher than the figures achieved in the previous year, while implying growth in the incorporation per new vehicle sold.

Throughout 2016, the existing Toyota pool continued to decrease and age, a trend similar to the one witnessed overall in the Portuguese vehicle pool. In spite of this, TCAP asserted its commitment to promoting programmes that counteract this trend.

The focus was kept on customer retention in the Toyota workshop via the following projects:

- New edition of the annual VCI (Value Chain Index) challenge for the year 2016. This initiative encourages every Toyota dealer to achieve good performances in some of the indicators seen as strategic for the After-Sales business. These indicators include: proactive customer notification programs, the active reception process, customer retention services (insurance, servicing contracts, Apoio 24,...), the promotion of the sale of accessories, the implementation of services for hybrid vehicles, as well as technical items.
- Extension of the Service 5+ offer (geared to customers owning vehicles over 5 years old). In 2016, on top of fixed prices for oil and filter changes, prices will also be set nationwide to include clutches, shock absorbers and timing belts.
- Extending the offer of the 3-year/45,000-km 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.
- Creation of the Adblue option in maintenance contracts for new diesel models. This option ensures the supply of the Adblue solution at Toyota workshops.
- Launching of the 2016 Accessories Programme (Extra Incentive), aimed at improving the sales of these products.
- An additional innovation in notification postcards, with the creation of a new fleet segment. The "Business Plus" card is aimed at customers that own fleets with, at least, 10 vehicles. As with the other cards, the idea is to invite them to proceed with the pre-inspection and/or Scheduled Inspection planned for the following two months.
- Development of Maintenance Contracts for the new Hilux and Proace generations and the new C-HR model.
- Continuous promotion of tyre deals, as part of specific campaigns held by the different brands.
- Launch of a Windshield Wiper and Blade campaign. In addition to increasing the sales of these parts, we also intend to increase the sale opportunity detection levels during the reception process.
- Relaunching of the Minor Damage Repair service. Just like in the previous item, Reception is the ideal time to identify opportunities for applying this service.
- Launch of new reconditioned products: turbos and starter motors, and Optifit products: brake shoe and brake disk sets.
- Following the successful example of the previous year, "Toyota Day," a customer-focused event that covers the entire network, was held on November 12th. The 56 participating dealers were visited by 2,767 customers.
- Launch of the Toyota Official Merchandising, with the "Heritage" products. These high-quality products are designed from scratch with the "Toyota" customization.

INDUSTRIAL MACHINES

TOYOTA INDUSTRIAL EQUIPMENT

	MARKET			TOYOTA + BT SALES				
	'15	'16	VARIATION %	'15		'16		VARIATION %
				SH	SHARE	SH	SHARE	
Counterbalanced Forklift Trucks	1.025	1.173	14,4	295	28,8	324	27,6	9,8
Warehouse Equipment	1.856	1.442	-22,3	870	46,9	499	34,6	-42,6
TOTAL CHM	2.881	2.615	-9,2	1165	40,4	823	31,5	-29,4

MARKET

In 2016, the Cargo Handling Machines market witnessed a decrease of 9.2%. This decline occurred only in the warehouse equipment segment and reflects an adjustment to levels that are considered normal, given that, in 2015, its growth was mainly the result of a large fleet deal.

Regarding the Counterbalanced Forklift Truck segment, the market witnessed growth of 14.4%, which is based on an improvement of the economic conditions, particularly in the industry area.

TOYOTA + BT SALES

Regarding the sales of Toyota Counterbalanced Forklift Trucks there was a 9.8% increase in comparison with the same period in the previous year, thus placing our market share at 27.6%.

In terms of the sales of BT Warehouse Equipment, there was a 42.6% decrease, placing our market share at 34.6%. This decrease is justified by the fact mentioned in the market analysis, given that BT was responsible for closing the large fleet deal made in 2015.

However, in terms of sales ranking, Toyota + BT maintained its leadership in the Cargo Handling Machines Market, with a market share of 31.5%, well ahead of the 2nd best-rated company, whose share was only 18.7%.

FUTURE PROSPECTS

Considering the current economic climate, together with the growth prospects, we believe that 2017 will be marked by a stabilization or slight growth of the market, with no significant variations.

With regard to the performance of Toyota + BT, we expect to maintain our market leadership position, even if that is a challenging goal, given that the aggressiveness of the competing brands has been significantly growing over the last few years.

QUALITY & ENVIRONMENT

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

During 2016, the outlined strategy is clearly evident in the actions that were implemented and in the results obtained:

- As part 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.
- For the third 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 result achieved in 2016 was A-.

- (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.

HUMAN RESOURCES

PERSONNEL MANAGEMENT AND DEVELOPMENT

Throughout 2016, and one year after the restructuring in the Human Resources area, we continued to develop and implement an integrated Personnel organization and management strategy.

In terms of priority measures, we highlight the redefinition of the main personnel management processes, policies and practices, in line with our business goals.

In this field, we proceeded with a review of the organizational corporate model, based on the mapping and update of function descriptions and on the development of a new performance, career and benefit management system. In addition to a sustained and transparent management support, these new corporate policies strengthen the Organization's commitment to talent retention and attraction.

The review of the performance assessment system was one of our priorities throughout 2016. This is a key component to guarantee that each Employee's role is in line with the goals and Values of Toyota Caetano Portugal, ensuring that all the stakeholders feel accountable and committed to our Personnel's performance.

Another relevant project was the update of the welcome and integration procedure, which will be ready to implement at Toyota Caetano Portugal in the first quarter of 2017. This is a programme aimed at providing guidelines for those who are taking their first steps in the Company. In addition to a presentation of Toyota Caetano Portugal, it includes the sharing of knowledge on the work to be carried out by the new Employees, as well as training on the main Occupational Quality, Safety and Environment concepts.

Simultaneously, we are developing new digital tools that will allow speeding up, simplifying and dematerializing these processes. An example of this are the new features available in the Employee Portal via the "Business Project Management."

Together with this increasing digitalization, the administrative department also began implementing the daily Kaizen in its structure; this methodology has shown results in terms of increasing team efficiency, reducing waste and improving service quality in this area, and will now be extended to the other departments.

2016 was also a year focused on strengthening our corporate culture through the implementation of a strategic plan to promote a Value-based management, supported by training sessions and internal initiatives aimed at fostering the sense of belonging, pride and engagement. As part of this plan, we created Clube Ser ("Being Club"), with the purpose of sharing a series of benefits aimed at improving the quality of the life of the Employees at work and reinforcing feelings of well-being and motivation.

This programme is based on a broader strategy focused on improving the Employees' work-life balance. In this context, we have provided for a series of measures in the areas of health and well-being, family and growth, community and citizenship, law and finances.

In connection with our strategic business goals, our investment resulted in a contribution to the excellent performance of the key Personnel Management and Development indicators presented below.

In what regards the Establishment Plan, overall, there was a slight increase compared to 2015.

NO. OF EMPLOYEES	2014	2015	2016
TOYOTA CAETANO PORTUGAL, S.A. - GAIA	251	253	269
TOYOTA CAETANO PORTUGAL, S.A. - OVAR	170	192	185
TOYOTA CAETANO PORTUGAL, S.A. - LISBON	73	73	73
TOTAL	**494**	**518**	**527**

The average age of the Employees remained in figures close to those of previous years.

AVERAGE AGE	2014	2015	2016
TOYOTA CAETANO PORTUGAL, S.A. - GAIA	45,86	46,20	45,86
TOYOTA CAETANO PORTUGAL, S.A. - OVAR	44,32	43,48	45,18
TOYOTA CAETANO PORTUGAL, S.A. - LISBON	44,12	43,77	44,44
AVERAGE / TOTAL	**45,07**	**44,85**	**45,42**

As a result of the business changes occurred at Toyota's Ovar Manufacturing Unit, which began assembling the Land Cruiser model for South Africa in 2015, the number of internships decreased.

With regard to the training of assets, we highlight the Team Management and Leadership programme, focused on an alignment in terms of Personnel management attitude and behaviours, in connection with the Corporate Culture area.

In 2016, the training of young workers was focused on the diversification of qualifications, with new Repair and Painting courses to address the needs of the Sector. At our five Education and Learning centres, which result from a 30-year-long partnership with the IEFP, the average employability rate is above 95%, an indicator that establishes our training centres as a benchmark in the vocational training area at the national level.

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

EMPLOYEE TRAINING	2014	2015	2016
No. of Participants	456	516	550
Volume of Training (Hours)	16.222	19.141	24.251
YOUTH TRAINING (LEARNING)	**2014**	**2015**	**2016**
No. of Participants	535	497	579
Volume of Training (Hours)	596.957	618.815	664.506

Finally, we highlight the work developed in the social responsibility area. 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 which aims at bringing students closer to the world of labour and entrepreneurial life.

In 2016, the main goal of our integrated Internal Marketing and Personnel Management policies and initiatives continued to include valorization and retention of High-Potential and High-Performance Human Capital, making TCAP an excellent Company to work in.

CAETANO AUTO, S.A.

According to data from the Bank of Portugal, in 2016 the Portuguese economy witnessed a trend, which is expected to last over the coming years, toward a moderate recovery underpinned by growth in exports, reduction of debt and moderation of private consumption, thus laying the foundations for a pattern of sustained growth accompanied by gradual improvement of the labour market.

The Bank of Portugal also estimates that the growth of 1.2 percent in the Gross Domestic Product (GDP) recorded in 2016 will increase to 1.4 in 2017 and 1.5 in the two following years.

In this context, Caetano Auto achieved a pre-tax profit of approximately 1M Euros, against the 416K Euros recorded for the equivalent period of 2015.

In the vehicle sales area, Caetano Auto invoiced 9,528 vehicles, of which 4,354 were new and 5,174 were used. We should highlight the importance of the used vehicle business, both for its weight in the total of overall sales, and for the fact that it enables the entrance of customers, both in the Toyota brand and in the Lexus brand, by closing a first purchase in semi-new vehicles.

In terms of after-sales services, despite the reduction of the vehicle pool occurred over the last few years, Caetano Auto's turnover in 2016 exceeded 50 million euros (which include, in addition to mechanics, Caetano Glass, as the company's own vehicle glass repair and replacement brand and collision through major accident repairs).

In 2016, Caetano Auto ceased to operate in Castelo Branco, Viana do Castelo, Penafiel and Portimão, as part of an internal restructuring operation aimed mainly at putting greater emphasis on the most representative markets.

In that context, we inaugurated a fully equipped facility in Santa Maria da Feira, by the end of the year, as part of a total gross investment that, in 2016, amounted to over 1 million euros.

CAETANO AUTO CV, S.A.

COMMERCIAL ACTIVITY

The political change occurred in Cape Verde in 2016, together with the strong investments in the construction area, particularly the ones made by large hotel chains on the main islands (Santiago, Sal and Boavista), resulted in increased market confidence that had a positive influence on the sales of new vehicles.

VEHICLES		2016	2015	VARIATION	
SEGMENT	BRAND			QTY.	%
Light-Duty Passenger Vehicles	Toyota	106	91	+15	+14,15%
Light Commercial Vehicles	Toyota	226	185	+41	+18,14%
Heavy Commercial Vehicles	Toyota	26	20	+6	+23,07%
		358	**295**	**+63**	**+17,6%**

In 2016, compared to the equivalent period of 2015, Caetano Auto, CV, S.A. sold (+63) units (+17.6%).

The models that contributed the most toward that growth were mainly the commercial vehicles from the traditional Hiace, Hilux and Land Cruiser ranges.

AFTER-SALES

	2016	2015	VARIATION	
			VALUE	%
Parts/Accessories	131.029.866	158.817.568	-27.787.702	-21,21%
Workshop (Labour)	32.696.923	32.915.140	-218.217	-0,67%
	163.726.789	**191.732.708**	**-28.005.919**	**-17,11%**

(Amounts in ECV)

In the After-Sales area, the main reason for the downward trend in turnover was the unbundling of Caetano One's activity. Until 2015, Caetano One's after-sales activity was integrated into Caetano Auto's sales, and the unbundling occurred at the beginning of 2016.

The partnership with ENACOL, with the goal of operating fast services and the sale of parts in the Assomada station, in Nhagar, and Achada de S. Filipe, in Praia, achieved an increase of (+20.7%) compared to the equivalent period of 2015. In January 2017 we will start running another fast-service station, this time on the Island of Sal, in Santa Maria.

This partnership will be expanded to cover fuel operation from February 2017 onwards.

With regard to the PGO+ assessment, Caetano Auto achieved a result of 87%, +4p.p compared to the previous year, which places it at the level of European facilities.

CAETANO RENTING, S.A.

Turnover reached € 4.5 M Euros, which corresponds to an increase of 23.6% compared to the equivalent period of the previous year.

This growth has to do with the fact that the average fleet in operation increased approximately 26%. At the end of 2016, it was composed as follows:

Passenger Vehicles:	966 units	(71,08%)
Industrial Equipment:	393 units	(28,92%)

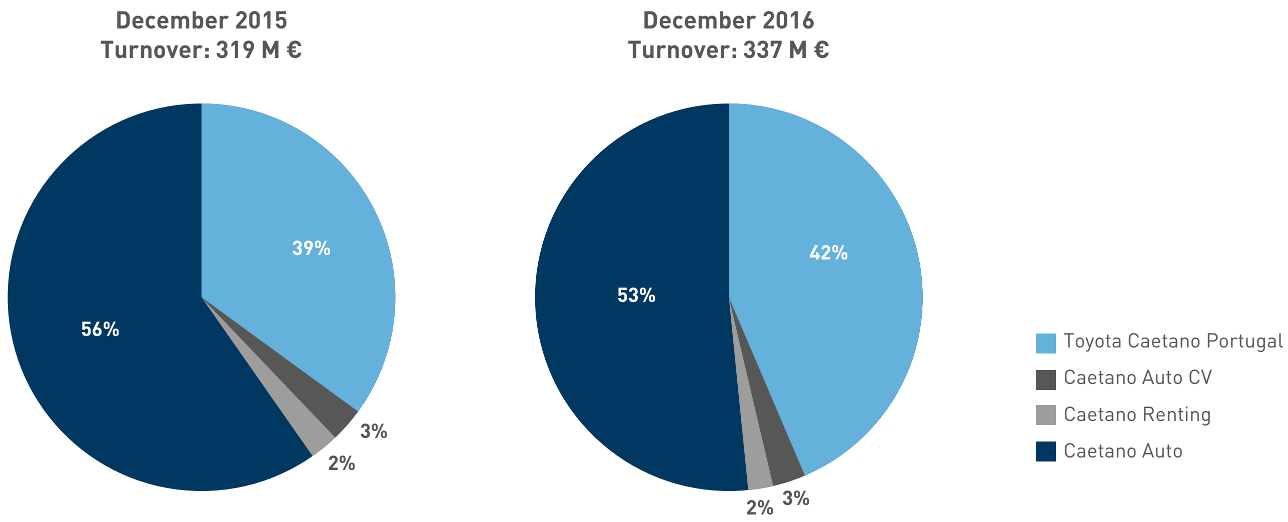
In light of the above, the Company closed the financial period of 2016 with a positive Net Income of 244,000 Euros.

FINANCIAL ACTIVITY

CONSOLIDATED ANALYSIS

During 2016, the consolidation perimeter of the Toyota Caetano Portugal Group remained unchanged compared to the end of the 2015 financial year.

In 2016, the Group had a turnover of 337 million Euros, approximately 18 million Euros higher (+5.7%) than the one obtained in the same period of 2015. This growth is mainly related to the project for the assembly of off-road vehicles for export (LC70), at the Ovar manufacturing plant, which only came into effect from the second semester of 2015 onwards. Therefore, the contribution of the motor vehicle industrial division for the turnover is approximately 35 million Euros, compared to 25 million Euros recorded in the same period of 2015.



Always with the aim of positioning the Toyota brand as a reference player in the automotive market, there was the need to implement a strategy based on a slight increase of the profit margin that, together with an appropriate management of the business-related costs, allowed achieving an E.B.I.T.D.A. of approximately 25 million Euros, higher than the one recorded in 2015 by about 1.2 million Euros (+4.9%).

However, we should highlight that, in this regard, the 2015 financial year was positively affected by extraordinary results, corresponding to an amount of nearly 2.9 million Euros and, given that there were no similar circumstances in 2016, the E.B.I.T.D.A. that was generated becomes even more significant.

The financial results, negative by approximately 2.3 million Euros, are higher than the ones recorded in the same period of 2015 which were approximately 2.1 million Euros, and express the greater financing expenses incurred by the Toyota Caetano Portugal Group in order to handle its increase of activity and, consequently, the creation of inventories that can accommodate the demands of the market, as well as the growth in the amount of credit that is being granted.

As a consequence of the investment that was made, particularly in terms of industrial transportation equipment (Forklifts), as a means to support the business model implemented in this business area, there was an increase of approximately 2 million Euros in the Amortizations and Depreciations item that, combined with the aforementioned factors, resulting in a consolidated net income of approximately 6 million Euros, compared to the 6.2 million Euros achieved in 2015.

A degree of financial autonomy of 46,3% continues to reflect the appropriateness of our capital structure management policy.

Below is the table of comparative indicators, presented in thousands of Euros, which summarizes the evolution of the activity and performance of the Toyota Caetano Portugal Group:

	DEC 15	DEC 16	VARIATION
Turnover	**319 308**	**336 956**	***5,5%***
Gross Profit	55 300	61 693	*11,6%*
% (f) sales	*17,3%*	*18,3%*	
External supplies and services	36 417	37 106	*1,9%*
% (f) sales	*11,4%*	*11,0%*	
Staff costs	38 673	39 365	*1,8%*
% (f) sales	*12,1%*	*11,7%*	
E.B.I.T.D.A.	23 932	25 106	*4,9%*
% (f) sales	*7,5%*	*7,5%*	
Operating income	10 270	9 565	*-6,9%*
% (f) sales	*3,2%*	*2,8%*	
Financial income	-2 105	-2 297	*-9,1%*
% (f) sales	*-0,7%*	*-0,7%*	
Consolidated net income	6 167	6 003	*- 2,7%*
% (f) sales	*1,9%*	*1,8%*	
Net Bank Credit	52 448	54 665	*4,2%*
Degree of financial autonomy	***48,8%***	***46,3%***	

Finally, we should highlight that, according to the latest economic development estimates for Portugal, the trend towards growth in the automotive sector is expected to continue, particularly in the Hybrid segment, something that will allow the Toyota Caetano Group to strengthen its 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, 2016, 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 2016 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 2016's profits obtained in the financial year, amounting to Euros 5.950.755,83 stated in the individual financial statements of Toyota Caetano Portugal:

a) To non-distributable reserves by profits recognized in investments in subsidiaries resulting from the application of the equity method

Eur 626.455,22

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 74.300,61

OTHER ISSUES / ACKNOWLEDGEMENTS

Since the end of 2016 and up to current date, no relevant facts occurred worth of being mentioned.

In concluding this report we wish to express our thanks to:

- Our Clients and Dealers for their continued confidence in our products and the distinction of their choice;
- The Banks for the collaboration and support they always show in following-up our business;
- The other Governing Bodies for their assistance throughout their operation;
- To our Employees who, through their willingness and enthusiasm, are committed to the development of the Company.

Vila Nova de Gaia, March 27, 2017

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 MEMBERS 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 Commercial Companies Code, it is hereby declared that, on December 31st, 2016, the members of the Company's management and supervisory boards 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 2016, 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 the directors and auditors hold corporate positions are as follows:

- GRUPO SALVADOR CAETANO, SGPS, S.A. (of which Maria Angelina Martins Caetano Ramos, is the Chairwoman of the Board of Directors, Salvador Acácio Martins Caetano is the Vice-Chairman of the Board of Directors, José Reis da Silva Ramos is a Member of the Board of Directors and Miguel Pedro Caetano Ramos is a Member of the Board of Directors) sold 21,288,281 shares on 23 December 2016 and thus, on 31 December 2016, held no shares or bonds.
- the shareholder FUNDAÇÃO SALVADOR CAETANO (of which José Reis da Silva Ramos is the Chairman of the Board of Directors, Maria Angelina Martins Caetano Ramos, is the spouse of the Chairman of the Board of Directors, and Salvador Acácio Martins Caetano and Rui Manuel Machado de Noronha Mendes, are Members of the Board of Directors) performed no transactions and, thus, on 31 December 2016, held 138,832 shares, with a nominal value of 1 euro each.
- the shareholder COVIM – Sociedade Agrícola, Silvícola e Imobiliária, S.A. (of which Maria Angelina Martins Caetano Ramos, is the Chairwoman of the Board of Directors, and José Reis da Silva Ramos is the spouse of the Chairwoman of the Board of Directors) performed no transactions in 2016 and, thus, on 31 December 2016, held 393,252 shares, with a nominal value of 1 euro each.
- the shareholder COCIGA - Construções Civis de Gaia, S.A. (of which Maria Angelina Martins Caetano Ramos, is the Chairwoman of the Board of Directors, José Reis da Silva Ramos is the spouse of the Chairwoman of the Board of Directors, and Salvador Acácio Martins Caetano is a Member of the Board of Directors) performed no transactions in 2016 and, thus, on 31 December 2016, held 290 shares, with a value of 1 euro each.
- the shareholder SALVADOR CAETANO - AUTO - SGPS, S.A. (of which Salvador Acácio Martins Caetano is the Chairman of the Board of Directors, Maria Angelina Martins Caetano Ramos, is a Member of the Board of Directors and Miguel Pedro Caetano Ramos is a Member of the Board of Directors), bought 21,288,281 shares, on 31 December 2016, held 21,288,281 shares with a nominal value of 1 euro each.

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

- 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

- 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

- 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

- 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.

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 2016, 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] 31.12.2015	PURCHASED 2016	SOLD 2016	HELD[2] 31.12.2016
TOYOTA MOTOR EUROPE NV/SA	9.450.000	-	-	9.450.000

[1] Share capital on 31.12.2015: € 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] 31.12.2015	PURCHASED 2016	SOLD 2016	HELD[2] 31.12.2016
GRUPO SALVADOR CAETANO, SGPS, SA	21.288.281	-	21.288.281	-
SALVADOR CAETANO - AUTO, SGPS, S.A	-	21.288.281	-	21.288.281

[1] Share capital on 31.12.2015: € 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 2016, the shareholders with qualified shareholdings in the company's share capital are the following:

SHAREHOLDER	SHARES	% OF VOTING RIGHTS
Salvador Caetano - Auto - SGPS, S.A.	21.288.281	60,824
Toyota Motor Europe NV/SA	9.450.000	27,000
Salvador Fernandes Caetano (Heirs)	1.399.255	3,998

3

INDIVIDUAL ACCOUNTS

FINANCIAL HIGHLIGHTS

(Euros)

	DEC '16	DEC '15
SALES	274.422.481	256.808.132
CASHFLOW	15.547.936	14.016.201
NET INCOME	5.950.756	6.474.875
NET FINANCIAL EXPENSES	2.192.636	1.837.543
PayrollL EXPENSES	16.347.273	15.524.042
NET INVESTMENT	9.116.941	16.958.121
GROSS WORKING CAPITAL	83.579.339	76.341.950
GVA	40.105.224	38.449.031
UNITS SOLDS	15.750	14.678
NUMBER OF EMPLOYEES	525	519

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2016

ASSETS	**NOTES**	**31/DEC/2016**	**31/DEC/2015**
NON-CURRENT ASSETS			
Intangible Assets	9	629.129	942.316
Tangible Fixed Assets	6	29.041.382	27.501.209
Investment Properties	7	15.122.686	15.584.625
Goodwill	8	611.997	611.997
Financial Investments - Equity Method	10	37.196.156	39.023.342
Other Financial Investments	11	59.504	59.504
Deferred Tax Assets	16	1.511.801	1.586.483
Total Non-Current Assets		84.172.655	85.309.476
CURRENT ASSETS			
Inventories	12	52.135.449	58.717.810
Accounts Receivable	13	101.960.592	87.035.232
Other Accounts Receivable	14	1.288.272	1.287.316
Corporate Income	16	52.316	971.895
Other Current Assets	15	1.454.032	952.845
Other Financial Investments	11	3.432.799	3.432.799
Cash And Cash Equivalents	5	8.654.980	8.024.428
Total Current Assets		168.978.439	160.422.324
TOTAL		**253.151.094**	**245.731.799**

EQUITY AND LIABILITIES			
EQUITY			
Share Capital		35.000.000	35.000.000
Legal Reserve		7.498.903	7.498.903
Adjustments to Financial Investments		2.705.421	4.297.753
Revaluation Reserve		6.195.184	6.195.184
Other Reserves		67.319.346	68.539.522
Retained Earnings		1.707.102	
Net Income		5.950.756	6.474.875
Total Equity	17	126.376.712	128.006.237
LIABILITIES			
NON-CURRENT LIABILITIES			
Loans	18	30.350.204	24.128.967
Defined Benefit Plan Liabilities	23	5.108.420	3.534.000
Deferred Tax Liabilities	16	214.348	214.348
Total Non-Current Liabilities		35.672.972	27.877.315
CURRENT LIABILITIES			
Loans	18	32.986.922	36.450.473
Accounts Payable	19	30.179.049	31.698.659
Other Accounts Payable	21	198.711	424.319
Public Entities	20	9.936.592	8.250.374
Other Current Liabilities	22	17.080.130	12.929.890
Defined Benefit Plan Liabilities	23	691.580	
Derivative Financial Instruments - Swapp	25	28.425	94.532
Total Current Liabilities		91.101.410	89.848.247
TOTAL LIABILITIES		**126.774.382**	**117.725.562**
TOTAL EQUITY + LIABILITIES		**253.151.094**	**245.731.799**

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.

INCOME STATEMENT BY NATURE FOR THE YEARS ENDED 31 DECEMBER 2016 AND 2015

	NOTES	31/DEC/2016	31/DEC/2015
OPERATIONAL GAINS			
Sales and Service Rendered	28	274.422.481	256.808.132
Other Gains	30	36.201.733	39.413.530
Variation in Production	12	-367.778	-3.804.553
Total Operational Gains		310.256.437	292.417.109
OPERATIONAL EXPENSES			
Cost of Goods Sold and Raw Material C	13	-231.161.973	-212.713.834
External Supplies and Services	29	-36.105.468	-38.677.933
Payrolll Expenses	30	-16.347.273	-15.524.042
Depreciations	6 7 9	-8.351.894	-7.579.064
Provision and Impairment	27	-15.253	372.124
Other Expenses	30	-9.017.567	-9.757.147
Total Operational Expenses		-300.999.428	-283.879.896
Operational Income		**9.257.009**	**8.537.213**
Gains in Financial Investments - Equity Method	10	626.455	1.142.682
Interest Expenses	31	-2.458.924	-2.095.502
Interest Income	31	266.288	257.959
Income before Taxes		**7.690.828**	**7.842.351**
Income Tax for the Year	16	-1.740.072	-1.367.476
Net Income		**5.950.756**	**6.474.875**

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.

STATEMENT OF THE COMPREHENSIVE INCOME AT 31 DECEMBER 2016 AND 2015

	31/DEC/2016	31/DEC/2015
Net profit for the period	**5.950.756**	**6.474.875**
Components of other consolidated comprehensive income, that could not be recycled by profit and loss		
Remeasurement (Actuarial losses gross of tax) (Note 23)	-1.574.421	-700.000
Deferred tax of actuarial losses (Note 16)	354.245	157.500
Other changes in equity	-1.110.105	-979.610
Comprehensive income	**3.620.475**	**4.952.765**

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.

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY FOR THE PERIODS ENDED 31 DECEMBER 2016 AND 2015

	SHARE CAPITAL	LEGAL RESERVE	REVALUATION RESERVE	ADJUSTMENTS TO FINANCIAL INVESTMENTS	OTHER RESERVE	TOTAL RESERVES	RETAINED EARNINGS	NET INCOME	TOTAL EQUITY
Balance Sheet at 31 December 2014	**35.000.000**	**7.498.903**	**6.195.184**	**4.805.801**	**70.129.966**	**88.629.854**	**219.893**	**3.753.725**	**127.603.473**
Changes in period									0
MEP						0			0
Allocation of Profits				755.212		755.212	198.513	-953.725	0
Remeasurement (Actuarial losses)				-283.650	-258.850	-542.500			-542.500
Other Changes in Equity				-979.610		-979.610			-979.610
	0	0	0	-508.048	-258.850	-766.898	198.513	-953.725	-1.522.110
Net Income								6.474.875	6.474.875
Total Gains and Losses								4.952.765	4.952.765
Transactions with shareholders in the period									0
Dividends					-1.331.594	-1.331.594	-418.406	-2.800.000	-4.550.000
Others Transactions									0
	0	0	0	0	-1.331.594	-1.331.594	-418.406	-2.800.000	-4.550.000
Balance Sheet at 31 December 2015	**35.000.000**	**7.498.903**	**6.195.184**	**4.297.753**	**68.539.522**	**86.531.362**	**0**	**6.474.875**	**128.006.237**
Balance Sheet at 31 December 2015	**35.000.000**	**7.498.903**	**6.195.184**	**4.297.753**	**68.539.522**	**86.531.362**	**0**	**6.474.875**	**128.006.237**
Changes in period									0
MEP				-1.110.105		-1.110.105			-1.110.105
Allocation of Profits				1.142.682		1.142.682	82.193	-1.224.875	0
Remeasurement (Actuarial losses)					-1.220.176	-1.220.176			-1.220.176
Other Changes in Equity				-1.624.908		-1.624.908	1.624.908		0
	0	0	0	-1.592.332	-1.220.176	-2.812.507	1.707.102	-1.224.875	-2.330.281
Net Income								5.950.756	5.950.756
Total Gains and Losses								3.620.475	3.620.475
Transactions with shareholders in the period									0
Dividends								-5.250.000	-5.250.000
Others Transactions									0
	0	0	0	0	0	0	0	-5.250.000	-5.250.000
Balance Sheet at 31 December 2016	**35.000.000**	**7.498.903**	**6.195.184**	**2.705.421**	**67.319.346**	**83.718.855**	**1.707.102**	**5.950.756**	**126.376.712**

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.

STATEMENT OF CASH FLOWS ON OPERATING ACTIVITIES FOR THE PERIOD ENDED 31 DECEMBER 2016

(Euros)

STATEMENT OF CASH FLOWS ON OPERATING ACTIVITIES	NOTES	2016		2015	
Collections from Customers		350.471.366		337.945.478	
Payments to Suppliers		-316.734.582		-309.005.017	
Payments to Personnel		-8.285.675		-8.557.827	
Operating Flow			25.451.110		20.382.635
Payments of Income Tax			-456.559		-710.630
Other Collections/Payments Related to Operating Activities			-24.356.486		-25.254.542
Cash Flow from Operating Activities			**638.066**		**-5.582.537**
STATEMENT OF CASH FLOWS ON INVESTING ACTIVITIES					
Collections from:					
Investments					
Tangible Fixed Assets	6	3.830.105		4.393.169	
Investment Subsidy					
Interest and Others					
Dividends	10	1.624.908	5.455.013		4.393.169
Payments to:					
Investments	10	-171			
Tangible Fixed Assets	6	-90.014		-5.211.243	
Intangible Assets	7	-175.871	-266.057	-946.670	-6.157.913
Cash Flow from Investing Activities			**5.188.957**		**-1.764.744**
STATEMENT OF CASH FLOWS ON FINANCING ACTIVITIES					
Collections from:					
Lease		6.352.620		8.647.614	
Loans		24.298.957	30.651.577	6.185.217	14.832.831
Payments to:					
Loans		-25.110.526			
Lease Down Payments		-3.421.170		-2.217.437	
Interest and Others		-2.053.741		-1.787.537	
Dividends	17	-5.262.611	-35.848.047	-4.560.202	-8.565.176
Cash Flow from Financing Activities			**-5.196.470**		**6.267.655**
CASH AND CASH EQUIVALENTS					
Cash and Cash Equivalents at Beginning of Period	5		8.024.428		9.104.055
Cash and Cash Equivalents at End of Period	5		8.654.980		8.024.428
Net Flow in Cash Equivalents			**630.552**		**-1.079.626**

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.

NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS AT 31 DECEMBER 2016

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 since October 1987.

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, 2016, 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)

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 financial statements of Toyota Caetano Portugal S.A. 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, in force at the date of preparation of the financial statements.

The financial statements have been prepared on a going concern basis, based on the accounting and having as basis the principle of the historical cost and, in the case of some financial instruments, fair value.

First time adoption of the IFRS in the preparation of the financial statements occurred in 2016 so the transition date of the Portuguese Accounting Principles ("Accounting Standardization System" or "SNC") for these regulations was established on January 1, 2015, in accordance with the provisions of IFRS 1 - First-time adoption of international financial reporting standards ("IFRS 1") see Note 4.

2.2 ADOPTION OF NEW OR REVERSED IAS / IFRS

The following standards, interpretations, amendments and revisions endorsed by the European Union and mandatory in the fiscal years beginning on or after 1 January 2016, were adopted by the first time in the fiscal year ended at 31 December 2016:

a) Changes to accounting standards applicable to periods beginning on or after 1 January 2016:

(i) Standards:

- IAS 1 amendment), 'Disclosure initiative'. 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 have insignificant impact in the Entity financial statements.
- IAS 16 and IAS 38 (amendment), 'Acceptable methods of depreciation and amortisation calculation'. 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 Entity financial statements.
- IAS 16 and IAS 41 (amendment), 'Agriculture: bearer plants'. 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 Entity financial statements.
- IAS 19 (amendment), 'Defined benefit plans – Employee contributions'. 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 Entity financial statements.
- IAS 27 (amendment), 'Equity method in separate financial statements'. 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 Entity financial statements.
- Amendment to IFRS 10, 12 and IAS 28, 'Investment entities: applying consolidation exception'. 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 Entity financial statements.
- IFRS 11 (amendment), 'Accounting for the acquisition of interests in joint operations'. 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 Entity financial statements.
- Annual Improvements 2010 – 2012. The 2010-2012 annual improvements affects: IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16 and 38, and IAS 24. This amendment did have insignificant impact in the Entity financial statements.
- Annual Improvements 2012 - 2014. The 2012-2014 annual improvements affects: IFRS 5, IFRS 7, IAS 19 and IAS 34. This amendment did have insignificant impact in the Entity financial statements.

b) Standards that have been published and are mandatory for the accounting periods beginning on or after 1 January 2017, that were already endorsed by the EU and the Entity decided not to adopt immediately:

(i) Standards:

- IFRS 9 (new), 'Financial instruments' (effective for annual periods beginning on or after 1 January 2018). 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. This amendment did not have any impact in the Entity financial statements.
- IFRS 15 (new), 'Revenue from contracts with customers' (effective for annual periods beginning on or after 1 January 2018). This new standard, applies only to contracts with customers to provide goods or services, and requires an entity to recognize 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. It is not expected significant impact of future adoption of this amendment on the Entity financial statements.

c) Standards (new and amendments) and interpretations that have been published and are mandatory for the accounting periods beginning on or after 1 January 2017, but are not yet endorsed by the EU and the Entity decided not to adopt immediately:

(i) Standards:

- IAS 7 (amendment), 'Cash Flow statement – Disclosure initiative' (effective for annual periods beginning on or after 1 January 2017). This amendment is still subject to endorsement by the European Union. This amendment introduces an additional disclosure about the changes in liabilities arising from financing activities, disaggregated between cash changes and non-cash changes and how it reconciles with the reported cash flows from financing activities, in the Cash Flow Statement. It is not expected significant impact of future adoption of this amendment on the Entity financial statements.
- IAS 12 (amendment),'Income taxes – Recognition of deferred tax assets for unrealised losses' (effective for annual periods beginning on or after 1 January 2017). This amendment is still subject to endorsement by the European Union. This amendment clarifies how to account for deferred tax assets related to assets measured at fair value, how to estimate future taxable profits when temporary deductible differences exist and how to assess recoverability of deferred tax assets when restrictions exist in the tax law. It is not expected significant impact of future adoption of this amendment on the Entity financial statements.
- IAS 40 (amendment), 'Transfers of Investment property' (effective for annual periods beginning on or after 1 January 2018). This amendment is still subject to endorsement by the European Union. This amendment clarifies when assets are transferred to, or from investment properties, the evidence of the change in use is required. A change of management intention in isolation is not enough to support a transfer. It is not expected significant impact of future adoption of this amendment on the Entity financial statements.
- IFRS 2 (amendment), 'Classification and measurement of share-based payment transactions' (effective for annual periods beginning on or after 1 January 2018). This amendment is still subject to endorsement by the European Union. This amendment clarifies the measurement basis for cash-settled, share-based payments and the accounting for modifications to a share-based payment plan that change the classification an award from cash-settled to equity-settled. It also introduces an exception to the principles in IFRS 2 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority. It is not expected significant impact of future adoption of this amendment on the Entity financial statements.
- IFRS 4 (amendment), 'Insurance contracts (Applying IFRS 4 with IFRS 9)' transactions' (effective for annual periods beginning on or after 1 January 2018). This amendment is still subject to endorsement by the European Union. This amendment allows companies that issue insurance contracts the option to recognize in Other Comprehensive Income, rather than Profit or Loss the volatility that could rise when IFRS 9 is applied before the new insurance contract standard is issued. Additionally, it is given an optional temporary exemption from applying IFRS 9 until 2021, to the companies whose activities are

predominantly connected with insurance, not being applicable at consolidated level. This amendment did not have any impact in the Entity financial statements.

- Amendments to IFRS 15 'Revenue from contracts with customers' (effective for annual periods beginning on or after 1 January 2018). These amendments are still subject to endorsement by European Union. These amendments refer to additional guidance for determining the performance obligations in a contract, the timing of revenue recognition from a license of intellectual property, the review of the indicators for principal versus agent classification, and to new practical expedients to simplify transition. It is not expected significant impact of future adoption of this amendment on the Entity financial statements.
- IFRS 16 (new), 'Leases' (effective for annual periods beginning on or after 1 January 2019). This standard is still subject to endorsement by European Union. This new standard replaces the IAS 17 with a significant impact on the accounting by lessees that are now required to recognize a lease liability reflecting future lease payments and a "right-of-use asset" for all lease contracts, except for certain short-term leases and for low-value assets. The definition of a lease contract also changed, being based on the "right to control the use of an identified asset.
- Annual Improvement 2014 - 2016, (generally effective for annual periods beginning on or after 1 January 2017). These improvements are still subject to endorsement by European Union. The 2014-2016 annual improvements impacts: IFRS 1, IFRS 12 and IAS 28. It is not expected significant impact of future adoption of this amendment on the Entity financial statements.

(ii) Interpretations:

- IFRIC 22 (new), 'Foreign currency transactions and advance consideration' (effective for annual periods beginning on or after 1 January 2018). This interpretation is still subject to endorsement by European Union. An Interpretation to IAS 21 'The effects of changes in foreign exchange rates' it refers to the determination of the "date of transaction" when an entity either pays or receives consideration in advance for foreign currency denominated contracts". The date of transaction determines the exchange rate used to translate the foreign currency transactions. This interpretation did not have any impact in the Entity financial statements.

2.3 MAIN ACCOUNTING POLICIES

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

a) Tangible fixed assets

Tangible fixed assets 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 until that date, net of accumulated depreciation and accumulated impairment losses.

Impairment losses verified on the realization value of tangible fixed assets are recorded in the year in which they are estimated, against the "Provisions and impairment losses" account in the income statement.

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	7 - 16
- Transport Equipment	4 - 5
- 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 capitalized 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 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.

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 Company, are controlled by the Company 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 Company 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 Company. 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) or internally.

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 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. Lease down payments are constituted by interest expenses and by the amortization of capital in accordance with the contractual financial plan, with interests recognized 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 33).

e) Inventories

Goods, raw, subsidiary and consumable materials are recognized at the initial moment of their acquisition at cost. Subsequently, these are valued at average acquisition 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.

Accumulated impairment losses to reduce inventories value reflect the difference between their acquisition cost and net realizable or market value, which corresponds to the price shown on market statistics.

In the case of Inventories, impairment losses are calculated on the basis of market indicators and various indicators of inventory rotation.

f) Government Grants

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. The benefit of the below-market rate of interest shall be recognized and measured at fair value. 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 recognized 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 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 24).

Restructuring provisions are recorded by the company 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 Company 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 valorization 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, 2016 and 2015, Toyota Caetano 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.

Assets available for sale

These are all the remaining assets 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, 2016 and 2015, Toyota Caetano did not have financial instruments registered in the items "Investments available for sale".

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 (Level 1). 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) – (Level 2). On the other cases, valuation techniques are used, not based on observable market data – (Level 3).

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.

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 Company records the acquisition cost, having in consideration the existence or not of impairment losses.

The Company 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.

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

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 and Other debtors

Accounts receivable and Other debtors not bearing interests are measured at 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 Company 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 and Other creditors

Accounts payable and Other creditors not bearing interests are measured at 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 Company uses derivative financial instruments to cover risks of financial investments. Derivative financial instruments used by the Company (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.

At December 31, 2016 and 2015, Toyota Caetano only have derivative financial instruments, for which the company as not applied hedge accounting derivatives.

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 Company makes the respective contracts, directly affect the items of the finance results of the consolidated income statement.

The fair value of derivatives acquired is presented in the Note 25.

(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) 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 recognized, net of the fair value of net assets within the pension fund (Note 23). The Entity recognized remeasurement in "Other reserves".

l) 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.

m) 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.

The Corporate Income Tax for the year is determined based on the net profit adjusted according to the fiscal regime applicable.

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.

n) Accrual basis

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 Company companies.

o) Revenue

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.

p) 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".

q) Segment information

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

Information related to the identified operating segments is included in Note 27.

r) 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.

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.

2.4 JUDGMENTS AND ESTIMATES

During the preparation of the consolidated 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, 2016 and 2015 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 and sensibility tests (Note 8);

d) Discharge of the fair value of derivative financial instruments; and

e) Clearance of responsibilities with Pension complements (Note 23).

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.

The main significant judgments and estimations and assumptions relating to future events included in the preparation of the financial statements are described in the related notes to the financial statements.

2.5 FINANCIAL RISK MANAGEMENT POLICIES

The Company'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 minimize 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) 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.

(ii) 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.

(iii) 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 Company'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.

(iv) Credit risk

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.).

The credit quality of bank deposits on December 31, 2016 can be summarize as follow:

BANK DEPOSITS RATING	RATING AGENCIES	BANK DEPOSITS
A1	Moody's	481.138
A3	Moody's	156.304
B1	Moody's	5.865.531
B3	Moody's	742.008
Ba1	Moody's	18.365
Ba3	Moody's	397.577
Baa1	Moody's	9.019
Baa3	Moody's	123.785
Caa1	Moody's	412.570
	Others without rating	363.652
Total		**8.569.948**

The ratings presented correspond to ratings assigned by the rating agency Moody's.

3. CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF MISSTATEMENTS

As mentioned in Note 4, during the year ended as of December 31, 2016, there were no changes in accounting policies and no material mistakes related with previous periods were identified.

4. FIRST TIME ADOPTION OF THE INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

Toyota Caetano adopted in 2016 the of International Financial Reporting Standards - IFRS, applying the "IFRS 1 - First-time Adoption of International Financial Reporting Standards", being the transition date for the presentation of these financial statements January 1, 2015.

The financial statements of the Company, till 31 December 2015 were prepared in accordance with the accounting standards NCRF ("Normas Contabilísticas e de Relato Financeiro") approved by the Portuguese Law nº 158/2009 of July 13.

In accordance with IFRS 1, the Company will use the same accounting policies in its statement of opening financial position in accordance with IFRS and in all periods presented in its first financial statements. The main changes result of adopting the international standards instead of the Portuguese standards were as follows:

- Government Grants
- Goodwill

The detail of the adjustments registered in equity as of 1 January 2015 and 31 December 2015, in net profit of the year ended at 31 December, 2015 for the purposes of the convertion to IFRS is as follow:

EQUITY IN TRANSITION DATE (1 JANUARY DE 2015)	VALUE
Equity SNC in 1 january 2015	128.897.845
Transition adjustments	
Government Grants FEDER	-288.688
Government Grants	-112.494
GoodWill AutoPartner SGPS	-893.190
	-1.294.372
Equity IFRS in 1 january 2015	**127.603.473**

EQUITY IN TRANSITION DATE 31 DECEMBER 2015	VALUE
Equity SNC in 31 december 2015	129.294.173
Transition adjustments	
Government Grants FEDER	-288.688
Government Grants	-106.058
GoodWill AutoPartner SGPS	-893.190
	-1.287.936
Equity IFRS in 31 december 2015	**128.006.237**

NET INCOME IN 31 IN DECEMBER 2015	VALUE
Net Income SNC in 2015	6.474.875
Transition adjustments	0
Net Income IFRS in 2015	**6.474.875**

The effect on the financial statement as of January 1, 2015 and December 31, 2015 and in the statement of income and other comprehensive income for the year ended December 31, 2015, related to the conversion of financial statements prepared in accordance with NCRF to the financial statements restated in accordance with IFRS, is as follows:

FINANCIAL POSITION IN 1 JANUARY 2015

ASSETS	SNC	TRANSITION ADJUSTMENTS	IFRS
NON-CURRENT ASSETS			
Intangible Assets			
Tangible Fixed Assets	19.498.505		19.498.505
Investment Properties	15.150.587		15.150.587
Goodwill	611.997		611.997
Financial Investments - Equity Method	40.885.543	-893.180	39.992.353
Other Financial Investments	59.504		59.504
Deferred Tax Assets	2.354.141		2.354.141
Total Non-Current Assets	78.560.277	-893.190	77.667.087
CURRENT ASSETS			
Inventories	48.084.649		48.084.649
Accounts Receivable	86.526.015		86.526.015
Down Payments	836.231	-836.231	0
Other Accounts Receivable		1.767.260	1.767.260
Accrued Taxes	929.440		929.440
Shareholders	685.529	-685.529	0
Other Financial Investments	1.296.800	-60.766	1.236.034
Other Current Assets	3.432.799		3.432.799
Deferrals	184.734	-183.734	0
Cash And Cash Equivalents	9.104.055		9.104.055
Total Current Assets	151.080.252	0	151.080.252
TOTAL ASSETS	**229.640.528**	**-893.190**	**228.747.338**

FINANCIAL POSITION IN 1 JANUARY 2015

EQUITY AND LIABILITIES	SNC	TRANSITION ADJUSTMENTS	IFRS
EQUITY			
Share Capital	35.000.000		35.000.000
Legal Reserve	7.498.903		7.498.903
Adjustments to Financial Investments	5.698.991	-893.190	4.805.801
Revaluation Reserve	6.195.184		6.195.184
Other Reserves	70.418.653	-288.688	70.129.965
Retained Earnings	219.893		219.893
Other Equity Movements - Gap Transition	112.494	-112.494	0
Net Income	3.753.725		3.753.725
Total Equity	128.897.845	-1.294.372	127.603.473
LIABILITIES			
NON-CURRENT LIABILITIES			
Loans	20.113.488		20.113.488
Post-Retirement Obligations	3.200.000		3.200.000
Deferred Tax Liabilities	363.957	-116.472	247.485
Total Non-Current Liabilities	23.677.445	-116.472	23.560.973
CURRENT LIABILITIES			
Loans	26.716.616		26.716.616
Accounts Payable	26.404.409		26.404.409
Down Payments	224.574	-224.574	0
Other Accounts Payable	0	253.618	253.618
Accrued Taxes	9.708.056		9.708.056
Shareholders	10.511	-10.511	0
Other Current Liabilities	0	14.350.432	14.350.432
Other Accounts Payable	7.873.022	-7.873.022	0
Deferrals	5.978.288	-5.978.288	0
Derivative Financial Instruments - Swapp	149.762		149.762
Total Current Liabilities	77.065.238	517.655	77.582.893
TOTAL EQUITY AND LIABILITIES	**229.640.528**	**-893.190**	**228.747.338**

FINANCIAL POSITION IN 31 DECEMBER 2015

ASSETS	SNC	TRANSITION ADJUSTMENTS	IFRS
NON-CURRENT ASSETS			
Intangible Assets	942.316		942.316
Tangible Fixed Assets	27.501.209		27.501.209
Investment Properties	15.584.625		15.584.625
Goodwill	611.997		611.997
Financial Investments - Equity Method	39.916.532	-893.190	39.023.342
Other Financial Investments	59.504		59.504
Deferred Tax Assets	1.586.483		1.586.483
Total Non-Current Assets	86.202.665	-893.190	85.309.475
CURRENT ASSETS			
Inventories	58.717.810		58.717.810
Accounts Receivable	87.035.232		87.035.232
Down Payments	482.675	-482.675	0
Other Accounts Receivable	0	1.287.316	1.287.316
Accrued Taxes	971.895		971.895
Shareholders	804.641	-804.641	0
Other Financial Investments	3.432.799		3.432.799
Other Current Assets	387.157	565.688	952.845
Deferrals	565.688	-565.688	0
Cash and Cash Equivalents	8.024.428		8.024.428
Total Current Assets	160.422.324	0	160.422.324
TOTAL ASSETS	**246.624.989**	**-893.190**	**245.731.799**

FINANCIAL POSITION IN 31 DECEMBER 2015

EQUITY AND LIABILITIES	SNC	TRANSITION ADJUSTMENTS	IFRS
EQUITY			
Share Capital	35.000.000		35.000.000
Legal Reserve	7.498.903		7.498.903
Adjustments to Financial Investments	5.190.943	-893.190	4.297.753
Other Reserves	68.828.210	-288.688	68.539.522
Revaluation Reserve	6.195.184		6.195.184
Other Equity Movements - Gap Transition	106.058	-106.058	0
Net Income	6.474.875		6.474.875
Total Equity	129.294.173	-1.287.936	128.006.237
LIABILITIES			
NON-CURRENT LIABILITIES			
Loans	24.128.967		24.128.967
Post-Retirement Obligations	3.534.000		3.534.000
Deferred Tax Liabilities	329.109	-114.761	214.348
Total Non-Current Liabilities	27.992.076	-114.761	27.877.315
CURRENT LIABILITIES			
Loans	36.450.473		36.450.473
Accounts Payable	31.698.659		31.698.659
Down Payments	383.786	-383.786	0
Other Accounts Payable	0	424.319	424.319
Accrued Taxes	8.250.374		8.250.374
Shareholders	11.998	-11.998	0
Other Current Liabilities	0	12.929.890	12.929.890
Other Accounts Payable	6.601.069	-6.601.069	0
Deferrals	5.847.849	-5.847.849	0
Derivative Financial Instruments - Swapp	94.532		94.532
Total Current Liabilities	89.338.740	509.507	89.848.247
TOTAL EQUITY AND LIABILITIES	**246.624.989**	**-893.190**	**245.731.799**

INCOME STATEMENT BY NATURE IN 31 DECEMBER 2015

	SNC	TRANSITION ADJUSTMENTS	IFRS
Operational Gains			
Sales	256.808.132		256.808.132
Operating Subsidies	2.349.144	-2.349.144	0
Other Operational Gains	37.064.386	2.349.144	39.413.530
Variation in Production	-3.804.553		-3.804.553
Total Operational Gains	292.417.109	0	292.417.109
Operational Expenses			
Cost of Goods Sold and Raw Material C	212.713.834		212.713.834
External Supplies and Services	38.677.933		38.677.933
Payroll Expenses	15.524.042		15.524.042
Depreciations	7.579.064		7.579.064
Impairment	-372.123		-372.123
Increases / Reductions of Fair Value	-55.231	55.231	0
Other Operational Expenses	9.757.147		9.757.147
Total Operational Expenses	283.824.666	55.231	283.879.897
Operational Income	8.592.443	-55.231	8.537.212
Financial Income			
Gains in Financial Investments - Equity Method	1.142.682		1.142.682
Interest and Other Financial Costs	-2.095.502		-2.095.502
Other Financial Gains	202.728	55.231	257.959
	-750.092	55.231	-694.861
Income before Taxes	7.842.351		7.842.351
Income Tax for the Year	-1.367.476		-1.367.476
Net Income	**6.474.875**	**0**	**6.474.875**

STATEMENT OF THE COMPREHENSIVE INCOME IN 31 DECEMBER 2015

	SNC	TRANSITION ADJUSTMENTS	IFRS
Net Income	6.474.875		6.474.875
Remeasurement (Actuarial Losses Gross of Tax)	-700.000		-700.000
Deferred Tax of Actuarial Losses	157.500		157.500
Other Changes in Equity	-979.610		-979.610
Consolidated Comprehensive Income	4.952.765		4.952.765

5. CASH AND CASH EQUIVALENTS

As of 31 December 2016 and 31 December 2015 cash and cash equivalents detail was the following:

ITEMS	31/DEC/2016	31/DEC/2015
Money	85.032	81.274
Bank Deposits at Immediate Disposal	8.569.948	7.943.154
Cash and Cash Equivalents	**8.654.980**	**8.024.428**

6. TANGIBLE FIXED ASSETS

During 2016 and 2015, the movement in tangible fixed assets as well as in the accumulated depreciation were as follows:

2016	LAND	BUILDINGS AND OTHER CONSTRUCTIONS	MACHINERY AND EQUIPMENTS	VEHICLES	ADMINISTRATIVE EQUIPMENT	OTHER FIXED ASSETS	CONSTRUCTION IN PROGRESS	TOTAL
Gross								
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
Increases			111.822	10.328.384	64.435	33.035	9.400	10.547.075
Disposals				-5.924.035				-5.924.035
Transfers and Write-offs		50.019	265.130				-397.459	-82.310
Final Balance 31/12/2016	3.946.027	32.532.697	52.466.703	46.580.487	6.131.880	2.942.475	9.400	144.609.667
Depreciations								
Final Balance 31/12/2015		29.156.443	48.578.059	25.976.858	6.016.608	2.839.761		112.567.729
Increases		431.218	941.928	5.902.436	39.391	24.839		7.339.812
Disposals, Transfers and Write-offs				-4.339.255				-4.339.255
Final Balance 31/12/2016	0	29.587.661	49.519.987	27.540.038	6.055.999	2.864.599	0	115.568.285
Net Value	**3.946.027**	**2.945.035**	**2.946.716**	**19.040.449**	**75.880**	**77.875**	**9.400**	**29.041.382**

2015	LAND	BUILDINGS AND OTHER CONSTRUCTIONS	MACHINERY 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, Transfers and Write-offs		-124.935	-854.395	-3.881.348		-12.383		-4.873.062
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**

The increases recorded in the year ended at 31 December, 2015 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 2016 and 2015 the tangible fixed assets used under finance lease are resented as follows:

INDUSTRIAL EQUIPMENT	ACQUISITION VALUE	DEPRECIATIONS	CURRENT VALUES
2016	26.322.631	10.040.184	16.282.447
2015	17.023.229	4.547.283	12.475.946

7. INVESTMENT PROPERTIES

As at 31 December 2016 and 31 of December of 2015, 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 3.400.831 Euros in the period ended in 31 December 2016 (3.275.409 Euros in 31 December 2015) (Note 30).

In accordance with external appraisals done in the end of 2012, 2014, 2015 and 2016 by independent experts and in accordance with evaluation criteria usually accepted for real estate markets (Market Method, Cost Method, Return Method and Use Method), the fair value of those investment properties amounts to 56,9 million Euros, approximately (61,9 million Euros in 2015).

The Board of Directors is convinced that there is no significant change in the fair value of those investment properties in 2016 believing that are valid the appraisals done.

The detail of investment properties in 2016 and 2015:

BUILDINGS	PLACE	DEC-16		APPRAISAL	DEC-15	
		CARRYING AMOUNT	FAIR VALUE		CARRYING AMOUNT	FAIR VALUE
Industrial Facilities	V.N. Gaia	3.236.940	8.692.000	External	3.454.289	11.448.000
Industrial Facilities	V.N. Gaia	261.219	788.000	Internal	273.052	788.000
Industrial Facilities	Carregado	5.086.938	19.218.000	External	5.135.484	21.518.000
Industrial Warehouse	V.N. Gaia	942.873	6.077.000	External	1.044.637	6.003.000
Commercial Facilities	Lisboa	1.170.590	1.247.000	Internal	1.199.980	1.247.000
Land	Leiria	355.125	797.000	Internal	355.125	797.000
Commercial Facilities	Cascais	116.985	834.000	Internal	125.331	834.000
	Cascais	264.592	950.000	Internal	277.980	950.000
	Prior Velho	2.943.103	15.550.000	Internal	2.943.103	15.550.000
	Loures	197.073	849.000	Internal	201.122	849.000
	Vila Franca Xira	436.378	1.648.000	Internal	458.457	1.648.000
	Benavente	110.868	302.000	Internal	116.065	302.000
		15.122.686	56.952.000		15.584.625	61.934.000

During 2016 and 2015, the movements occurred in the investment properties as well as in the accumulated depreciation were as follows:

2016	LAND	BUILDINGS AND OTHER CONSTRUCTIONS	TOTAL
Gross			
Final Balance 31/12/2015	9.782.682	32.006.384	41.789.066
Increases			
Disposals			
Transfers and Write-offs			
Final Balance 31/12/2016	9.782.682	32.006.384	41.789.066
Depreciations			
Final Balance 31/12/2015		26.204.441	26.204.441
Increases		461.939	461.939
Disposals, Transfers and Write-offs			
Final Balance 31/12/2016		26.666.380	26.666.380
Net Value	**9.782.682**	**5.340.004**	**15.122.686**

2015	LAND	BUILDINGS AND OTHER CONSTRUCTIONS	TOTAL
Gross			
Final Balance 31/12/2014	9.850.956	32.071.454	41.922.410
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	32.006.384	41.789.066
Depreciations			
Final Balance 31/12/2014		26.771.822	26.771.822
Increases		462.530	462.530
Disposals, Transfers and Write-offs		-1.029.911	-1.029.911
Final Balance 31/12/2015		26.204.441	26.204.441
Net Value	**9.782.682**	**5.801.943**	**15.584.625**

The movements in the period ended at 31 December, 2015 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.

8. GOODWILL

During 2016, didn't occur any changes to the Goodwill value.

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.

Under SNC Goodwill is not amortized, being tested annually for impairment.

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 2016, 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]	2%
Discount Rate [2]	9,83%

[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, 2016, the net book value of assets, including goodwill (612 thousand of Euros), does not exceed its recoverable amount (16 million 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.

9. INTANGIBLE ASSETS

During 2016 and 2015, the movements in intangible assets were as follows:

2016	RESEARCH & DEVELOPMENT EXPENSES	SOFTWARE	TOTAL
Gross			
Final Balance 31/12/2015	1.394.907	1.010.272	2.405.179
Increases		154.647	154.647
Disposals, Transfers and Write-offs	82.310		82.310
Final Balance 31/12/2016	1.477.217	1.164.919	2.642.136
Depreciations			
Final Balance 31/12/2015	464.969	997.894	1.462.863
Increases	492.406	57.738	550.144
Disposals, Transfers and Write-offs			
Final Balance 31/12/2016	957.375	1.055.632	2.013.007
Net Value	**519.842**	**109.287**	**629.129**

2015	RESEARCH & DEVELOPMENT EXPENSES	SOFTWARE	TOTAL
Gross			
Final Balance 31/12/2014	0	991.705	991.705
Increases	1.394.907	18.567	1.413.474
Disposals			
Transfers and Write-offs			
Final Balance 31/12/2015	1.394.907	1.010.272	2.405.179
Depreciations			
Final Balance 31/12/2014	0	991.705	991.705
Increases	464.969	6.189	471.158
Disposals, Transfers and Write-offs			
Final Balance 31/12/2015	464.969	997.894	1.462.863
Net Value	**929.938**	**12.378**	**942.316**

The increases recorded in the year ended at 31 December, 2015 are due to technical development expenses associated with production in Ovar factory of the new Land Cruiser model series 70 (LC70) for export market.

10. FINANCIAL INVESTMENTS – EQUITY METHOD

In 31 December 2016 and 31 December 2015, the financial investments were as follows:

	CAETANO AUTO	CAETANO AUTO CV	SALTANO	MEP ADJUSTMENTS	TOTAL
1 January 2015	**16.559.325**	**4.602.230**	**19.840.172**	**-1.009.374**	**39.992.353**
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					0
31 December 2015	**15.496.930**	**4.726.369**	**18.735.625**	**64.418**	**39.023.342**
Acquisitions	171				171
Gains/Losses	384.551	107.472	672.913	-257.280	907.656
Other Capital Movements	1.837	145	2	17.694	19.678
Disposal					0
Others (Atuarial Losses)	-872.868		-981.938	725.024	-1.129.782
Dividends Received		-1.624.908			-1.624.908
31 December 2016	**15.010.621**	**3.209.077**	**18.426.602**	**549.856**	**37.196.156**

The gains and losses from group companies shown in Income Statement (626.455 Euros) include:

Gains in financial investments - Equity method	907.656
Intercompany margin deferral (Note 22)	-281.201
	626.455

The share of capital held in subsidiaries can be summarized as follows:

	CAETANO AUTO		CAETANO AUTO CV		SALTANO	
	31/DEC/16	31/DEC/15	31/DEC/16	31/DEC/15	31/DEC/16	31/DEC/15
Equity	32.416.147	33.470.691	3.950.120	5.817.785	18.430.288	18.739.373
Net Income	830.457	99.226	132.290	152.805	673.048	142.470
% Direct	46,31%	46,30%	81,24%	81,24%	99,98%	99,98%
% Indirect	98,41%	98,40%	81,24%	81,24%	99,98%	99,98%

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

31/12/2016	CAETANO AUTO	CAETANO AUTO CV	SALTANO
Assets			
Current	66.644.229	8.973.708	2.049.100
Non-Current	47.781.219	1.442.634	19.961.574
Liabilities			
Current	74.398.428	6.383.839	3.580.387
Non-Current	7.610.873	82.383	
Equity	32.416.147	3.950.120	18.430.288
Sales	185.940.532	10.757.901	
Operational Income	976.265	225.194	671.997
Financial Income	-316.697	-21.983	
Net Income	830.457	132.290	673.048

31/12/2015	CAETANO AUTO	CAETANO AUTO CV	SALTANO
Assets			
Current	47.146.673	6.142.745	2.054.105
Non-Current	49.302.852	1.493.829	20.266.706
Liabilities			
Current	56.929.407	1.818.789	3.581.438
Non-Current	6.049.428		
Equity	33.470.691	5.817.785	18.739.373
Sales	186.583.747	8.785.747	
Operational Income	304.459	214.311	141.874
Financial Income	-186.529	-9.200	
Net Income	99.226	152.805	142.470

11. OTHER FINANCIAL ASSETS

During the period ended in December 31, 2016 and 2015 the movements in Other Financial Assets were as follows:

	31/DEC/2016	31/DEC/2015
Other Financial Assets		
Balance at 01/01/2015	3.492.302	3.492.302
Acquisitions During the Period		
Other Regularizations		
Balance at 31/12/2016	3.492.302	3.492.302

Other Financial Assets can be summarized as follows:

OTHER FINANCIAL ASSETS	31/DEC/2016	31/DEC/2015
Non-Current		
Investments in small private companies	59.504	59.504
Current		
Loan to group companies (Note 34)	3.432.799	3.432.799
	3.492.302	3.492.302

The caption Investments in small companies regards 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.

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

12. INVENTORIES

As of 31 December 2016 and 31 December 2015, inventories detail was the following:

ITEMS	31/DEC/2016	31/DEC/2015
Goods	40.511.618	45.952.257
Raw materials	9.307.008	10.080.953
Finished and Intermediate goods	1.466.863	1.613.906
Work in Progress	849.960	1.070.695
	52.135.449	**58.717.810**

The cost of goods sold and consumed as of 31 December 2016 and 31 December 2015 was as follows:

ITEMS	31/DEC/2016			31/DEC/2015		
	GOODS	RAW MATERIALS	TOTAL	GOODS	RAW MATERIALS	TOTAL
Opening Balances	45.952.257	10.080.953	56.033.209	38.034.011	3.938.945	41.972.957
Purchases	194.777.814	30.169.577	224.947.390	189.815.042	36.959.044	226.774.086
Closing Balances	40.511.618	9.307.008	49.818.626	45.952.257	10.080.953	56.033.209
Total	**200.218.452**	**30.943.521**	**231.161.973**	**181.896.797**	**30.817.037**	**212.713.834**

The variation of production as of 31 December 2016 and 31 December 2015 was as follows:

ITEMS	31/DEC/2016	31/DEC/2015
	Finished and Intermediate goods Work in Progress	
Opening Balances	2.316.823	2.684.601
Closing Balances	2.684.601	6.489.154
Total	**-367.778**	**-3.804.553**

13. ACCOUNTS RECEIVABLE

As of 31 December 2016 and 31 December 2015 Accounts Receivable detail was the following:

ITEMS	31/DEC/2016	31/DEC/2015
Accounts Receivable	101.938.955	86.862.871
Doubtful Accounts	5.723.947	5.940.234
Lost of impairments (Note 24)	-5.702.310	-5.767.873
	101.960.592	87.035.232

Accounts receivable aging

2016	< 60 DAYS	60-90 DAYS	90-120 DAYS	+ 120 DAYS	TOTAL
Accounts Receivable	67.082.930	9.515.057	5.223.629	20.117.339	101.938.955

2015	< 60 DAYS	60-90 DAYS	90-120 DAYS	+ 120 DAYS	TOTAL
Accounts Receivable	64.265.606	8.607.986	951.915	13.037.364	86.862.871

Debt maturity beyond date

2016	< 60 DAYS	60-90 DAYS	90-120 DAYS	+ 120 DAYS	TOTAL
Accounts Receivable	11.596.985	1.001.415	400.747	12.345.800	25.344.947

2015	< 60 DAYS	60-90 DAYS	90-120 DAYS	+ 120 DAYS	TOTAL
Accounts Receivable	11.583.715	1.050.742	408.779	12.220.861	25.264.097

Debt maturity considering impairment losses

2016	< 60 DAYS	60-90 DAYS	90-120 DAYS	+ 120 DAYS	TOTAL
Doubtful Accounts	7.173			5.716.773	5.723.946

2015	< 60 DAYS	60-90 DAYS	90-120 DAYS	+ 120 DAYS	TOTAL
Doubtful Accounts				5.940.234	5.940.234

14. OTHER CREDITS

As of 31 December 2016 and 31 December 2015 Other Credits detail was the following:

OTHER ACCOUNTS RECEIVABLE	31/DEC/2016	31/DEC/2015
Current		
Down Payments	392.062	482.675
Shareholders (Note 34)	896.210	804.641
	1.288.272	1.287.316

15. OTHER CURRENT ASSETS

Other Current Assets detail at 31 December 2016 and 2015 is as follows:

ITEMS	31/DEC/2016	31/DEC/2015
Recover of Sales Campaigns	932.100	
Recover Logistics	40.523	335.530
Renting	14.585	4.241
Others	24.370	47.385
Other Accounts Payable	1.011.579	387.157
Insurance	106.937	91.734
Interest from Commercial Paper Programs	75.058	50.144
Others	260.457	423.810
Assets Deferral	442.453	565.688
	1.454.032	**952.845**

16. INCOME TAXES

The Company is subject to Corporate income (IRC) at the rate of 21% for the taxable income, plus local tax at the rate of 1,5% resulting in a tax rate, aggregated of a maximum of 22,5%.

In accordance with current legislation the Company tax returns are subject to review and correction by the tax authorities during a period of four years, except when there are fiscal losses, fiscal benefits have been given, or is in course inspections or claims, situations here the periods are increased of suspended. Consequently, the tax returns since 2013 are still subject to review. The Board of Directors of Toyota Caetano believes that any corrections resulting from reviews/inspections by the tax authorities to the tax returns open to inspection, will not have a significant effect on the financial statements of this Company.

Under Article 88 of the Corporate Income Tax Code, companies based in Portugal are also subject to autonomous taxation on a set of expenses at the rates provided in the mentioned article. For fiscal years beginning on or after January 1, 2010, taxable income in excess of 1,5 Million Euros and 7,5 Million Euros, have an additional income tax of 3%, exceeding 7,5 Million Euros and up to 35 Million an additional Income tax of 5% and taxable profit calculated in excess of more than 35 Million Euros an additional Income of 7%.

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.

As of 31 December 2016 and 31 December 2015 Income tax detail was the following:

	31/DEC/2016	31/DEC/2015
Corporate Income Tax for the Year (estimate)	-1.311.145	-597.057
Corporate Income Tax (payments in advance) for the Year	728.060	697.478
Corporate Income Tax for the Year (RETGS)	635.401	871.474
Total	**52.316**	**971.895**

The current tax can be decomposed as follows:

	31/DEC/2016	31/DEC/2015
Income taxes in year	1.311.145	597.057
Deferred income taxes	428.927	770.419
	1.740.072	**1.367.476**

The reconciliation of the earnings before taxes of the years ended at 31 December, 2016 and 2015 can be analyzed as follows:

	31/DEC/2016	31/DEC/2015
Income Before Taxes	7.690.828	7.842.351
Equity Method (Art.º18, nº18)	-626.455	-1.142.682
Reversion of Impairment Losses Taxed		-383.915
Accounting Capital Gains	-1.299.761	-3.845.010
Derivative Financial Instruments (Art.º 49)	-66.107	-55.231
Fiscal Benefits	-76.668	-34.576
Income Not Subject to Taxation	-2.068.991	-5.461.413
Equity Method (Art.º18,nº18)		
Non Deductible Depreciation and Amortization (Art.º 34, nº1)	114.641	113.009
50% fiscal Capital Gains	649.881	1.922.505
Others	58.806	387.633
Expenses Not Subject to Taxation	823.328	2.423.147
Fiscal Income	6.445.165	4.804.085
Tax Expense at Rate Aplicable in Portugal 21%	1.353.485	1.008.858
Local Tax 1,5%	96.677	72.061
State Tax	148.355	99.123
National Tax Expense (Tax at Rate Aplicable in Portugal (22,5%))	1.598.517	1.180.042
Deferred Tax	14.874	64.219
Additional Income Tax	126.681	123.216
Effective Tax Expenses	1.740.072	1.367.476

Amounts and nature of the assets and liabilities for deferred taxes recorded in the financial statements as of 31 December 2016 and 2015 can be analyzed as follows:

Deferred Tax Assets:

2016	INITIAL BALANCE	REFLECTED IN INCOME STATEMENT		REFLECTED IN EQUITY		FINAL BALANCE
		DECREASE	INCREASE	DECREASE	INCREASE	
Deferred Tax Assets						
Defined Benefit Plan Liabilities	775.150				354.245	1.129.395
Fiscal Losses (RETGS)	502.621	-414.053				88.569
Valuation of Financial Instruments	21.270	-14.874				6.396
Provisions	287.442					287.442
Others						
	1.586.482	**-428.927**			**354.245**	**1.511.801**

2015	INITIAL BALANCE	REFLECTED IN INCOME STATEMENT		REFLECTED IN EQUITY		FINAL BALANCE
		DECREASE	INCREASE	DECREASE	INCREASE	
Deferred Tax Assets						
Defined Benefit Plan Liabilities	700.000				75.150	775.150
Fiscal Losses (RETGS)	1.208.822	-706.201				502.622
Valuation of Financial Instruments	33.697	-12.427				21.270
Provisions	372.371	-84.929				287.442
Others						
	2.314.886	**-803.555**			**75.150**	**1.586.483**

Deferred Tax Liabilities:

2016	INITIAL BALANCE	REFLECTED IN INCOME STATEMENT		REFLECTED IN EQUITY		FINAL BALANCE
		DECREASE	INCREASE	DECREASE	INCREASE	
Deferred Tax Liabilities						
40% of Depreciation as a Result of Legal	48.576					48.576
Effect of the Reinvestments of the Gains Infixed Assets Sales	165.772					165.772
Others						
	214.348					**214.348**

2015	INITIAL BALANCE	REFLECTED IN INCOME STATEMENT		REFLECTED IN EQUITY		FINAL BALANCE
		DECREASE	INCREASE	DECREASE	INCREASE	
Deferred Tax Liabilities						
40% of Depreciation as a Result of Legal	52.148	-3.572				48.576
Effect of the Reinvestments of the Gains Infixed Assets Sales	190.200	-24.428				165.772
Others	5.136	-5.136				
	247.485	**-33.137**				**214.348**

Under current legislation in Portugal the carry-forward of tax losses for the years still outstanding, is as follows:

i) Tax losses generated in 2012 and 2013: 5 years

ii) Tax losses generated in 2014 and 2016: 12 years

At December 31, 2016 and 2015 (date of the last tax returns filed), the tax losses carried forward in respect of which deferred tax assets were recorded were as follows:

FISCAL LOSSES	31/DEC/2016	31/DEC/2015	EXPIRY DATE
Created in 2012	368.233	2.339.916	2017
Created in 2013	53.524	53.524	2018
	421.757	**2.393.440**	

As of 2012 (including), the deduction of reported tax losses, calculated in prior or current fiscal years (ie includes all reported losses identified in items i) and ii) above) is limited to 75% of the taxable income determined in each year and from 2014 (inclusive) is limited to 70% of the taxable income calculated in each fiscal year. This situation requires the annual assessment of the amount of deferred tax that can be recovered within the deadlines above.

17. EQUITY

COMPOSITION OF SHARE CAPITAL

As of 31 December 2016 and 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:

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

DIVIDENDS

In 2016 were distributed dividends in amount of 5.250.000 Euros as a result of application of net income of 2015.

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.

ADJUSTMENTS TO FINANCIAL ASSETS

The amount considered in "Adjustments to financial assets" refers to the results not appropriated by the Equity Method not yet distributed and to the transition adjustments of the initial application of the Equity Method.

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.

The distributable amount in Equity, excluding Net Income is 67.319.345 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 2016's profits obtained in the financial year, amounting to Euros 5.950.755,83 stated in the individual financial statements of Toyota Caetano Portugal:

a) To non-distributable reserves by profits recognized in investments in subsidiaries resulting from the application of the equity method.

   Eur 626.455,22

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 74.300,61

18. LOANS

As of 31 December 2016 and 2015, loans can be detailed as follows:

	31/DEC/2016			31/DEC/2015		
	CURRENT	NON--CURRENT	TOTAL	CURRENT	NON--CURRENT	TOTAL
Bank Loans				10.000.000		10.000.000
Confirming	9.930.536		9.930.536			
Mutual Loans	6.210.526	17.000.000	23.210.526	1.842.105	13.210.527	15.052.632
Comercial Paper	12.800.000		12.800.000	21.700.000		21.700.000
Leasing	4.045.860	13.350.204	17.396.064	2.908.367	10.918.440	13.826.807
	32.986.922	**30.350.204**	**63.337.126**	**36.450.473**	**24.128.967**	**60.579.440**

As of December 31, 2016 and 2015, the detail of bank loans, overdrafts, other loans and Commercial Paper Programs is as follows:

2016	USED AMOUNT	LIMIT
Current		
Bank Loan		3.000.000
Overdrafts		4.000.000
Confirming	9.930.536	10.000.000
Mutual Loans	6.210.526	6.210.527
Comercial Paper	12.800.000	27.800.000
Leasing	4.045.860	4.045.860
	32.986.922	55.056.386
Non-Current		
Mutual Loans	17.000.000	17.000.000
Leasing	13.350.204	13.350.204
	30.350.204	30.350.204
	63.337.126	**85.406.590**

2015	USED AMOUNT	LIMIT
Current		
Bank Loan	10.000.000	13.000.000
Overdrafts		4.000.000
Mutual Loans	1.842.105	1.842.105
Comercial Paper	21.700.000	29.200.000
Leasing	2.908.367	2.908.367
	36.450.473	50.950.472
Non-Current		
Mutual Loans	13.210.527	13.210.527
Leasing	10.918.440	10.918.440
	24.128.967	24.128.967
	60.579.440	**75.079.439**

Despite the deadline of more than one year, commercial paper contracts are considered in the short-term as is considered that these contracts mature on the dates of the complaint.

The item "Leasing" (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:

CONTRACT	LEASING	SHORT--TERM	MEDIUM/LONG-TERM					TOTAL
			2018	2019	2020	> 2020	TOTAL	
Diverse	Industrial Equipment	4.045.860	3.994.884	4.159.010	3.164.286	2.032.023	13.350.204	17.396.064

The maturity of the outstanding loans as per December 31, 2016 can be detailed as follows:

2016	< 1YEAR	1 - 3 YEARS	3 - 5 YEARS	> 5 YEARS	TOTAL
Confirming	9.930.536				9.930.536
Mutual Loans	6.210.526	7.000.000	10.000.000		23.210.526
Comercial Paper	12.800.000				12.800.000
Leasing	4.045.860	11.318.181	2.032.023		17.396.064
Total	**32.986.922**	**18.318.181**	**12.032.023**		**63.337.126**

The interest payment plan are as follows:

INTEREST AGING	2017	2018	2019	2020	> 2020	TOTAL
Mutual Loans	548.072	346.250	222.500	222.500	222.500	1.561.822
Leasing	538.948	377.055	222.258	84.145	17.426	1.239.832

19. ACCOUNTS PAYABLE

As of 31 December 2016 and 2015 this caption was composed of current accounts with suppliers, which end at short-term.

20. PUBLIC ENTITIES

The caption for Public Entities at December 31, 2016 and 2015 is as follows:

	31/DEC/2016	31/DEC/2015
Income Taxes Withheld	160.573	155.411
Value Added Taxes	8.033.189	5.769.793
Employee's Social Contributions	250.628	245.018
Local Taxes	230.717	222.656
Others	1.261.486	1.857.497
Total	**9.936.592**	**8.250.374**

21. OTHER CREDITORS

As of December 31, 2016 and 2015 the detail of other creditors was as follows:

OTHER CREDITORS	31/DEC/2016	31/DEC/2015
Current		
Dawn Payments	92.758	383.786
Shareholders	12.052	11.998
Other Accounts Payable	93.902	28.535
	198.711	**424.319**

22. OTHER CURRENT LIABILITIES

As of December 31, 2016 and 2015 the detail of other current liabilities was as follows:

ITEMS	31/DEC/2016	31/DEC/2015
Interest	120.885	92.530
Sales Campaigns	3.670.380	2.072.912
Vacations Pay and Bonus	2.012.709	1.960.865
Anticipated Costs Related with Sold Vehicles	689.185	949.923
Warranty Claims	53.338	66.336
Car Tax Related with Disposed Vehicles not Registered	743.009	526.486
Personnel	601.136	262.939
Publicity	151.824	143.873
Royalties	71.284	108.164
Insurance	134.194	262.294
Amounts Payable Already Passed to Group Companies	667.807	0
Others Supplies	583.455	154.746
Creditors for Accrued Expenses	9.499.205	6.601.069
Debtors Interest	5.827	6.457
Signage to be Charged to Dealers	35.301	539.568
Intercompany Margin Deferral	1.713.945	1.432.744
Conservation Vehicles Contract	4.969.360	3.692.098
Subsidies	501.360	509.507
Others Gains to Recognize	355.132	148.447
Deferrals	7.580.925	6.328.821
	17.080.130	**12.929.890**

23. 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, December 29, 1995, April 30, 1996, August 9, 1996, July 4, 2003, December 23, 2002, 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 setting up a defined benefit plan. To cover these liabilities, an Autonomous Fund (which is managed by GNB - Sociedade Gestora de Fundo de Pensões, S.A.) is set up.

In sequence of a request to change the condition of that pension complement made near the "ISP - Instituto de Seguros de Portugal" the defined benefit plan as of January 1, only 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 of the company.

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 1%, 0% and 1,6% to 2016, respectively (0%, 0% and 2,3% to 2015).

The variation of the Fund responsibilities of the Company with the Defined benefit plan in 2016 and 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**
Responsibilities at January 1, 2016	**20.126.920**
Cost of the current services	39.172
Cost of interest	739.415
(Gains) and actuarial losses	1.574.421
Pension payment	-1.541.830
Transfers	596.767
Others	-571.451
Responsibilities at December 31, 2016	**20.963.414**

The allocation of this amount during 2016 and 2015 to both plans (Defined benefit plan and Defined contribution plan) can be summarized as follows:

	DEFINED BENEFIT PLAN	DEFINED CONTRIBUTION PLAN	TOTAL
Fund's Value at January 1, 2015	**16.986.766**	**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 (Benefit payments)	-1.484.800	-31.854	-1.516.654
Transfers between Members	73.636	-22.243	51.393
Fund's Value 31 December, 2015	**16.593.166**	**4.438.036**	**21.031.200**
Fund's Value at January 1, 2016	**16.593.166**	**4.438.036**	**21.031.202**
Contributions	641.808	213.897	855.705
Real recovery of the plan assets	188.670	73.923	262.593
Pension payment (Benefit payments)	-1.541.830	-27.960	-1.569.790
Transfers between Members	489.176	48.719	537.895
Used amounts from the CD account (Reserve Account)	8.643	-8.643	0
Fund's Value 31 December, 2016	**16.379.632**	**4.737.972**	**21.117.604**

At 31 December 2016 and 2015, the Pension Fund's portfolio that covers the defined benefit plan was as follows:

PORTFOLIO	31/DEC/2016		31/DEC/2015	
	%	VALUE	%	VALUE
Stocks	9,6%	1.572.445	9,0%	1.493.385
Bonds	38,2%	6.258.657	39,8%	6.604.080
Real Estate	38,2%	6.257.019	37,4%	6.205.844
Cash	11,7%	1.909.865	10,7%	1.775.469
Other Assets	2,3%	381.645	3,1%	514.388
Total	**100,0%**	**16.379.632**	**100,0%**	**16.593.166**

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

DEFINED BENEFIT PLAN	2016	2015
Responsibility's Values	20.963.414	20.126.920
Fund of Value	16.379.632	16.593.166

The Toyota Caetano Portugal responsibilities shown above was safeguarded through the creation of an accrual of costs for about 5,8 million Euros (3,5 million Euros in 31 December 2015) reflected in the Balance sheet caption of Pension Fund Liabilities.

24. PROVISIONS AND IMPAIRMENTS

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

ITEMS 31/DEC/2016	OPENING BALANCES	INCREASES	DISPOSALS	WRITE-OFFS	FINAL BALANCES
Doubtful Accounts Receivable	5.767.873	21.737	-80.816	-6.484	5.702.310
Inventories	0				0
Total	**5.767.873**	**21.737**	**-80.816**	**-6.484**	**5.702.310**

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
Total	**6.310.157**	**16.190**	**-170.161**	**-388.314**	**5.767.873**

25. DERIVATIVE FINANCIAL INSTRUMENTS

INTEREST RATE DERIVATIVES

Although 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.

The fair value of these derivative financial instruments at December 31, 2016 was negative at 28.425 Euros (31 December 2015 was negative EUR 94.532) and comprises an actual exposure of 4.210.526 Euros, since 22 December, 2016 for a period of three months.

These derivatives' valuation were provided at 31 December 2016 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.

26. SALES AND SERVICES RENDERED BY GEOGRAPHIC MARKETS

Sales and services rendered by geographic markets, in 2016 and 2015, was as follows:

	2016	2015	VAR (%)	2016	2015	VAR (%)	2016	2015	VAR (%)
	NATIONAL MARKET			EXTERNAL MARKET			TOTAL		
Light Vehicles	180.177.699	169.620.505	6%	40.871.133	29.306.075	39%	221.048.831	198.926.580	11%
Heavy Vehicles				505.885	243.519	108%	505.885	243.519	108%
Industrial Vehicles	13.978.593	17.057.891	-18%	95.305	66.436	43%	14.073.898	17.124.327	-18%
Spare Parts and Accessories	34.413.789	36.128.615	-5%	557.584	524.409	6%	34.971.372	36.653.024	-5%
Others	3.822.124	3.852.059	-1%	371	8.623	-96%	3.822.494	3.860.682	-1%
	232.392.204	**226.659.070**	**3%**	**42.030.277**	**30.149.061**	**39%**	**274.422.481**	**256.808.132**	**7%**

27. SEGMENTS INFORMATION

For the periods ended December 31, 2016 and 2015, the reporting by segments is as follows:

31/DEC/2016	NATIONAL						EXTERNAL					TOTAL
	VEHICLES		INDUSTRIAL EQUIPMENT			OTHERS	VEHICLES		INDUSTRIAL EQUIPMENT			
	INDUSTRY	COMMERCIAL	COMMERCIAL	SERVICES	RENTAL		INDUSTRY	COMMERCIAL	COMMERCIAL	SERVICES	RENTAL	
PROFITS												
External sales	285.115	214.471.048	13.996.633	3.657.449			35.053.246	6.881.355	77.265	371		274.422.481
Suplementary income					11.876.807						18.040	11.894.847
INCOME												
Operational income	1.054	6.713.750	2.068.493	1.647.438	1.038.448		-2.454.943	227.450	4.279	258	10.781	9.257.009
Financial income	1.769	1.923.340	43.205	7.728	46.941		144.320	25.069	194	1	70	2.192.636
Gains in subsidiaries						626.455						626.455
Net income	-714	3.927.894	1.660.634	1.344.479	812.986	626.455	-2.599.263	165.942	3.350	211	8.783	5.950.756
OTHER INFORMATION												
Total assets	37.044.761	175.695.607	11.737.461	1.740.309	26.932.956							253.151.094
Total liabilities	5.897.441	94.951.102	2.047.764	295.256	23.582.821							126.774.382
Investments in subsidiaries [1]						37.196.156						37.196.156
Capital Expenditure [2]	41.492	1.931.288	0	24.412	7.119.751							9.116.941
Depreciation [3]	1.304.240	2.120.877	67.544	43.557	4.815.675							8.351.894

31/DEC/2015	NATIONAL						EXTERNAL					TOTAL
	VEHICLES		INDUSTRIAL EQUIPMENT			OTHERS	VEHICLES		INDUSTRIAL 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	7.851.088	846.898	1.658.136	1.231.606		-783.698	353.001	19.624	6.665	12.570	8.537.213
Financial income	37.312	1.708.216	12.842	5.997	31.985		28.013	12.790	325	16	47	1.837.543
Gains in subsidiaries						1.142.682						1.142.682
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	165.417.233	11.494.005	2.422.197	25.218.298							245.731.799
Total liabilities	9.609.144	88.376.300	1.311.987	320.755	18.107.376							117.725.562
Investments in subsidiaries [1]						39.023.352						39.023.352
Capital Expenditure [2]	5.225.897	1.867.815	24.541	42.730	9.797.139							16.958.121
Depreciation [3]	1.352.891	2.001.875	55.401	41.403	4.127.494							7.579.064

[1] By equity method
[2] Capital Expenditure: (Net tangible, intangible and investments properties variation)+(year depreciation)
[3] From the year

28. SUPPLIES

At 31 December 2016 and 2015, supply expenses were as follows:

DESCRIPTION	31/DEC/2016	31/DEC/2015
Subcontracts	63.177	25.068
Specialized Services	21.955.306	22.027.700
Professional Services	3.192.095	2.973.510
Advertising	14.035.925	14.404.005
Vigilance and Security	293.076	288.198
Professional Fees	663.951	673.667
Comissions	81.208	132.522
Repairs and Maintenance	822.717	736.072
Others	2.866.334	2.819.726
Materials	8.646.302	11.280.471
Energy and Fluids	955.890	969.701
Travel and Transportation	2.338.275	2.176.122
Traveling Expenses	1.137.104	1.110.748
Personnel Transportation	90.386	99.547
Transportation of Materials	1.110.784	965.827
Other Supplies	2.146.518	2.198.873
Rent	415.019	347.489
Communications	449.960	350.771
Insurance	571.669	762.487
Royalties	334.109	339.332
Notaries	16.296	10.293
Cleaning and Comfort	359.466	388.501
Total Supplies	**36.105.468**	**38.677.933**

29. PAYROLLL AND AVERAGE NUMBER OF PERSONNEL

At 31 December 2016 and 2015, Payrolll expenses were as follows:

DESCRIPTION	31/DEC/2016	31/DEC/2015
Payrolll - Management	357.349	358.512
Payrolll - Other Personnel	9.524.331	9.084.354
Benefit Plans	885.001	628.053
Termination Indemnities	118.937	117.941
Social Security Contributions	3.130.626	2.963.085
Workmen's Insurance	288.513	191.326
Others	2.042.515	2.180.770
Payrolll expenses	**16.347.273**	**15.524.042**

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

ITEMS	31/DEC/2016	31/DEC/2015
Employees	382	363
Production Personnel	157	152
	539	**515**

30. OTHER OPERATING EXPENSES AND OTHER GAINS

As of 31 December, 2016 and 2015, the captions "Other Expenses" and "Other Gains" were as follows:

OTHER OPERATING INCOME	31/DEC/2016	31/DEC/2015
Lease Equipment	11.894.847	11.392.995
Rents Charged	3.400.831	3.275.409
Subsidies	2.503.662	2.349.144
Advertising Expenses and Sales Promotion Recovered	2.303.720	2.226.420
Obtained Cash Discounts	15.773	7.753
Gains on Inventories	117.893	63.263
Gains on Fixed Assets	1.418.693	4.832.146
Other	14.546.313	15.266.400
Total	**36.201.733**	**39.413.530**

The caption Other refers provided services and warranties' recovery.

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

OTHER EXPENSES	31/DEC/2016	31/DEC/2015
Tax	709.360	617.636
Cash Discount Granted	3.338	7.271
Bad Depts		895
Donations	2.050	
Losses on Inventories	136.202	52.604
Losses on Fixed Assets	87.449	941.161
Other	8.079.168	8.137.580
Total	**9.017.567**	**9.757.147**

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

31. FINANCIAL INCOME AND EXPENSES

As of 31 December, 2016 and 2015, the captions "Financial Income" and "Financial Expenses" were as follows:

INTEREST AND SIMILAR INCOME	31/DEC/2016	31/DEC/2015
Interest	889	5.491
Losses for Fair Value	66.107	55.231
Other Financial Expenses	199.292	197.237
	266.288	**257.959**

INTEREST AND SIMILAR EXPENSES	31/DEC/2016	31/DEC/2015
Interest	1.814.985	1.676.225
Other Financial Income	643.939	419.277
	2.458.924	**2.095.502**

32. FINANCIAL ASSETS AND LIABILITIES

We present below a summary table of the Company's financial instruments as of December 31, 2016 and 2015:

FINANCIAL ASSETS AND LIABILITIES	NOTE	FINANCIAL ASSETS		FINANCIAL LIABILITIES	
		31/DEC/2016	31/DEC/2015	31/DEC/2016	31/DEC/2015
Derivate Financial Instruments	25			28.425	94.532
Other Financial Investments	11	3.492.302	3.492.302		
Accounts Receivable	13	101.960.592	87.035.232		
Other Accounts Receivable	14	1.288.272	1.287.316		
Loans	18			63.337.126	60.579.440
Other Accounts Payable	21			198.711	424.319
Accounts Payable	19			30.179.049	31.698.659
Cash and Cash Equivalents	5	8.654.980	8.024.428		

33. OPERATIONAL LEASE

As of 31 December 2016, the company was maintaining responsibilities like tenant relative to future installments of financial lease contracts of industrial equipment which are included in the caption "Loans" (Note 18).

The payment plan for the leasing contracts outstanding at December 31, 2016 is as follows:

CONTRACT	LEASING	SHORT-TERM	MEDIUM/LONG-TERM				TOTAL
			2018	2019	2020 AND FOLLOWING	TOTAL NON--CURRENT	
Diverse	Industrial Equipment						
	Capital	4.045.860	3.994.884	4.159.010	5.196.309	13.350.204	17.396.064
	Interest	538.948	377.055	222.258	101.571	700.884	1.239.832

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

34. RELATED PARTIES

TOYOTA CAETANO PORTUGAL GROUP COMPANIES

Due and payable balances with Group and Associated companies, which, as of 31 December 2016 and 2015, were recorded in the captions "Accounts receivable", "Accounts payable", "Other financial investments" and " Shareholders", as follows:

	31/DEC/2016	31/DEC/2015
Accounts Receivable	68.016.608	49.477.654
Accounts Payable	-1.074.161	-857.707
Shareholders RETGS's Companies (Note 14)		
Saltano, S.G.P.S., S.A.	146.343	147.394
Caetano Renting, S.A.	-568.117	-538.122
Caetano Auto, S.A.	1.317.984	1.195.369
	896.210	804.641
Other Financial Investments (Note 11)		
Saltano, S.G.P.S., S.A.	3.432.799	3.432.799

ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE (NOTES 13 AND 19)

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

2016	COMERCIAL DEBT		PRODUCTS		FIXED ASSETS	SERVICES		OTHERS	
	RECEIVABLE	PAYABLE	SALES	PURCHASES	DISPOSALS	RENDERED	OBTAINED	EXPENSES	GAINS
CAETANO AUTO CV, S.A.	3.559.167	0	6.961.360	0	0		0	0	758.202
CAETANO RENTING, S.A.	8.639.773	-111.374	13.449.962	12.222.486	0		45.474	158.041	464.217
CAETANO AUTO, S.A.	55.817.668	-962.786	125.233.185	463.821	-2.418.481		5.743.719	9.900.794	4.973.180
Total	**68.016.608**	**-1.074.161**	**145.644.507**	**12.686.307**	**-2.418.481**		**5.789.193**	**10.058.836**	**6.195.599**

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, S.A.	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**

RELATED PARTIES

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

OTHER RELATED COMPANIES	COMERCIAL DEBT		PRODUCTS		FIXED ASSETS	SERVICES		OTHERS	
	RECEIVABLE	PAYABLE	SALES	PURCHASES	DISPOSALS	RENDERED	OBTAINED	EXPENSES	GAINS
GRUPO SALVADOR CAETANO, S.G.P.S., S.A.	77	0	0	0	0		0	0	122
CAETANO BAVIERA - COMÉRCIO DE AUTOMÓVEIS, S.A.	893.872	-101.103	3.002.821	10.484	-11.902		122.997	234.406	539.161
LUSILECTRA - VEÍCULOS E EQUIPAMENTOS, S.A.	60.407	-65.469	40.197	15.088	44.519		149.492	3.596	73.524
MDS AUTO - MEDIAÇÃO DE SEGUROS, S.A.	2.987	16.880	510	0	0		0	0	5.241
RIGOR - CONSULTORIA E GESTÃO, S.A.	100.138	-517.444	192	0	146.071		2.376.145	15.312	372.250
PORTIANGA - COMÉRC. INTERNAC. E PARTICIPAÇÕES, S.A.	63.698	-130	2.134	0	0		286	0	71.283
AMORIM, BRITO & SARDINHA, LDA.	0	0	0	0	0		0	0	1.627
ROBERT HUDSON, LTD.	23.705	-778	1.989	0	0		0	778	1.390
CARPLUS - COMÉRCIO DE AUTOMÓVEIS, S.A.	390	0	763	0	0		0	0	13.243
GUÉRIN - RENT-A-CAR (DOIS), LDA.	154.590	-21.157	25.357	17.201	0		0	0	128.293
CAETSU PUBLICIDADE, S.A.	-1.847	-740.142	47.967	299	0		2.485.003	3.900	765
FINLOG - ALUGUER E COMÉRCIO DE AUTOMÓVEIS, S.A.	2.963	-81.668	2.455.825	11.085	0		365.266	31.509	103.552
SALVADOR CAETANO AUTO, S.G.P.S., S.A.	84	0	0	0	0		0	0	68
CHOICE CAR - COMÉRCIO DE AUTOMÓVEIS, S.A.	2.285	0	0	0	0		0	0	7.713
CAETANOBUS - FABRICAÇÃO DE CARROÇARIAS, S.A.	6.751.835	-26.610	32.994	0	0		72.912	26	3.115.456
IBERICAR - SOCIEDAD IBERICA DEL AUTOMOVIL, SA	17.632	0	0	0	0		0	0	17.632
IBERICAR BENET, SL	291	0	0	0	-945.810		0	0	1.139
CAETANO CITY E ACTIVE (NORTE), S.A.	569.359	-65.892	753.921	0	0		22.246	31.324	21.528
CAETANO DRIVE, SPORT E URBAN, S.A.	-5.549	0	3.558	0	0		0	0	2.807
CAETANO ACTIVE, S.A.	-458	0	455	0	0		0	0	172
CAETANO POWER, S.A.	-2.208	0	3.270	0	0		0	0	850
SALVADOR CAETANO AUTO ÁFRICA, S.G.P.S., S.A.	66	0	0	0	0		0	0	96
AUTO PARTNER - IMOBILIÁRIA, S.A.	35	0	0	0	0		0	0	71
CAETANO TECHNIK, S.A.	-7.084	0	947	0	0		0	0	2.911
IBERICAR AUTO NIPON, SLU	97	0	0	0	0		0	0	97
CAETANO RETAIL, S.G.P.S., S.A.	46.508	0	0	0	0		0	0	99.115
CAETANO MOTORS, S.A.	-5.645	0	3.884	0	0		0	0	4.784
CAETANO STAR, S.A.	6.779	0	1.189	0	0		99	0	11.673
LAVORAUTO - ADM. IMOB. E CONSULT. DE EMPRESAS, S.A.	-1.091	-1.827	0	0	0		0	0	17
CAETANO PARTS, LDA.	0	0	6.295	8	0		3.060	0	6.059
IBERICAR CUZCOMOTOR, SAU	291	0	0	0	0		0	0	291
IBERICAR CENTRO AUTO, SL	389	0	0	0	0		0	0	389

OTHER RELATED COMPANIES	COMERCIAL DEBT		PRODUCTS		FIXED ASSETS	SERVICES		OTHERS	
	RECEIVABLE	PAYABLE	SALES	PURCHASES	DISPOSALS	RENDERED	OBTAINED	EXPENSES	GAINS
IBERICAR TECHNIK, SAU	194	0	0	0	0		0	0	194
IBERICAR RECAMBIOS CENTRO, SLU	97	0	0	0	0		0	0	97
IBERICAR REICOMSA, SAU	291	0	0	0	0		0	0	647
IBERICAR MOTORS MÁLAGA, SLU	194	0	0	0	0		0	0	194
SOL GREEN WATT, SL	0	0	0	0	0		0	0	390
LIDERA SOLUCIONES, SL	1.248	0	0	0	0		2.000	0	1.442
IBERICAR MÓVIL, SLU	194	0	0	0	0		0	0	314
CAETANO FÓRMULA, S.A.	-5.361	0	1.393	0	0		183	0	2.872
IBERICAR MOTORS CÁDIZ, SL	389	0	0	0	0		0	0	389
MOVICARGO - SERVIÇOS ADUANEIROS, LDA.	1.059	-232.281	0	27.683	0		43.011	537.978	3.460
IBERICAR GESTOSO, SL	583	0	0	0	0		0	0	943
IBERICAR BARCELONA PREMIUM, SL	1.933	0	0	0	0		0	0	1.933
IBERICAR FÓRMULA CÁDIZ, SL	291	0	0	0	0		0	0	696
IBERICAR CADÍ, SAU	389	0	0	0	0		0	0	701
GUERIN RENT-A-CAR, SLU	97	0	0	0	0		0	0	97
GLOBALWATT, S.G.P.S., S.A.	25	0	0	0	0		0	0	90
CENTRAL SOLAR DE CASTANHOS, S.A.	25	0	0	0	0		0	0	20
VAS ÁFRICA, S.G.P.S., S.A.	105	0	0	0	0		0	0	88
SALVADOR CAETANO INDÚSTRIA, S.G.P.S., S.A.	0	0	0	0	0		0	0	252
IBERICAR MÓVIL SUR, SLU	97	0	0	0	0		0	0	97
PV LOIRAL - PRODUÇÃO DE ENERGIA, UNIPESSOAL, LDA.	25	0	0	0	0		0	0	20
CAETANO AERONAUTIC, S.A.	660.398	-56.138	846	0	0		45.641	0	463.311
SALVADOR CAETANO EQUIPAMENTOS, S.A.	21	0	442	0	0		0	0	19
CAETANO FÓRMULA EAST AFRICA, S.A.	52	0	0	0	0		0	0	45
CAETANO FÓRMULA MOÇAMBIQUE, SA	484	0	0	0	0		0	0	544
CAETANO MOVE ÁFRICA, S.A.	21	0	0	0	0		0	0	19
CAETANO FÓRMULA WEST AFRICA, S.A.	0	0	223	0	0		0	0	183
PLATINIUM V.H. - IMPORTAÇÃO DE AUTOMÓVEIS, S.A.	8.316	-14	0	0	0		14	0	26.955
ATTENTIONFOCUS, LDA.	8	0	0	0	0		0	0	41
CAETANO ENERGY, S.A.	8.837	0	1.206	0	0		0	0	9.052
ATLÂNTICA - COMPANHIA PORTUGUESA DE PESCA, S.A.	5.132	0	0	0	0		0	0	17
TURISPAIVA - SOCIEDADE TURÍSTICA PAIVENSE, S.A.	135	0	0	0	0		0	0	1.320
COVIM - SOC. AGRÍCOLA, SILVÍCOLA E IMOBILIÁRIA, S.A.	0	-2.460	0	0	0		2.000	0	39
DICUORE - DECORAÇÃO, S.A.	25	0	0	0	0		0	0	20
RARCON - ARQUITECTURA E CONSULTADORIA, S.A.	84	-14.691	0	0	0		72.490	15	221
SPRAMO - PUBLICIDADE E IMAGEM, S.A.	0	-681	0	0	0		0	0	0
COCIGA - CONSTRUÇÕES CIVIS DE GAIA, S.A.	375	-89.926	0	0	0		57.859	0	1.969
SIMOGA - SOCIEDADE IMOBILIÁRIA DE GAIA, S.A.	1.036	0	0	0	0		0	0	0
FUNDAÇÃO SALVADOR CAETANO	99	0	0	0	0		0	0	99
TOYOTA MOTOR CORPORATION	17.872	-4.502.328	0	32.269.770	0		0	408.125	17.872
TOYOTA MOTOR EUROPE	5.585.589	-15.901.973	34.807.306	154.505.996	0		0	6.347.165	2.830.755

35. CONTINGENT ASSETS AND LIABILITIES

As of 31 December, 2016 and 2015, Toyota Caetano had assumed the following financial commitments:

RESPONSABILITIES	31/DEC/2016	31/DEC/2015
Commitments assumed by guaranties	1.500.000	1.500.000
A.T.A. Fiscal Authorities	4.000.000	4.000.000
Other Guaranties	1.168.684	994.671
	6.668.684	**6.494.671**

The financial commitments classified A.T.A include guarantee on imports provided to Customs Agency.

As a result of loans amounting to 17 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.

LITIGATION IN PROGRESS

The judicial claim presented by a former agent, that was pending a decision of the appeal presented in Supreme Court, was concluded without any, as was expected by the Board of Directors, responsibility to the Company.

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, 2007 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.

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 2016.

36. EARNINGS PER SHARE

The earnings per share for the year ended as of December 31, 2016 and 2015 were computed based on the following amounts:

	31/DEC/2016	31/DEC/2015
Net Income	5.950.756	6.474.875
Number of shares	35.000.000	35.000.000
Earnings per share (basic and diluted)	0,17	0,18
Comprehensive income	3.620.475	4.952.765
Number of shares	35.000.000	35.000.000
Comprehensive income (basic and diluted)	0,10	0,14

37. REMUNERATION OF BOARD MEMBERS

The remuneration of the board members in Toyota Caetano Portugal, S.A. during the years 2016 and 2015, was as follows:

BOARD MEMBERS	31/DEC/2016	31/DEC/2015
Board of Directors	347.183	347.183
Board of Auditors	8.400	8.400

38. REMUNERATION OF STATUTORY AUDITOR

The remuneration of the Statutory Auditor, PricewatherhouseCoopers & Associados – S.R.O.C., Lda. for 2016 and 2015, was as follows:

	31/DEC/2016	31/DEC/2015
Total fees related statutory audit	29.500	29.500
Total fees for other services of fiability assurance	3.500	

39. 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 2016.

40. SUBSEQUENT EVENTS

Since the end of 2016 to the present date, and in terms of relevant facts, no significant events occurred.

41. FINANCIAL STATEMENTS APPROVAL

The financial statements were approved by the Board of Directors on 27 March 2017.

According to the Portuguese Commercial Companies Code, it is possible the amended for these Financial Statements, after their approval by the Board of Directors.

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

4

CONSOLIDATED ACCOUNTS

CONSOLIDATED FINANCIAL HIGHLIGHTS

(Euros)

	DEC '16	DEC '15	DEC '14
TURNOVER	336.956.422	319.307.542	271.639.918
Cash flow	22.814.263	20.569.096	16.286.390
INTEREST AND OTHERS	2.296.755	2.105.152	1.343.024
PERSONNEL EXPENSES	39.365.006	38.673.292	35.838.481
NET INVESTMENT	19.090.702	22.915.693	13.022.095
NUMBER OF EMPLOYEES	1.505	1.567	1.492
NET INCOME WITH MINORITY INTEREST	6.003.186	6.166.789	3.960.251
NET INCOME WITHOUT MINORITY INTEREST	5.950.756	6.134.247	3.973.763
DEGREE OF AUTONOMY	46,29%	48,76%	52,01%

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2016 AND 31 DECEMBER 2015

(Amounts expressed in Euros)

ASSETS	NOTES	31/DEC/2016	31/DEC/2015
NON-CURRENT ASSETS			
Goodwill	8	611.997	611.997
Intangible Assets	5	1.077.832	1.460.526
Tangible Fixed Assets	6	86.264.400	83.589.227
Investment Properties	7	17.903.011	16.665.199
Available for Sale Financial Assets	9	3.483.128	3.463.450
Deferred Tax Assets	14	2.194.438	2.248.042
Accounts Receivable	11	26.048	46.553
Total Non-Current Assets		111.560.854	108.084.994
CURRENT ASSETS			
Inventories	10 and 24	82.791.897	82.163.203
Accounts Receivable	11 and 24	57.894.408	56.830.687
Other Debtors	12	2.999.881	3.146.581
Public Entities	21	1.151.938	105.973
Income Tax	21	99.372	1.148.070
Other Current Assets	13	4.723.329	3.074.581
Cash and Cash Equivalents	15	14.556.190	11.364.954
Total Current Assets		164.217.015	157.834.049
Total Assets		**275.777.869**	**265.919.043**

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 - Available for Sale Financial Assets	9 and 16	402.446	382.767
Other Reserves	16	73.024.661	74.490.374
Net Income		5.950.756	6.134.247
		126.376.712	128.006.237
Non-Controlling Interests	17	1.294.261	1.647.295
Total Equity		127.670.973	129.653.532
LIABILITIES			
NON-CURRENT LIABILITIES			
Loans	18	32.894.408	27.011.863
Defined Benefit Plan Liabilities	23	8.434.420	5.700.000
Provisions	24	407.105	303.252
Deferred Tax Liabilities	14	1.717.275	1.723.613
Total Non-Current Liabilities		43.453.208	34.738.728
CURRENT LIABILITIES			
Loans	18	36.326.297	36.801.453
Accounts Payable	19	35.509.231	36.237.691
Other Creditors	20	1.095.835	1.265.885
Public Entities	21	10.321.909	9.663.087
Other Current Liabilities	22	20.680.411	17.464.135
Defined Benefit Plan Liabilities	23	691.580	-
Derivative Financial Instruments	25	28.425	94.532
Total Current Liabilities		104.653.688	101.526.783
Total Liabilities and Shareholder' Equity		**275.777.869**	**265.919.043**

The annex integrates the Balance sheet at 31 December 2016.

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 2016 AND 2015

(Amounts expressed in Euros)

	NOTES	31/DEC/2016	31/DEC/2015
OPERATING INCOME:			
Sales	29	316.199.986	299.879.607
Services Rendered	29	20.756.436	19.427.935
Other Operating Income	32	43.214.520	46.228.677
Variation of Products	10	(340.128)	(3.825.916)
Total		379.830.814	361.710.303
Operating Expenses:			
Cost of Sales	10	(274.923.739)	(260.181.357)
External Supplies and Services	30	(37.106.246)	(36.416.747)
Payroll Expenses	31	(39.365.006)	(38.673.292)
Depreciations and Amortizations	5, 6 and 7	(15.540.732)	(13.662.625)
Provisions	24	(257.706)	(111.771)
Impairment Losses	24	(113.831)	605.826
Other Operating Expenses	32	(2.958.588)	(3.000.555)
Total		(370.265.848)	(351.440.521)
Operating Results		9.564.966	10.269.782
Expense and Financial Losses	33	(2.643.285)	(2.193.639)
Income and Financial Gains	33	346.531	88.487
Profit before Tax		7.268.212	8.164.630
Income Tax for the year	26	(1.265.026)	(1.997.841)
Net Profit for the Period		**6.003.186**	**6.166.789**
NET PROFIT FOR THE PERIOD ATTRIBUTABLE TO:			
Equity Holders of the Parent		5.950.756	6.134.247
Non-Controlling Interests		52.430	32.542
		6.003.186	**6.166.789**
EARNINGS PER SHARE:			
Basic	27	**0,170**	**0,175**
from continuing operations		**0,170**	**0,175**
Diluted	27	**0,170**	**0,175**
from continuing operations		**0,170**	**0,175**

The annex integrates the Balance sheet at 31 December 2016.

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 STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY AT 31 DECEMBER 2016 AND 2015

(Amounts expressed in Euros)

	SHARE CAPITAL	LEGAL RESERVES	REVALUATION RESERVES	TRANSLATION RESERVES	FAIR VALUE RESERVES	OTHER RESERVES	TOTAL RESERVES	NET PROFIT	SUBTOTAL	NON-CONTROLLING INTERESTS	TOTAL
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 Financial Investments fair Value Changes	-	-	-	-	343.816	-	343.816	-	343.816	-	343.816
Remeasurement (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											
Acquisition of Non-Controlling Interests	-	-	-	-	-	-	-	-	-	(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**
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**
Changes in the Period:									0		
Application of the Consolidated Net Income 2015	-	-	-	-	-	6.134.247	6.134.247	(6.134.247)	-	-	-
Others – Distributed Dividends to Non-Controlling Interests	-	-	-	-	-	-	-	-	-	(375.248)	(375.248)
Available for Sale Financial Investments Fair Value Changes	-	-	-	-	19.679	-	19.679	-	19.679	-	19.679
Remeasurement (Actuarial losses)	-	-	-	-	-	(2.349.960)	(2.349.960)	-	(2.349.960)	(30.216)	(2.380.176)
	-	-	-	-	19.679	3.784.287	3.803.966	(6.134.247)	(2.330.281)	(405.464)	(2.735.745)
Consolidated Net Profit for the Period	-	-	-	-	-	-		5.950.756	5.950.756	52.430	6.003.186
Total Comprehensive Income for the Year	-	-	-	-	19.679	(2.349.960)	(2.330.281)	5.950.756	3.620.475	52.430	3.672.905
Transactions with Equity Holders											
Acquisition of Non-Controlling Interests	-	-	-	-	-	-	-	-	-	-	-
Distributed Dividends	-	-	-	-	-	(5.250.000)	(5.250.000)	-	(5.250.000)	-	(5.250.000)
Balances at 31 of December 2016	**35.000.000**	**7.498.903**	**6.195.184**	**(1.695.238)**	**402.446**	**73.024.661**	**85.425.956**	**5.950.756**	**126.376.712**	**1.294.261**	**127.670.973**

The annex integrates the Balance sheet at 31 December 2016.

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 STATEMENT OF THE COMPREHENSIVE INCOME AT 31 DECEMBER 2016 AND 2015

(Amounts expressed in Euros)

	31/DEC/2016	31/DEC/2015
Consolidated net profit for the period, including non-controlling interests	6.003.186	6.166.789
Components of other consolidated comprehensive income, that could be recycled by profit and loss:		
Available for sale Financial Assets fair value changes (Note 9)	19.679	343.816
Components of other consolidated comprehensive income, that could not be recycled by profit and loss:		
Remeasurement (Actuarial losses gross of tax) (Note 23)	(2.704.205)	(700.000)
Deferred tax of actuarial losses (Note 14)	354.245	157.500
Consolidated comprehensive income	3.672.905	5.968.105
Attributable to:		
Equity holders of the parent company	3.620.475	5.935.563
Non-controlling interests	52.430	32.542

The annex integrates this statement at 31 December 2016.

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 CASH FLOWS STATEMENT

(Euros)

OPERATING ACTIVITIES	31/DEC/16		31/DEC/15	
Collections from Customers	335.629.628		320.519.560	
Payments to Suppliers	(311.678.339)		(304.217.012)	
Payments to Employees	(30.916.744)		(31.079.100)	
Operating Flow		(6.965.455)		(14.776.552)
Payments of Income Tax		225.691		(781.675)
Other Collections/Payments Related to Operating Activities		29.538.422		23.936.800
Cash Flow from Operating Activities		**22.798.658**		**8.378.573**
INVESTING ACTIVITIES				
Collections from:				
Investments				
Investments Properties (Note 7)	-		4.245.461	
Tangible Fixed Assets (Note 6)	5.158.890		2.807.093	
Interest and Other Income	397.242		74.737	
Dividends	-	5.556.132	-	7.127.291
Payments to:				
Investments	(234)		(6.755)	
Tangible Fixed Assets (Note 6)	(14.064.333)		(11.404.398)	
Intangible Assets (Note 5)	(284.726)	(14.349.293)	(1.474.235)	(12.885.388)
Cash Flow from Investment Activities		**(8.793.161)**		**(5.758.097)**
FINANCING ACTIVITIES				
Collections from:				
Loans	26.298.944		23.352.632	
Payments to:				
Loans	(25.110.526)		(17.893.476)	
Lease Down Payments	(3.752.429)		(2.333.471)	
Interest and Other Costs	(2.612.560)		(2.349.775)	
Dividends (Note 16)	(5.637.690)	(37.113.205)	(4.562.431)	(27.139.153)
Cash Flow from Financing Activities		**(10.814.261)**		**(3.786.521)**
CASH				
Cash and Cash Equivalents at Beginning of Period (Note 15)		11.364.954		12.530.999
Cash and Cash Equivalents at End of Period (Note 15)		14.556.190		11.364.954
Net Flow in Cash Equivalents		**3.191.236**		**(1.166.045)**

The annex integrates this statement at 31 December 2016.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2016

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 Portugal, S.A., belongs to the Salvador Caetano Group (led by Salvador Caetano Group S.G.P.S., S.A.), being held directly by Salvador Caetano Auto, S.G.P.S., S.A., since the end of the year.

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 January 1, 2016.

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 January 1, 2016, were adopted by the first time in the fiscal year ended at December 31, 2016

a) Changes to accounting standards that became effective as of January 1, 2016:

(i) Standards:

- **IAS 1** (amendment), 'Disclosure initiative'. 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 have insignificant impact in the Group financial statements.

- **IAS 16 and IAS 38** (amendment), 'Acceptable methods of depreciation and amortization calculation'. 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 Group financial statements.
- **IAS 16 and IAS 41** (amendment), 'Agriculture: bearer plants'. 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 Group financial statements.
- **IAS 19** (amendment), 'Defined benefit plans – Employee contributions'. 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 Group financial statements.
- **IAS 27** (amendment), 'Equity method in separate financial statements'. 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 Group financial statements.
- **Amendment to IFRS 10, 12 and IAS 28**, 'Investment entities: applying consolidation exception'. 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 Group financial statements.
- **IFRS 11** (amendment), 'Accounting for the acquisition of interests in joint operations'. 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 Group financial statements.
- **Annual Improvements 2010 – 2012**. The 2010-2012 annual improvements affects: IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16 and 38, and IAS 24. This amendment did have insignificant impact in the Group financial statements.
- **Annual Improvements 2012 - 2014**. The 2012-2014 annual improvements affects: IFRS 5, IFRS 7, IAS 19 and IAS 34. This amendment did have insignificant impact in the Group financial statements.

b) Standards that have been published and are mandatory for the accounting periods beginning on or after January 1, 2017 and were already endorsed by the European Union:

(i) Standards:

- **IFRS 9** (new), 'Financial instruments' (effective for annual periods beginning on or after 1 January 2018). 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 Group financial statements.
- **IFRS 15** (new), 'Revenue from contracts with customers' (effective for annual periods beginning on or after 1 January 2018). This new standard, applies only to contracts with customers to provide goods or services, and requires an entity to recognize 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. It is not expected significant impact of future adoption of this amendment on the Group financial statements.

c) Standards (new and amendments) and interpretations that have been published and are mandatory for the accounting periods beginning on or after January 1, 2017, but are not yet endorsed by the European Union:

(i) Standards:

- **IAS 7** (amendment), 'Cash Flow statement – Disclosure initiative' (effective for annual periods beginning on or after 1 January 2017). This amendment is still subject to endorsement by the European Union. This amendment introduces an additional disclosure about the changes in liabilities arising from financing activities, disaggregated between cash changes and non-cash changes and how it reconciles with the reported cash flows from financing activities, in the Cash Flow Statement. It is not expected significant impact of future adoption of this amendment on the Group financial statements.
- **IAS 12** (amendment),'Income taxes – Recognition of deferred tax assets for unrealized losses' (effective for annual periods beginning on or after 1 January 2017). This amendment is still subject to endorsement by the European Union. This amendment clarifies how to account for deferred tax assets related to assets measured at fair value, how to estimate future taxable profits when temporary deductible differences exist and how to assess recoverability of deferred tax assets when restrictions exist in the tax law. It is not expected significant impact of future adoption of this amendment on the Group financial statements.
- **IAS 40** (amendment), 'Transfers of Investment property' (effective for annual periods beginning on or after 1 January 2018). This amendment is still subject to endorsement by the European Union. This amendment clarifies when assets are transferred to, or from investment properties, the evidence of the change in use is required. A change of management intention in isolation is not enough to support a transfer. It is not expected significant impact of future adoption of this amendment on the Group financial statements.
- **IFRS 2** (amendment), 'Classification and measurement of share-based payment transactions' (effective for annual periods beginning on or after 1 January 2018). This amendment is still subject to endorsement by the European Union. This amendment clarifies the measurement basis for cash-settled, share--based payments and the accounting for modifications to a share-based payment plan that change the classification an award from cash-settled to equity-settled. It also introduces an exception to the principles in IFRS 2 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority. It is not expected significant impact of future adoption of this amendment on the Group financial statements.
- **IFRS 4** (amendment), 'Insurance contracts (Applying IFRS 4 with IFRS 9)' transactions' (effective for annual periods beginning on or after 1 January 2018). This amendment is still subject to endorsement by the European Union. This amendment allows companies that issue insurance contracts the option to recognize in Other Comprehensive Income, rather than Profit or Loss the volatility that could rise when IFRS 9 is applied before the new insurance contract standard is issued. Additionally, it is given an optional temporary exemption from applying IFRS 9 until 2021, to the companies whose activities are predominantly connected with insurance, not being applicable at consolidated level. This amendment did not have any impact in the financial statements of the Entity.
- **Amendments to IFRS 15** , 'Revenue from contracts with customers' (effective for annual periods beginning on or after 1 January 2018). These amendments are still subject to endorsement by European Union. These amendments refer to additional guidance for determining the performance obligations in a contract, the timing of revenue recognition from a license of intellectual property, the review of the indicators for principal versus agent classification, and to new practical expedients to simplify transition. It is not expected significant impact of future adoption of this amendment on the Group financial statements.
- **IFRS 16** (new), 'Leases' (effective for annual periods beginning on or after 1 January 2019). This standard is still subject to endorsement by European Union. This new standard replaces the IAS 17 with a significant impact on the accounting by lessees that are now required to recognize a lease liability reflecting future lease payments and a "right-of-use asset" for all lease contracts, except for certain short-term leases and for low-value assets. The definition of a lease contract also changed, being based on the "right to control the use of an identified asset".

- **Annual Improvement 2014 - 2016** (generally effective for annual periods beginning on or after 1 January 2017). These improvements are still subject to endorsement by European Union. The 2014-2016 annual improvements impacts: IFRS 1, IFRS 12 and IAS 28. It is not expected significant impact of future adoption of this amendment on the Group financial statements..

(ii) Interpretations:

- **IFRIC 22** (new), 'Foreign currency transactions and advance consideration' (effective for annual periods beginning on or after 1 January 2018). This interpretation is still subject to endorsement by European Union. An Interpretation to IAS 21 'The effects of changes in foreign exchange rates' it refers to the determination of the "date of transaction" when an entity either pays or receives consideration in advance for foreign currency denominated contracts". The date of transaction determines the exchange rate used to translate the foreign currency transactions. This interpretation did not have any impact in the Group financial statements.

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-controlling Interests". Fully consolidated companies are listed in Note 4.

When losses attributable to minority shareholders exceed non-controlling interests in shareholder's 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 corresponds 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 recognized 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 recognized directly in the Consolidated Income Statement.

For business combinations that have occurred on or after January 1, 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 January 1, 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 remeasured 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 "Other operating income" after reconfirmation of the fair value assigned.

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 recognized 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.

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

As of December 31, 2016 and 2015, 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 2016 and 2015 in the translation into Euros of foreign subsidiaries were as follows:

2016	CUR-RENCY	FINAL EXCHANGE RATE FOR 2016	AVERAGE EXCHANGE RATE FOR 2016	EXCHANGE RATE AT THE DATE OF INCORPORATION	FINAL EXCHANGE RATE FOR 2015
Caetano Auto CV, S.A.	CVE	0,009069	0,009069	0,009069	0,009069
Captions		Balance Sheet except Shareholders	Income Statement	Share Capital	Retained Earnings

2015	CUR-RENCY	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, S.A.	CVE	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 “Impairment losses” 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 capitalized 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 deducted of impairment losses. 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 amortized on a straight-line basis over a period of three to five years.

The amortization 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 "Impairment losses" 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 "Impairment losses" 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 and Profit 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 recognized 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 recognized at the initial moment of their acquisition at cost. Subsequently, these are valued at average acquisition 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, which corresponds to the price shown on market statistics.

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. The benefit of the below-market rate of interest shall be recognized and 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 "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 "Impairment losses". 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 previous 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 "Impairment Losses".

Goodwill impairment losses cannot be reversed.

h) Financial expenses

Loan's related financial costs (interests, premiums, ancillary costs and lease interests) are recognized 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', 'Investments held to maturity' and 'Available for sale financial assets'. 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 valorization 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, 2016 and 2015, 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.

At December 31, 2016 and 2015, Toyota Caetano Group did not have financial instruments registered in the items "investments held to maturity".

Available for sale financial assets

These are all the remaining investments that are not classified as held to maturity or measured at fair value through profit and loss. 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, 2016 and 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 - (Level 1). 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) - (Level 2). On the other cases, valuation techniques are used, not based on observable market data - (Level 3).

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 financial assets" is 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 financial assets representative of share capital from unquoted companies are recognized at the acquisition cost, taking into account the existence or not of impairment losses. It is conviction of the Board of Directors 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 available for sale financial assets 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 fair value of the available for sale financial assets 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 of Directors 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 "available for sale financial assets", 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 and Other debtors

Accounts receivable and Other debtors not bearing interests are measured at 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 and Other creditors

Accounts payable and Other creditors not bearing interests are measured at 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.

At December 31, 2016 and 2015, Toyota Caetano Group only have derivative financial instruments for negotiation.

The derivative financial instruments, for which the company has not designated 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.

The fair value of derivative financial instruments contracted at December 31, 2016 and 2015 is presented in Note 25.

(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 recognized, net of the fair value of net assets within the pension fund (Note 23).

The Group recognized remeasurement 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

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.

o) Revenue

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.

Revenue of the Toyota Caetano Portugal Group is comprised of the revenue arising from the activities mentioned in Note 1.

p) 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".

q) 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, favorable and unfavorable, 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.

r) Segment information

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

In accordance with IFRS 8, an operating segment is a Group component:

i) that engages in business activities from which it may earn revenues and incur expenses;

ii) whose operating results are reviewed regularly by the entity's chief operating decision maker in order to make decisions about resources to be allocated to the segment and assess its performance; and

iii) for which discrete financial information is available.

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

s) 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, 2016 and 2015 there were no non-current assets held for sale which fulfil the requirements mentioned above.

t) 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, 2016 and 2015 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 and sensibility tests (Note 8);

d) Discharge of the fair value of derivative financial instruments; and

e) Clearance of responsibilities with Pension complements (Note 23).

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.

The main significant judgments and estimates relating to future events included in the preparation of the financial statements are described in the related notes to the financial statements.

The company conducts sensitivity tests, in order to measure the risk inherent in these judgments and estimates.

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 minimize 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 of December 31, 2016 and 2015, 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	
	2016	2015	2016	2015
Cape Verde Escudo (CVE)	10.416.262	7.636.574	6.383.793	1.818.789
Great Britain Pounds (GBP)	-	1.644	-	989
Japanese Yen (JPY)	-	-	408.216	266.553
Angolan Kwanza (AOA)	-	-	778	-

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

		2016		2015	
	VARIATION	PROFIT OR LOSS	EQUITY	PROFIT OR LOSS	EQUITY
Cape Verde Escudo (CVE)	5%	6.615	197.505	7.317	290.566
Great Britain Pounds (GBP)	5%	-	-	33	-
Japanese Yen (JPY)	5%	(20.411)	-	(13.328)	-
Angolan Kwanza (AOA)	5%	(39)	-	-	-

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 2016 and 2015, the Group has been exposed to the risk of variation of available for sale financial assets' prices. At December 31, 2016 and 2015, 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 financial 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 financial assets can be summarized as follows (increases/(decreases)):

		DEC - 2016		DEC - 2015	
	VARIATION	PROFIT OR LOSS	EQUITY	PROFIT OR LOSS	EQUITY
CIMÓVEL FUND	10%	-	341.639	-	339.671
CIMÓVEL FUND	-10%	-	(341.639)	-	(339.671)

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 0,5 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.

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

		2016		2015	
	VARIATION	NET INCOME	EQUITY	NET INCOME	EQUITY
Mutual Loans	0,5 p.p.	21.053	-	30.128	-
Guaranteed Account	0,5 p.p.	10.000	-	50.000	-
Bank Credits	0,5 p.p.	5.006	-	106	-
Commercial Paper	0,5 p.p.	64.000	-	108.500	-
Long-term Bank Loan	0,5 p.p.	95.000	-	45.000	-
Confirming	0,5 p.p.	49.653	-	-	-
Total		**244.712**	**-**	**233.734**	**-**
Mutual Loans	(0,5 p.p.)	(21.053)	-	(30.128)	-
Guaranteed Account	(0,5 p.p.)	(10.000)	-	(50.000)	-
Bank Credits	(0,5 p.p.)	(5.006)	-	(106)	-
Commercial Paper	(0,5 p.p.)	(64.000)	-	(108.500)	-
Long-term Bank Loan	(0,5 p.p.)	(95.000)	-	(45.000)	-
Confirming	(0,5 p.p.)	(49.653)	-	-	-
Total		**(244.712)**	**-**	**(233.734)**	**-**

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 maximization of the return obtained and minimization 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 minimization of the probability of default in the repayment of any application in funds; and

(iii) Financial Efficiency, which is ensuring that the Companies maximize 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.

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):

2016	LESS THAN 1 YEAR	BETWEEN 1 AND 2 YEARS	BETWEEN 2 AND 4 YEARS	MORE THAN 4 YEARS	TOTAL
Loans	36.326.297	11.340.707	8.039.008	13.514.693	69.220.705
Accounts Payable	35.509.231	-	-	-	35.509.231
Public Entities	10.321.909	-	-	-	10.321.909
Other Creditors	1.095.835	-	-	-	1.095.835
	83.253.272	**11.340.707**	**8.039.008**	**13.514.693**	**116.147.680**

2015	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**

At December 31, 2016 and 2015, the Group presents a net debt of 54.664.515 Euros and 52.448.362 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 Group 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)).

	2016	2015
Debt	69.220.705	63.813.316
Cash and Cash Equivalents	(14.556.190)	(11.364.954)
Net Debt	54.664.515	52.448.362
Equity	127.670.973	129.653.532
Leverage Ratio	29,98%	28,80%

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

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, 2016 were of, approximately, 8.020.667 Euros (7.550.000 as of December 31, 2015), 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 and (c) the client financial situation. The movements of these adjustments for the years ending at December 31, 2016 and 2015 are stated in Note 24.

At December 31, 2016 and 2015, 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.

The following table presents, on December 31, 2016, the credit quality of bank deposits:

DEPOSITS LONG-TERM RATING	RATING AGENCY	VALUE
A1	Moody's	481.138
A3	Moody's	206.038
B1	Moody's	8.728.271
B3	Moody's	754.648
Ba1	Moody's	44.411
Ba3	Moody's	413.457
Baa1	Moody's	12.839
Baa3	Moody's	159.215
Caa1	Moody's	659.764
Others without rating assigned	Others without rating assigned	2.975.123
Total		**14.434.904**

The ratings presented correspond to ratings assigned by the Rating Agency Moody's.

3. CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF MISSTATEMENTS

During the year ended as of December 31, 2016, 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, 2016 and 2015, are as follows:

COMPANIES	EFFECTIVE PERCENTAGE HELD	
	2016	2015
Toyota Caetano Portugal, S.A.	Parent Company	
Saltano - Investimentos e Gestão (S.G.P.S.), S.A.	99,98%	99,98%
Caetano Auto CV, S.A.	81,24%	81,24%
Caetano Renting, S.A.	99,98%	99,98%
Caetano - Auto, S.A.	98,40%	98,40%

These subsidiaries were included in the consolidated financial statements using the full consolidation method, as established in IFRS 10 – "Consolidated Financial Statements" (subsidiary control through the major voting rights and exposure to variable returns in relevant activities).

Changes in the consolidation perimeter

During the year ended December 31, 2016 and 2015 there was not occurred any change in the composition of the consolidation perimeter.

5. INTANGIBLE ASSETS

During the year ended as December 31, 2016 and 2015, the movement in intangible assets, as well as in the respective accumulated amortization and accumulated impairment losses, was as follows:

2016	RESEARCH AND DEVELOPMENT EXPENSES	INDUSTRIAL PROPERTY	GOODWILL	COMPUTER PROGRAMS	INTANGIBLE ASSETS IN PROGRESS	TOTAL
Gross Assets:						
Opening Balances	1.394.907	284.179	81.485	2.003.979	60.760	3.825.310
Additions	-	30.000	-	154.646	100.080	284.726
Disposals and Write-offs	-	(1.405)	-	(19.188)	-	(20.593)
Transfers	82.310	-	-	-	-	82.310
Ending Balances	1.477.217	312.774	81.485	2.139.437	160.840	4.171.753
Accumulated Amortization and Impairment losses:						
Opening Balances	464.969	163.243	81.485	1.655.087	-	2.364.784
Amortizations	492.406	22.499	-	234.825	-	749.730
Disposals and Write-offs	-	(1.405)	-	(19.188)	-	(20.593)
Ending Balances	957.375	184.337	81.485	1.870.724	-	3.093.921
Net Intangible Assets	**519.842**	**128.437**	**-**	**268.713**	**160.840**	**1.077.832**

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 and Write-offs	-	-	-	-	(24.202)	-	(24.202)
Transfers	-	24.202	-	-	-	-	24.202
Ending Balances	1.394.907	284.179	81.485	2.003.979	-	60.760	3.825.310
Accumulated Amortization and Impairment losses:							
Opening Balances	-	144.391	81.485	1.470.283	-	-	1.696.159
Amortizations	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**

In 2016 and 2015, the variations recorded in "research and development expenses" 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, 2016 and 2015, the movement in tangible fixed assets, as well as in the respective accumulated depreciation and accumulated impairment losses, was as follows:

2016	LAND	BUILDINGS AND OTHER CONSTRUCTIONS	MACHINERY AND EQUIPMENT	TRANSPORT EQUIPMENT	ADMINISTRATIVE EQUIPMENT	OTHER FIXED ASSETS	TANGIBLE ASSETS IN PROGRESS	TOTAL
Gross Assets:								
Opening Balances	16.842.823	93.538.551	60.117.299	55.526.355	7.880.877	4.318.806	397.459	238.622.170
Additions	-	567.891	372.209	34.798.555	395.634	97.337	121.931	36.353.557
Disposals and Write-offs	-	(240.645)	(322.126)	(25.623.984)	(152.139)	(46.032)	(112.531)	(26.497.457)
Transfers	(371.058)	(2.797.381)	265.130	-	-	-	(397.459)	(3.300.768)
Ending Balances	16.471.765	91.068.416	60.432.512	64.700.926	8.124.372	4.370.111	9.400	245.177.502
Accumulated Depreciation and Impairment losses:								
Opening Balances	-	60.281.003	54.610.829	28.543.554	7.514.630	4.082.927	-	155.032.943
Depreciations	-	2.357.289	1.248.210	10.330.551	125.054	75.971	-	14.137.075
Disposals and Write-offs	-	(56.278)	(267.174)	(8.369.653)	(127.557)	(39.749)	-	(8.860.411)
Transfers	-	(1.396.505)	-	-	-	-	-	(1.396.505)
Ending Balances	-	61.185.509	55.591.865	30.504.452	7.512.127	4.119.149	-	158.913.102
Net Tangible Assets	**16.471.765**	**29.882.907**	**4.840.647**	**34.196.474**	**612.245**	**250.962**	**9.400**	**86.264.400**

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)
Transfers	-	(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)
Transfers	-	-	(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**

In 2016, the transfers recorded in "Land" and "Buildings and Other Constructions" are related to the transfer for Investment Properties of Castelo Branco and Viana do Castelo Stands, as well the disposals and write--offs related of several machinery and administrative equipment affect to the same facilities.

In 2016 and 2015, the increases recorded 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 December 31, 2016 and 2015, the assets acquired through financial leases are presented as follows:

	2016		
	GROSS ASSETS	ACCUMULATED DEPRECIATION	NET VALUE
Fixed Tangible Assets	32.586.491	10.939.539	21.646.952

	2015		
	GROSS ASSETS	ACCUMULATED DEPRECIATION	NET VALUE
Fixed Tangible Assets	23.286.089	5.335.258	17.950.831

7. INVESTMENT PROPERTIES

As of December 31, 2016 and 2015, 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 4.010.010 Euros in the year ended as of December 31, 2016 (3.303.270 Euros 31, December 2015).

Additionally, in accordance with appraisals with reference to 2016, the fair value of those investment properties amounts to, approximately, 51 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.

The real estate assets recorded in the caption "Investment properties" as of December 31, 2016 and 2015 are made up as follows:

LOCATION	DEC-16			DEC-15		
	NET ACCOUNTING VALUE	FAIR VALUE	APPRAISAL	NET ACCOUNTING VALUE	FAIR VALUE	APPRAISAL
Vila Nova de Gaia - Av. da República	84.202	1.192.400	internal	87.064	1.192.400	internal
Braga - Av. da Liberdade	406	1.355.000	internal	604	1.355.000	internal
Porto - Rua do Campo Alegre	887.680	2.877.000	internal	952.996	2.877.000	internal
Viseu - Teivas	846.876	896.000	external	896.000	896.000	external
Óbidos - Casal do Lameiro	58.712	1.400.000	internal	59.558	1.400.000	internal
Castro Daire - Av. João Rodrigues Cabrilho	26.610	58.000	internal	27.709	58.000	internal
Caldas da Rainha - Rua Dr. Miguel Bombarda	17.531	85.000	internal	17.531	85.000	internal
Viseu - Quinta do Cano	1.742.162	2.461.740	internal/ external	1.758.024	2.461.740	internal/ external
Amadora - Rua Elias Garcia	184.476	149.000	internal	187.935	149.000	internal
Portalegre - Zona Industrial	188.958	173.000	internal	194.099	173.000	internal
Portimão - Cabeço do Mocho	424.781	550.000	external	424.781	410.000	internal
Vila Real de Santo António - Rua de Angola	24.628	83.000	internal	26.063	83.000	internal
Rio Maior	107.000	107.000	internal	107.000	107.000	internal
S. João de Lourosa - Viseu	460.072	487.030	internal	463.268	487.030	internal
Vila Nova de Gaia - Av. Vasco da Gama (Buildings A e B)	3.236.940	8.692.000	external	3.454.289	11.448.000	internal
Vila Nova de Gaia - Av. Vasco da Gama (Buildings G)	942.873	6.077.000	external	1.044.637	6.003.000	internal
Carregado - Quinta da Boa Água / Quinta do Peixoto	5.086.939	19.218.000	external	5.135.484	21.518.000	internal
Lisboa - Av. Infante Santo	1.170.590	1.247.000	internal	1.199.980	1.247.000	internal
Vila Nova de Gaia - Rua das Pereiras	261.219	788.000	internal	273.052	788.000	internal
Leiria - Azóia	355.125	797.000	internal	355.125	797.000	internal
Castelo Branco - Repair Shop	839.678	1.450.000	internal	-	-	-
Viana do Castelo - Stand and Repair Shop	955.553	975.000	internal	-	-	-
	17.903.011	**51.118.170**		**16.665.199**	**53.535.170**	

The investment properties fair value disclosed in December 31, 2016 and December 31, 2015 was determined on an annual basis by an independent appraiser (the fair value was determined by the average of the evaluations by Market Method, Cost Method and Return Method).

In accordance to the classification of the evaluation methods mentioned above, and related with the fair value hierarchy (IFRS 13), they are classified as follows:

- Market Method – Level 2 (fair value determined based on observable market data)
- Cost Method and Return Method – Level 3 (fair value determined based on non observable market data, developed to reflect assumptions to be used by independent appraisers.

Additionally, as a result of all internal assessments prepared by the Group for the remaining properties and given the nonexistence of major works in 2016, the absence of relevant claims in 2016 and the lack of properties in areas of accelerated degradation, is convinced the administration of that there has been no significant change to the fair value of these properties in 2016, believing they are still valid and current values of the last external evaluation carried out in late 2012, 2013, 2014 and 2016.

The rentals obtained related to the investment properties above mentioned are disclosed in Note 32.

The movement in the caption "Investment properties" as of December 31, 2016 and 2015 was as follows:

2016 **GROSS ASSETS:**	**LAND**	**BUILDINGS**	**TOTAL**
Opening Balances	9.916.943	36.133.435	46.050.378
Increases	-	69.182	69.182
Transfers	351.074	2.931.111	3.282.185
Ending Balances	10.268.017	39.133.728	49.401.745
ACCUMULATED DEPRECIATION	**LAND**	**BUILDINGS**	**TOTAL**
Opening Balances	-	29.385.179	29.385.179
Increases	-	653.927	653.927
Transfers	-	1.459.628	1.450.970
Ending Balances	-	31.498.734	31.498.734
Net Value	**10.268.017**	**7.634.994**	**17.903.011**

2015 **GROSS ASSETS**	**LAND**	**BUILDINGS**	**TOTAL**
Opening Balances	9.985.217	36.926.900	46.912.117
Increases	-	2.070.055	2.070.055
Disposals and Write-offs	(68.274)	(2.779.596)	(2.847.870)
Transfers	-	(83.924)	(83.924)
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
Disposals and Write-offs	-	(1.699.081)	(1.699.081)
Transfers	-	(62.014)	(62.014)
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**

The movements in 2016 are due to the reclassification of Tangible Fixed Assets for Investment Properties buildings in Castelo Branco and Viana de Castelo.

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 in Viseu - Teivas. The accumulated impairment losses recorded in 2016 amounts to 2.628.814 Euros.

8. GOODWILL

At December 31, 2016 and 2015 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 amortized. 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, 2016, 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]	2%
Discount rate[2]	9,83%

[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, 2016, the net book value of assets, including goodwill (0,6 million Euros), does not exceed its recoverable amount (16 million 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 ASSETS

As of December 31, 2016 and 2015 the movements in item "available for sale financial assets" were as follows:

	2016	**2015**
Fair value at January 1	3.463.450	3.119.634
Increase/(decrease) in fair value	19.678	343.816
Ending Balances	3.483.128	3.463.450

As of December 31, 2016, "Available for sale financial assets" include the amount of 3.416.391 Euros (3.396.713 Euros December 31, 2015) 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 402.446 Euros). The remaining "Available for sale financial assets" refer to small investments in non listed companies. The Board of Directors consider that the net accounting value is similar to its fair value.

Additionally, the impact in equity and impairment losses in 2016 and 2015 from recording "Available for sale financial assets" at fair value can be summarized as follows:

	2016	**2015**
Variation in fair value	19.678	343.816
Equity effect	19.678	343.816

10. INVENTORIES

As of December 31, 2016 and 2015, this caption breakdown is as follows:

	2016	**2015**
Raw and Subsidiary Materials	9.307.008	10.080.953
Production in Process	937.645	1.137.959
Finished and Semi-Finished Products	1.466.863	1.613.906
Merchandise	72.612.904	70.642.162
	84.324.420	83.474.980
Accumulated impairment losses in inventories (Note 24)	(1.532.523)	(1.311.777)
	82.791.897	**82.163.203**

During the years ended as of December 31, 2016 and 2015, cost of sales was as follows:

	2016			2015		
	MERCHANDISE	RAW AND SUBSIDIARY MATERIALS	TOTAL	MERCHANDISE	RAW AND SUBSIDIARY MATERIALS	TOTAL
Opening Balances	70.642.162	10.080.953	80.723.115	61.390.733	3.938.945	65.329.678
Net Purchases	245.920.555	30.199.981	276.120.536	238.586.581	36.988.213	275.574.794
Ending Balances	(72.612.904)	(9.307.008)	(81.919.912)	(70.642.162)	(10.080.953)	(80.723.115)
Total	**243.949.813**	**30.973.926**	**274.923.739**	**229.335.152**	**30.846.205**	**260.181.357**

During the years ended as of December 31, 2016 and 2015, the variation in production was computed as follows:

	FINISHED AND SEMI-FINISHED PRODUCTS	
	2016	2015
Ending Balances	2.404.508	2.751.865
Inventories adjustments	7.229	(16.274)
Opening Balances	(2.751.865)	(6.561.507)
Total	**(340.128)**	**(3.825.916)**

11. ACCOUNTS RECEIVABLE

As of December 31, 2016 and 2015, the detail of this caption was as follows:

	CURRENT ASSETS		NON-CURRENT ASSETS	
	2016	2015	2016	2015
Customers, Current Accounts	57.872.820	56.738.200	26.048	46.553
Doubtful Accounts Receivable	9.465.385	9.803.136	-	-
	67.338.205	66.541.336	26.048	46.553
Accumulated Impairment Losses in Accounts Receivable (Note 24)	(9.443.797)	(9.710.649)	-	-
	57.894.408	**56.830.687**	**26.048**	**46.553**

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 ageing

2016	- 60 DAYS	60-90 DAYS	90-120 DAYS	+ 120 DAYS	TOTAL
Accounts Receivable	32.787.221	1.177.256	1.163.134	16.234.201	51.361.812
Employees	14.873	-	4.012	526.996	545.881
Independent Dealers	5.649.284	333.953	1.074	6.864	5.991.175
Total	**38.451.378**	**1.511.209**	**1.168.220**	**16.768.061**	**57.898.868**

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**

Accounts receivable ageing considering impairment losses

2016	- 60 DAYS	60-90 DAYS	90-120 DAYS	+ 120 DAYS	TOTAL
Doubtful Accounts Receivable	12.780	7.463	4.986	9.440.156	9.465.385
Total	**12.780**	**7.463**	**4.986**	**9.440.156**	**9.465.385**

2015	- 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**

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.

Accounts receivable ageing against maturity

2016	- 60 DAYS	60-90 DAYS	90-120 DAYS	+ 120 DAYS	TOTAL
Doubtful Accounts Receivable	27 319 238	1 365 201	1 218 907	19 134 153	49 037 499
Total	**27 319 238**	**1 365 201**	**1 218 907**	**19 134 153**	**49 037 499**

2015	- 60 DAYS	60-90 DAYS	90-120 DAYS	+ 120 DAYS	TOTAL
Doubtful Accounts Receivable	23 617 945	2 460 883	1 269 597	18 758 525	46 106 950
Total	**23 617 945**	**2 460 883**	**1 269 597**	**18 758 525**	**46 106 950**

12. OTHER CREDITS

As of December 31, 2016 and 2015, the detail of this caption was as follows:

	CURRENT ASSETS	
	2016	2015
Down Payments to Suppliers	441.391	813.122
Other Debtors	2.558.490	2.333.459
	2.999.881	**3.146.581**

The caption "Other credits" includes the amount of, approximately, 0,8 Million Euros as of December 31, 2015 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, 2016, the amount of, approximately, 800.000 Euros to be received from Salvador Caetano Auto Africa, S.G.P.S., S.A. (800.000 Euros as of December 31, 2015).

Finally, this caption also caption includes, as of December 31, 2016, the amount of, approximately, 618.000 Euros to be received from Salvador Caetano Foundation (683.000 Euros at December 31, 2015).

13. OTHER CURRENT ASSETS

As of December 31, 2016 and 2015, the detail of this caption was as follows:

	2016	2015
Accrued Income		
Fleet Programs	1.475.076	-
Rappel	1.135.857	608.718
Commission	369.029	407.131
Warranty Claims	300.251	163.732
Staff	121.742	30.807
Fees	76.017	39.794
Recover Logistics Costs	-	335.530
Interest	-	626
Others	483.113	586.455
	3.961.085	2.172.793
Deferred Expenses		
Insurance	144.176	126.848
Interest	75.058	50.144
Rentals	20.642	121.827
Pension Fund	-	201.710
Others	522.368	401.259
	762.244	901.788
Total	**4.723.329**	**3.074.581**

14. DEFERRED TAXES

The detail of deferred tax assets and liabilities recorded in the accompanying consolidated financial statements as of December 31, 2016 and 2015 is as follows:

2016	2015	PROFIT AND LOSS IMPACT (INCOME TAX)	PROFIT AND LOSS IMPACT (DEFERRED TAX)	EQUITY IMPACT	2016
Deferred tax assets:					
Provisions not accepted for tax purpose	287.440	-	7.133	-	294.573
Tax losses	502.622	-	(414.053)	-	88.569
Defined Benefit Plan Liabilities	1.257.500	-	-	354.245	1.611.745
Write-off of tangible assets	164.460	-	28.695	-	193.155
Derivative financial instruments valuation	36.020	-	(29.624)	-	6.396
	2.248.042	-	(407.849)	354.245	2.194.438
Deferred tax liabilities:					
Depreciation as a result of legal and free revaluation of fixed assets	(659.109)	-	6.338	-	(652.771)
Effect of the reinvestments of the surplus in fixed assets sales	(165.772)	-	-	-	(165.772)
Fair value of investments fixed assets	(898.732)	-	-	-	(898.732)
	(1.723.613)	-	6.338	-	(1.717.275)
Net effect (Note 26)			(401.511)		

2015	2014	PROFIT AND LOSS IMPACT (INCOME TAX)	PROFIT AND LOSS IMPACT (DEFERRED TAX)	EQUITY IMPACT	2015
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
Defined Benefit Plan Liabilities	1.100.000	-	-	157.500	1.257.500
Write-off of tangible assets	410.521	-	(246.061)	-	164.460
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)		

At December 31, 2016 and 2015, the companies of the Group reported the following tax losses, for which tax deferred assets have been recognized:

WITH LATEST DATE OF UTILIZATION	2016		2015		
	TAX LOSSES	DEFERRED TAX ASSETS	TAX LOSSES	DEFERRED TAX ASSETS	EXPIRY DATE
At 2012					
- Consolidated tax Toyota Caetano Portugal	368.233	77.329	2.339.916	491.382	2017
At 2013					
- Consolidated tax Toyota Caetano Portugal	53.524	11.240	53.524	11.240	2018
	421.757	88.569	2.393.440	502.622	

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, 2016 and 2015 tax rates used to compute current and deferred tax assets and liabilities were as follows:

	TAX RATES	
	2016	2015
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 (CIRC) 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 CIRC.

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 2013 and 2016 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, 2016 and 2015 cash and cash equivalents detail was the following:

	2016	2015
Cash	121.286	118.992
Bank Deposits	14.434.904	11.245.962
	14.556.190	**11.364.954**

16. EQUITY

SHARE CAPITAL

As of December 31, 2016 and 2015, 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:

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

On December 23, 2016, the Group Salvador Caetano S.G.P.S., S.A. sold to Salvador Caetano - Auto - S.G.P.S., S.A. 21.288.281 shares with a nominal value of 1 Euro each, fully subscribed and representing 60,82% of the share capital.

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-CONTROLLING INTERESTS

Movements in this caption during the year ended as of December 31, 2016 and 2015 were as follows:

	2016	2015
Opening Balances as of January, 1	1.647.295	1.630.768
Dividends	(375.248)	-
Others	(30.216)	(16.015)
Net profit attributable to Non controlling Interests	52.430	32.542
	1.294.261	**1.647.295**

As of December 31, 2016 and 2015, the decomposition of the mentioned value by subsidiary company is as follows:

2016	% NCI	NON-CONTROLLING INTEREST	NET PROFIT ATTRIBUTABLE TO NON CONTROLLING INTEREST
Saltano S.G.P.S.	0,02%	4.036	(1)
Caetano Auto CV	18,76%	744.975	17.800
Caetano Renting	0,02%	567	34
Caetano Auto	1,60%	544.683	34.597
		1.294.261	**52.430**

2015	% NCI	NON-CONTROLLING INTEREST	NET PROFIT ATTRIBUTABLE TO NON CONTROLLING INTEREST
Saltano S.G.P.S.	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**

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

ITEM	CAETANO AUTO		CAETANO AUTO CV	
	2016	2015	2016	2015
Non-current Assets	47.781.219	49.302.852	1.442.626	1.493.829
Current Assets	66.644.229	47.146.673	8.973.636	6.142.745
Total Assets	**114.425.448**	**96.449.525**	**10.416.262**	**7.636.574**
Non-current Liabilities	7.610.873	6.049.428	82.378	-
Current Liabilities	74.398.428	56.929.406	6.383.793	1.818.789
Total Equity	**32.416.147**	**33.470.691**	**3.950.091**	**5.817.785**
Sales and Service Rendered	185.330.101	186.583.747	10.757.825	8.785.688
Operating Results	976.265	304.459	225.194	214.307
Net Financial Results	40.721	111.463	(21.979)	(9.200)
Income Tax for the Year	(186.529)	(316.697)	(70.923)	(52.302)
Net Profit for the Period	**830.457**	**99.226**	**132.293**	**152.804**

ITEM	CAETANO RENTING		SALTANO	
	2016	2015	2016	2015
Non-current Assets	14.805.645	10.555.665	19.961.574	20.266.706
Current Assets	4.255.748	1.713.868	2.049.100	2.054.105
Total Assets	**19.061.393**	**12.269.533**	**22.010.674**	**22.320.811**
Non-current Liabilities	200.014	200.014	-	-
Current Liabilities	15.789.454	9.241.907	3.580.386	3.581.438
Total Equity	**3.071.925**	**2.827.612**	**18.430.288**	**18.739.374**
Sales and Service Rendered	4.532.916	3.667.882	-	-
Operating Results	391.278	236.156	671.997	141.874
Net Financial Results	(176.928)	(191.642)	-	-
Income tax for the year	29.962	48.498	1.051	596
Net Profit for the Period	**244.312**	**93.012**	**673.048**	**142.470**

18. BANK LOANS AND LEASINGS

As of December 31, 2016 and 2015 the caption "Loans" was as follows:

	2016			2015		
	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL
Bank Loan	30.941.048	17.000.000	47.941.048	33.542.105	13.210.526	46.752.631
Overdrafts	1.001.251	-	1.001.251	20.276	-	20.276
Leasing	4.383.998	15.894.408	20.278.406	3.239.072	13.801.337	17.040.409
	36.326.297	**32.894.408**	**69.220.705**	**36.801.453**	**27.011.863**	**63.813.316**

As of December 31, 2016 and 2015, the detail of bank loans, overdrafts and Commercial Paper Programs, as well as its conditions, were as follows:

2016 - DESCRIPTION/BENEFICIARY COMPANY	USED AMOUNT	LIMIT	BEGINNING DATE	DATE-LIMIT
NON-CURRENT				
Mutual Loans				
Toyota Caetano Portugal	10.000.000	10.000.000	11-03-2016	5 years
Toyota Caetano Portugal	7.000.000	7.000.000	15-10-2014	4 years
	17.000.000	17.000.000		
CURRENT				
Guaranteed Account	1.999.986	5.000.000		
Mutual Loans	4.210.526	4.210.526	22-06-2012	5 years
Mutual Loans	2.000.000	2.000.000	15-10-2014	4 years
Bank Credits	1.001.251	5.500.000		
Confirming	9.930.536	10.000.000	24-05-2016	
Commercial Paper:				
Toyota Caetano Portugal	9.200.000	9.200.000	27-11-2012	5 years
Toyota Caetano Portugal	3.600.000	3.600.000	26-11-2012	5 years
Toyota Caetano Portugal	-	10.000.000		
Toyota Caetano Portugal	-	5.000.000		
	31.942.299	54.510.526		
	48.942.299	**71.510.526**		

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				
Guaranteed Account	10.000.000	10.000.000		
Mutual Loans	1.842.105	1.842.105	22-06-2012	
Bank Credits	20.276	7.500.000		
Confirming	-	5.000.000		
Commercial 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.

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

- Loan - mutual contract: 4.210.526;
- Commercial Paper: 12.800.000

Interests relating to the financial instruments mentioned above are indexed to Euribor, plus a spread which varies between 1,45% and 6,75%.

The Company and its affiliates have available credit facilities as of December 31, 2016 amounting to approximately 71,5 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.

The item "Leasing" (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:

		CUR-RENT	NON-CURRENT					
CONTRACT	LEASING		2018	2019	2020	> 2020	TOTAL	TOTAL
2028278	Commercial Facilities							
	Capital	96.438	97.164	97.895	98.632	119.048	412.739	509.177
	Interests	3.488	2.762	2.031	1.294	551	6.638	10.126
559769	Commercial Facilities							
	Capital	62.175	62.454	62.733	63.014	553.619	741.820	803.995
	Interests	3.469	3.191	2.911	2.630	10.208	18.940	22.409
626064	Commercial Facilities							
	Capital	160.644	166.358	172.274	178.402	719.304	1.236.338	1.396.982
	Interests	45.732	40.018	34.101	27.974	46.313	148.406	194.138
2032103	Commercial Facilities							
	Capital	18.881	19.847	20.832	21.930	90.697	153.306	172.187
	Interests	8.181	7.215	6.199	5.132	4.936	23.482	31.663
Various	Industrial Equipment							
	Capital	4.045.860	3.994.884	4.159.010	3.164.286	2.032.025	13.350.205	17.396.065
	Interests	538.948	377.055	222.258	84.145	17.426	700.884	1.239.832
	Total Capital	**4.383.998**	**4.340.707**	**4.512.744**	**3.526.264**	**3.514.693**	**15.894.408**	**20.278.406**
	Total Interests	**599.818**	**430.241**	**267.500**	**121.175**	**79.434**	**898.350**	**1.498.168**

LIABILITIES BY MATURITY

Loans

	2017	2018	2019	2020	> 2020	TOTAL
Mutual Loans	6.210.526	7.000.00	-	-	10.000.000	23.210.526
Confirming	9.930.536	-	-	-	-	9.930.536
Guaranteed Account	1.999.986	-	-	-	-	1.999.986
Bank Credits	1.001.251	-	-	-	-	1.001.251
Commercial Paper	12.800.000	-	-	-	-	12.800.000
Leasing	4.383.998	4.340.707	4.512.744	3.526.264	3.514.693	20.278.406
Total Loans	**36.326.297**	**11.340.707**	**4.512.744**	**3.526.264**	**13.514.693**	**69.220.705**

Interests

	2017	2018	2019	2020	> 2020	TOTAL
Mutual Loans	548.072	346.250	222.500	222.500	222.500	1.561.822
Leasing	599.916	430.240	267.219	121.175	79.435	1.497.985
Total	**1.147.988**	**776.490**	**489.719**	**343.675**	**301.935**	**3.059.807**

19. ACCOUNTS PAYABLE

As of December 31, 2016 and 2015 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, 2016 and 2015 the detail of other creditors was as follows::

	CURRENT LIABILITIES	
	2016	2015
Shareholders	12.052	11.998
Advances from Customers	735.115	1.040.429
Other Creditors	348.668	213.458
	1.095.385	**1.265.885**

21. PUBLIC ENTITIES

As of December 31, 2016 and 2015 the caption public entities can be summarized as follows:

	CURRENT ASSETS	
	2016	2015
Public Entities:		
Income Tax	99.372	1.148.070
Value Added Taxes	1.151.938	105.973
	1.251.310	**1.254.043**

	CURRENT LIABILITIES	
	2016	2015
Public Entities:		
Income Taxes Withheld	349.174	384.748
Value Added Taxes	7.826.684	6.455.178
Vehicles Tax	1.084.948	1.590.785
Custom Duties	181.991	272.437
Employee's Social Contributions	646.318	687.222
Others	232.794	272.717
	10.321.909	**9.663.087**

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

CURRENT TAXES	2016	2015
Insufficient Tax	68.834	183.099
Tax Refunds	(756.374)	-
Income Tax	1.551.055	839.518
	863.515	**1.022.617**

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

22. OTHER CURRENT LIABILITIES

As of December 31, 2016 and 2015 the caption "Other Current Liabilities" was as follows:

	2016	2015
Accrued Cost		
Vacation Pay and Bonus	4.840.885	5.075.222
Advertising Campaigns	3.670.380	2.072.912
Rappel Charges Attributable to Fleet Managers	1.360.601	1.556.149
Accrual for Vehicles Tax	743.009	526.486
Advance External Supplies and Services	728.634	318.778
Specialization Cost Assigned to Vehicles Sold	689.185	961.699
Amounts Payable to Third Parties	667.807	-
Commission	662.110	446.254
Supply Costs	614.402	367.524
Insurance	170.418	317.508
Municipal Property Tax	124.990	127.849
Interest	123.885	92.530
Royalties	71.284	108.164
Others	1.292.539	1.163.977
	15.760.129	13.135.052
Deferred Income		
Vehicle Maintenance Contracts	3.976.908	3.025.367
Subsidy Granted	501.360	509.507
Publicity Recuperation	35.301	539.568
Interest Charged to Customers	5.827	6.457
Others	400.886	248.184
	4.920.282	4.329.083
Total	**20.680.411**	**17.464.135**

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 February 2, 1994, in April 30,1996, in August 9, 1996, in July 4, 2003, in February 2, 2007, in December 30, 2008, December 23, 2011 and in December 31, 2013.

As of December 31, 2016, the following companies of Toyota Caetano Group were associates of the Salvador Caetano Pension Fund:

- Toyota Caetano Portugal, S.A.
- Caetano Auto, 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 1%, 0% and 1,6%, respectively. In 2015, the salary increase rate, pensions increase rate and discount rate were 0%, 0% and 2,3%, respectively.

The movement of the Fund responsibilities of the Company with the Defined benefit plan in 2016 and 2015 can be summarized as follows:

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**
Liability at 1/1/2016	**33.997.681**
Current services cost	91.157
Interest cost	1.232.405
Actuarial (gains)/losses	2.704.205
Pension payments	(2.517.413)
Transfers (Caetano Components)	596.767
Others	(736.838)
Liability at 31/12/2016	**35.367.964**

The allocation of this amount during 2016 and 2015 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 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	115.775
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**
Contributions	875.115	216.205	1.091.320
Real return of plan assets	317.840	155.309	473.149
Pension payments	(2.517.413)	(83.980)	(2.601.393)
Transfers from other associate member account	489.176	72.539	561.715
Transfers to other associate member account	-	(63.678)	(63.678)
Use of reserve account	79.821	(79.821)	-
Value of the Fund at 31 December 2016	**27.541.632**	**11.712.962**	**39.254.594**

As of December 31, 2016 and 2015, the breakdown of the asset portfolio of the Fund that covers the defined benefit plan was as follows:

ASSET PORTFOLIO	PORTFOLIO WEIGHT	VALUE 31-12-2016	PORTFOLIO WEIGHT	VALUE 31-12-2015
Stocks	9,60%	2.643.997	9,03%	2.555.228
Bonds	38,21%	10.523.657	39,75%	11.248.095
Real Estate	38,20%	10.520.903	37,42%	10.588.772
Cash	11,66%	3.211.354	10,69%	3.024.959
Other Assets	2,33%	641.721	3,11%	880.039
Total	**100%**	**27.541.632**	**100%**	**28.297.093**

At December 31, 2016, 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	38,2%	10.520.903

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	2016	2015	2014	2013	2012	2011	2010
Responsibility Amount	35.367.964	33.997.681	33.574.520	29.059.458	29.650.534	29.686.944	29.550.745
Fund Amount	27.541.632	28.297.093	29.075.997	28.855.219	28.444.454	26.541.223	28.812.418

The net obligations of Toyota Caetano Portugal Group evidenced above is safeguarded through a provision recorded in the amount of 9.126.000 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, 2016 and 2015 were as follows:

2016	OPENING BALANCES	INCREASES	DECREASES	OTHER REGU-LARIZATIONS	ENDING BALANCES
Accumulated impairment losses in investments	2.780.809	-	-	-	2.780.809
Accumulated impairment losses in accounts receivable (Note 11)	9.710.649	46.306	(153.221)	(159.937)	9.443.797
Accumulated impairment losses in inventories (Note 10)	1.311.777	220.746	-	-	1.532.523
Provisions	303.252	257.706	-	(153.853)	407.105

2015	OPENING BALANCES	INCREASES	DECREASES	OTHER REGU-LARIZATIONS	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

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, 2016 and 2015 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, 2016 was negative by 28.425 Euros (at December 31, 2015 was negative by 94.532 Euros) and comprises the balance sheet date a total exposure of 4,2 million euros from December 22, 2016 for the remaining period of three months.

This derivative financial instrument was valued at December 31, 2016 by the bank with whom it is contracted, taking into account future cash flows and estimated risk (Level 2 fair value hierarchy as paragraph 93 of IFRS 13 - 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, 2016 and 2015:

DERIVATE FINANCIAL INSTRUMENT	FAIR VALUE 2016	FAIR VALUE 2015	TYPE	RATE SWAP	RATE RECEIVABLE
Interest rate Swap BBVA	(28.425)	(94.532)	Negotiation	1,10%	Euribor 3M
TOTAL	(28.425)	(94.532)			

26. INCOME TAXES

The income tax for the year ended as of December 31, 2016 and 2015 was as follows:

	2016	2015
Income Tax (Note 21)	863.515	1.022.617
Deferred Income Taxes (Note 14)	401.511	975.224
	1.265.026	**1.997.841**

The reconciliation of the earnings before taxes of the years ended at December 31, 2016 and 2015 can be summarized as follows:

	2016	2015
Profit before taxation	7.268.212	8.164.630
Tax on profit	22,50%	22,50%
Theoretical tax charge	**1.635.348**	**1.837.042**
Accounting surplus	(471.532)	(918.116)
Fiscally surplus	234.989	454.044
Reversal of impairment losses	-	(80.622)
Fair value adjustments	(4.132)	(72.201)
Fiscally adjustments	(3.610)	(9.253)
Others	267.455	71.703
Fiscal losses	(414.053)	(745.452)
Effective tax	1.244.465	537.144
Additional income tax	314.358	312.215
Excess/Insufficient tax	68.834	183.099
Tax refunds	(756.374)	-
Others	(7.768)	(9.841)
Income tax	863.515	1.022.617
Deferred income taxes	401.511	975.224
Effective tax charge	**1.265.026**	**1.997.841**

27. EARNINGS PER SHARE

The earnings per share for the year ended as of December 31, 2016 and 2015 were computed based on the following amounts:

	2016	2015
Earnings		
Basic	5.950.756	6.134.247
Diluted	5.950.756	6.134.247
Number of shares	35.000.000	35.000.000
Earnings per share (basic and diluted)	0,170	0,175

During 2016 and 2015 there were no changes in the number of shares outstanding.

28. SEGMENT INFORMATION

The main information relating to the business segments existing on December, 2016 and 2015, prepared according to the same accounting policies and criteria adopted in the preparation of the consolidated financial statements, is as follows:

2016	NATIONAL								FOREIGN					ELIMINATIONS	CONSOLIDATED
	VEHICLES				INDUSTRIAL EQUIPMENT			OTHERS	VEHICLES		INDUSTRIAL EQUIPMENT				
	INDUSTRY	COMMERCIAL	SERVICES	RENTAL	MACHINES	SERVICES	RENTAL		INDUSTRY	COMMERCIAL	MACHINES	SERVICES	RENTAL		
PROFIT															
External Sales	285.115	384.283.601	15.147.469	3.405.180	15.826.773	3.657.449	13.022.584	-	35.053.246	18.009.258	77.265	371	-	(139.917.042)	348.851.269
Income															
Operational income	(48)	7.447.164	274.697	292.897	2.068.493	1.647.438	1.135.793	(4.639)	(2.454.943)	455.430	4.279	258	10.781	(1.312.634)	9.564.966
Financial Income	(667)	(1.836.560)	5.804	(131.874)	(43.205)	(7.728)	(90.958)	8	(144.320)	(46.990)	(194)	-	(70)	-	(2.296.754)
Net income with non controlling interests	(714)	4.445.952	229.053	183.530	1.660.634	1.344.479	873.768	(3.648)	(2.599.263)	300.558	3.350	211	8.783	(443.507)	6.003.186
OTHER INFORMATIONS															
Total consolidated assets	37.074.388	257.824.224	31.293.247	12.130.874	11.746.848	1.741.701	33.885.015	22.357.583	-	10.733.652	-	-	-	(143.009.663)	275.777.869
Total consolidated liabilities	5.884.359	153.172.363	22.352.351	12.011.473	2.043.221	294.601	27.508.506	3.610.228	-	6.692.879	-	-	-	(85.463.085)	148.106.896
Capital expenses	41.492	1.349.225	(222.660)	7.652.462	-	24.412	8.047.901	(297)	-	107.720	-	-	-	179.028	17.179.283
Depreciations	1.304.240	3.276.514	618.782	3.819.785	67.544	43.557	5.326.523	826	-	167.457	-	-	-	261.576	14.886.804

2015	NATIONAL								FOREIGN					ELIMINATIONS	CONSOLIDATED
	VEHICLES				INDUSTRIAL EQUIPMENT			OTHERS	VEHICLES		INDUSTRIAL EQUIPMENT				
	INDUSTRY	COMMERCIAL	SERVICES	RENTAL	MACHINES	SERVICES	RENTAL		INDUSTRY	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															
Operational 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 controlling 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
OTHER INFORMATIONS															
Total consolidated assets	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

The line "Turnover" includes Sales, Service Rendered and the amount of about 11.894.847 Euros (11.392.995 Euros as of December 31, 2015) 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.

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, 2016 and 2015, was as follows:

MARKET	2016		2015	
	AMOUNT	%	AMOUNT	%
National	290.818.846	86,31%	284.558.320	89,12%
Belgium	34.807.547	10,33%	24.836.222	7,78%
African Countries with Official Portuguese Language	11.063.775	3,28%	9.387.941	2,94%
Spain	55.542	0,02%	39.503	0,01%
Germany	10.306	0,00%	8.961	0,00%
United Kingdom	5.705	0,00%	225.305	0,07%
Others	194.701	0,06%	251.290	0,08%
	336.956.422	**100,00%**	**319.307.542**	**100,00%**

30. EXTERNAL SUPPLIES AND SERVICES

As of December 31, 2016 and 2015, the caption "External supplies and services" was as follows:

	2016	2015
Subcontracts	1.795.240	1.888.171
Specialized Services	16.601.974	15.069.044
Professional Services	5.405.855	5.188.763
Advertising	8.196.141	7.008.404
Vigilance and Security	407.709	403.910
Professional Fees	776.689	791.266
Commissions	169.784	195.711
Repairs and Maintenance	1.645.796	1.480.990
Materials	825.519	748.861
Utilities	2.995.753	3.008.991
Travel and Transportation	2.822.848	2.588.379
Traveling Expenses	1.482.225	1.392.822
Personnel Transportation	91.275	100.174
Transportation of Materials	1.249.348	1.095.383
Other Supplies	12.064.912	13.113.301
Rent	2.620.551	2.651.292
Communication	754.456	648.714
Insurance	1.067.100	1.247.558
Royalties	334.109	339.332
Notaries	30.404	36.908
Cleaning and Comfort	680.326	699.576
Others Services	6.577.966	7.489.921
	37.106.246	**36.416.747**

31. PAYROLLL EXPENSES

Payrolll expenses are decomposed as follows:

	2016	2015
Payrolll Management	550.505	550.505
Payrolll Personnel	25.799.158	26.402.788
Benefits Plan	1.163.199	1.017.801
Termination Indemnities	843.701	325.200
Social Security Contribution	7.021.499	6.422.571
Workmen´s Insurance	437.571	345.064
Others	3.549.373	3.609.363
	39.365.006	**38.673.292**

During 2016 and 2015, the average number of personnel was as follows:

PERSONNEL	2016	2015
Employees	1.033	1.069
Workers	472	498
	1.505	**1.567**

32. OTHER OPERATING INCOME AND EXPENSES

As of December 31, 2016 and 2015, the caption "Other operating income" was as follows:

OTHER OPERATING INCOME	2016	2015
Lease Equipment	11.888.847	11.386.995
Guarantees Recovered and Other Operating Expenses	10.999.079	12.404.517
Rents Charged	4.010.010	3.303.270
Commissions	3.613.056	3.736.109
Work for the Company	3.254.219	3.229.257
Expenses Recovered	2.722.771	1.552.759
Subsidies	2.588.603	2.424.126
Advertising Expenses and Sales Promotion Recovered	2.102.453	2.081.026
Services Provided	1.499.843	2.074.004
Gains in the Disposal Tangible Fixed Assets	452.495	194.820
Compensation Claims	50.914	2.338.020
Corrections on the Previous Exercises	32.230	33.699
Capital Gains in Financial Investments	-	1.470.075
	43.214.520	**46.228.677**

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, 2016 and 2015, the caption "Other operating expenses" was as follows:

	2016	2015
Taxes	1.027.802	974.081
Bad debts	214.491	3.551
Losses in other non financial investments	70.212	942.212
Losses in inventories	59.651	24.217
Prompt payment discounts granted	3.541	10.096
Losses in other investments	63	6.755
Fines and penalties	197.735	215.355
Corrections to previous years	98.066	124.316
Subscriptions	23.766	23.987
Donations	257.650	3.548
Others	1.005.611	672.437
	2.958.588	**3.000.555**

33. FINANCIAL INCOME AND EXPENSES

Consolidated net financial results as of December 31, 2016 and 2015 were as follows:

EXPENSES AND LOSSES	2016	2015
Interest	1.885.467	1.750.929
Other Financial Expenses	757.818	442.710
	2.643.285	**2.193.639**

INCOME AND GAINS	2016	2015
Interest	280.424	33.257
Other Financial Income	66.107	55.230
	346.531	**88.487**

As of December 31, 2016, the caption "Other Financial Income" includes derivatives' fair value changes on the amount of 66.107 Euros.

34. FINANCIAL ASSETS AND LIABILITIES

We summarize in the table below a resume of financial instruments of Toyota Caetano Group as of December 31, 2016 and 2015:

DESCRIPTION	NOTE	FINANCIAL ASSETS		FINANCIAL LIABILITIES	
		2016	2015	2016	2015
Derivate Financial Instruments	25	-	-	28.425	94.532
Available for Sale Financial Assets	9	3.483.128	3.463.450	-	-
Accounts Receivable	11	57.920.456	56.877.240	-	-
Other Debtors	12	2.999.881	3.146.581	-	-
Bank Loans	18	-	-	47.941.048	46.752.631
Leasing	18	-	-	20.278.406	17.040.409
Overdrafts	18	-	-	1.001.251	20.276
Other Creditors	20	-	-	1.095.835	1.265.885
Accounts Payable	19	-	-	35.509.231	36.237.691
Cash and Cash Equivalents	15	14.556.190	11.364.954	-	-
		78.959.655	**74.852.225**	**105.854.196**	**101.411.424**

Financial Instruments at Fair Value

	NOTE	FINANCIAL ASSETS		FINANCIAL LIABILITIES	
		2016	2015	2016	2015
Derivate Financial Instruments	25	-	-	(28.425)	(94.532)
Available for Sale Assets	9	3.483.128	3.463.450	-	-
		3.483.128	**3.463.450**	**(28.425)**	**(94.532)**

Classification and Measurement

	AVAILABLE FOR SALE ASSETS		DERIVATE FINANCIAL INSTRUMENTS		LEVEL
	AT FAIR VALUE	AT COST	CASH FLOW HEDGE ACCOUNTING	NEGOTIATION	
Cimóvel Fund	3.416.391	-	-	-	1)
Others	-	66.737	-	-	3)
Interest rate swap	-	-	-	(28.425)	2)

According to the paragraph 93 of IFRS 13, 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: 3.416.391 Euros (3.396.713 Euros in 2015);

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): -28.425 Euros (-94.532 Euros in 2015);

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	
	2016	2015	2016	2015
Derivate Financial Instruments	-	-	66.107	55.230
Available for Sale Financial Assets	19.678	343.816	-	-
	19.678	**343.816**	**66.107**	**55.230**

35. OPERATIONAL LEASE

During the period of 2016, the minimum payments for operational leases amounted to approximately 5,7 million Euros (6,4 million Euros in 2015). Of that amount, 2,1 million relate to payments with maturity of one year, 3,4 million relate to payments to occur in the period between two to five years and 118 thousand Euros relate to payments of maturity of more than five years.

MINIMUM PAYMENTS OF OPERATIONAL LEASE	2016	2015
Not more than one year	2.149.610	2.204.088
More than one year and no more than five	3.409.638	4.172.432
More than five years	118.370	62.214
	5.677.618	**6.438.734**

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 (through Salvador Caetano Group, S.G.P.S, S.A.) can be summarized as follows:

COMPANY	COMMERCIAL DEBTS		PRODUCTS		FIXED ASSETS		SERVICES		OTHERS	
	RECEIVABLE	PAYABLE	SALES	PURCHASES	PURCHASES	DISPOSALS	RENDERED	OBTAINED	COSTS	INCOME
AMORIM BRITO & SARDINHA, LDA.	-	-	-	-	-	-	-	-	-	1.627
ATLÂNTICA - COMPANHIA PORTUGUESA DE PESCA, S.A.	5.132	-	-	-	-	-	-	-	-	17
ATTENTIONFOCUS - LDA.	8	-	-	-	-	-	-	-	-	41
AUTO PARTNER IMOBILIÁRIA, S.A.	35	13.788	-	-	-	-	-	165.441	-	71
CABO VERDE RENT-A-CAR, LDA.	30.983	114.653	87.931	-	-	-	1.170	195.329	-	-
CAETANO ACTIVE (SUL), LDA.	2.045	1.027	-	15.885	-	-	1.026	12.318	-	288
CAETANO AERONAUTIC, S.A.	666.535	56.138	846	-	-	-	30.565	45.641	-	461.302
CAETANO BAVIERA - COMÉRCIO DE AUTOMÓVEIS, S.A.	922.881	230.180	3.034.528	460.561	-	11.902	13.541	201.200	234.603	675.546
CAETANO CITY E ACTIVE (NORTE), S.A.	598.243	86.478	781.125	132	-	-	-	22.323	31.324	32.439
CAETANO DRIVE ,SPORT E URBAN, S.A.	229.894	350.044	16.309	6.214	251.780	320.446	93.133	329.726	880	246.450
CAETANO ENERGY, S.A.	10.822	736	2.004	733	-	-	1.790	-	-	9.052
CAETANO FÓRMULA , S.A.	27.414	582.085	19.136	871.032	19.077	260.331	79.572	-	1.220	122.146
CAETANO FORMULA EAST ÁFRICA, S.A.	52	-	-	-	-	-	-	-	-	45
CAETANO FÓRMULA MOÇAMBIQUE S.A	484	-	-	-	-	-	-	-	-	544
CAETANO FORMULA SENEGAL, S.A.U.	-	-	-	-	-	-	-	46	520	-
CAETANO FÓRMULA WEST ÁFRICA, S.A.	-	-	223	-	-	-	-	-	-	183
CAETANO MOTORS, S.A.	16.240	16.070	-	15.879	-	-	-	56.808	-	171.597
CAETANO MOVE ÁFRICA, S.A.	21	-	-	-	-	-	-	-	-	19
CAETANO ONE CV, LDA.	235.790	6.201	33.703	8.099	-	-	47.938	537	-	36.196
CAETANO PARTS, LDA.	88.035	1.362.242	1.637.191	6.110.823	-	-	1.655	29.001	-	149.316
CAETANO POWER, S.A.	58.256	-	3.355	1	19.774	21.628	24.706	-	-	175.695
CAETANO RETAIL (S.G.P.S.), S.A.	46.811	-	505	-	-	-	-	1.883	-	100.440
CAETANO STAR, S.A.	42.752	32.646	13.871	124.438	-	-	13.557	51.760	-	12.132
CAETANO TECHNIK, LDA.	30.430	-	-	47.636	14.150	17.992	-	14.188	141	173.312
CAETANOBUS - FABRICAÇÃO DE CARROÇARIAS, S.A.	6.902.135	93.464	39.813	76.053	-	-	11.977	115.369	26	3.115.431
CAETSU PUBLICIDADE, S.A.	3.585	767.582	61.762	299	-	-	17.625	2.575.123	3.900	1.976
CARPLUS - COMÉRCIO DE AUTOMÓVEIS, S.A.	56.275	5.061	92.675	112.074	-	-	137.208	1.040	-	220.307
CENTRAL SOLAR DE CASTANHOS, S.A.	25	-	-	-	-	-	-	-	-	20
CHOICE CAR, S.A.	2.285	-	-	-	-	-	-	-	-	7.713
COCIGA - CONSTRUÇÕES CIVIS DE GAIA, S.A.	4.571	89.926	-	-	-	-	-	57.859	-	1.969
DICUORE - DECORAÇÃO, S.A.	25	-	-	-	-	-	-	-	-	20
DINÂMICONVERTE - ENERGIAS RENOVÁVEIS, LDA.	4.004	-	-	-	-	-	-	-	-	-
FINLOG - ALUGUER E COMÉRCIO DE AUTOMÓVEIS, S.A.	310.625	147.173	3.309.371	909.105	-	-	291.946	1.116.581	31.713	103.780
FUNDAÇÃO SALVADOR CAETANO	617.785	21.902	-	-	-	-	-	-	-	99
GLOBALWATT, (S.G.P.S.), S.A.	25	-	-	-	-	-	-	-	-	90
GRUPO SALVADOR CAETANO, (S.G.P.S.), S.A.	-	2.449	-	-	-	-	-	-	-	122
GUÉRIN - RENT-A-CAR (DOIS), LDA.	295.002	34.480	32.832	17.201	-	-	924.758	32.991	-	94.035
GUERIN RENT A CAR, S.L.	97	-	-	-	-	-	-	-	-	97
IBERICAR - SOCIEDAD IBERICA DEL AUTOMOVIL, S.A.	17.632	-	-	-	-	-	-	-	-	17.632
IBERICAR AUTO NIPON, S.A.	872	-	-	-	-	-	-	-	-	97
IBERICAR BARCELONA PREMIUM, S.L.	1.933	-	-	-	-	-	-	-	-	1.933
IBERICAR BENET, S.L.	291	-	-	-	-	945.810	-	-	-	1.139
IBERICAR CADI, S.A.	389	-	-	-	-	-	-	-	-	701
IBERICAR CENTRO AUTO, S.L.	389	-	-	-	-	-	-	-	-	389
IBERICAR CUZCOMOTOR, S.A.	291	-	-	-	-	-	-	-	-	291
IBERICAR FORMULA CAMPO DE GIBRALTAR, S.L.	291	-	-	-	-	-	-	-	-	696
IBERICAR GESTOSO, S.L.	583	-	-	-	-	-	-	-	-	943

COMPANY	COMMERCIAL DEBTS		PRODUCTS		FIXED ASSETS		SERVICES		OTHERS	
	RECEIVABLE	PAYABLE	SALES	PURCHASES	PURCHASES	DISPOSALS	RENDERED	OBTAINED	COSTS	INCOME
IBERICAR MOTOR MALAGA	194	-	-	-	-	-	-	-	-	194
IBERICAR MOTORS CÁDIZ, S.L.	389	-	-	-	-	-	-	-	-	389
IBERICAR MOVIL SUR, S.L.	97	-	-	-	-	-	-	-	-	97
IBERICAR MOVIL, S.L.	194	-	-	-	-	-	-	-	-	314
IBERICAR RECAMBIOS QUER, S.L.	97	-	-	-	-	-	-	-	-	97
IBERICAR REICOMSA, S.A.	291	-	-	-	-	-	-	-	-	647
IBERICAR TECHNIK, S.A.	194	-	-	-	-	-	-	-	-	194
LAVORAUTO - ADMINISTRAÇÃO E CONSULTORIA DE EMPRESAS, S.A.	-	5.468	-	-	-	-	-	22.948	-	17
LIDERA SOLUCIONES, S.L.	1.248	-	-	-	-	-	-	107.620	-	1.442
LUSILECTRA - VEÍCULOS E EQUIPAMENTOS, S.A.	78.637	162.849	51.993	47.039	237.680	-	75.707	372.878	3.596	71.061
MDS AUTO - MEDIAÇÃO DE SEGUROS, S.A.	20.321	-	1.003	-	-	-	344	593.112	-	5.241
MOVICARGO - MOVIMENTAÇÃO INDUSTRIAL, LDA.	1.544	232.281	10	27.683	-	-	5.037	43.011	537.978	3.088
PLATINIUM V.H. - IMPORTAÇÃO DE AUTOMÓVEIS, S.A.	8.316	14	-	-	-	-	1.340	-	-	26.955
P.O.A.L. - PAVIMENTAÇÕES E OBRAS ACESSÓRIAS, S.A.	17.806	-	-	-	-	-	-	-	-	-
PORTIANGA - COMÉRCIO INTERNACIONAL E PARTICIPAÇÕES, S.A.	89.244	11.641	3.053	42.494	-	1.845	44.830	88.298	-	71.138
PV LOIRAL- PRODUÇÃO DE ENERGIA, LDA.	25	-	-	-	-	-	-	-	-	20
RARCON - ARQUITECTURA E CONSULTADORIA, S.A.	84	14.691	-	-	-	-	-	72.490	15	221
RIGOR - CONSULTORIA E GESTÃO, S.A.	117.914	889.732	691	-	174.443	-	141.915	4.247.191	16.327	371.110
ROBERT HUDSON, LTD	23.705	778	1.989	-	-	-	-	-	778	1.390
SALVADOR CAETANO - AUTO - (S.G.P.S.), S.A.	84	-	-	-	-	-	-	-	-	68
SALVADOR CAETANO AUTO ÁFRICA, (S.G.P.S.), S.A.	66	-	-	-	-	-	-	-	-	96
SALVADOR CAETANO EQUIPAMENTOS, S.A.	21	-	442	-	-	-	-	-	-	19
SALVADOR CAETANO INDÚSTRIA (S.G.P.S.), S.A.	-	-	-	-	-	-	-	-	-	252
SIMOGA - SOCIEDADE IMOBILIÁRIA DE GAIA, S.A.	1.036	-	-	-	-	-	-	-	-	-
SOL GREEN WATT, S.L.	-	-	-	-	-	-	-	-	-	390
SPRAMO - PUBLICIDADE & IMAGEM, S.A.	-	681	-	-	-	-	-	-	-	-
TOVICAR - SOCIEDADE COMERCIAL DE AUTOMÓVEIS, S.A.	12.553	-	-	-	-	-	-	-	-	-
TURISPAIVA - SOCIEDADE TURÍSTICA PAIVENSE, S.A.	135	-	-	-	-	-	-	-	-	1.320
VAS ÁFRICA (S.G.P.S.), S.A.	105	-	-	-	-	-	-	-	-	88
VAS CABO VERDE, SOCIEDADE UNIPESSOAL, S.A.	4.538	-	21.172	37.678	-	15.417	74.380	549	-	115.012
	11.610.811	**5.332.460**	**9.247.533**	**8.931.059**	**716.904**	**1.595.371**	**2.035.720**	**10.573.261**	**863.021**	**6.608.799**

Goods and services purchased and sales to related parties were made at market prices.

37. CONTINGENT ASSETS AND LIABILITIES

Financial commitments assumed and not included in Consolidated Balance Sheet:

As of December 31, 2016 and 2015, Toyota Caetano Group had assumed the following financial commitments:

COMMITMENTS	2016	2015
Credits	105.190	110.504
Guarantees of Imports	5.500.000	7.000.000
	5.605.190	**7.110.504**

At December 31, 2016 and 2015, 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 17 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 25,1 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 2012 to 2016 may still be subject to review. Statements regarding the Social Security may be revised over a period of five years.

Litigations in progress

Claim against agency contract termination

The judicial claim presented by a former agent, who was pendent of appeal at the Supreme Court of Justice, was concluded. As conviction of the Board of Directors, no responsibilities were result by the Group.

Judicial claim against collective dismissal

The judicial claim against collective dismissal was completed in 2016 with the existence of agreements.

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 2016.

38. REMUNERATION OF BOARD MEMBERS

The remuneration of the board members during the years 2016 and 2015, was as follows:

BOARD MEMBERS	2016	2015
Board of Directors		
Fixed remunerations	550.505	550.505

39. REMUNERATION OF STATUTORY AUDITOR

The remuneration of the Statutory Auditor, PricewatherhouseCoopers & Associados – S.R.O.C., Lda. for December 31, 2016 and 2015, was as follows:

	2016	2015
Total fees related statutory audit	59.670	59.670
Total fees related assurance services	3.500	-
	63.170	**59.670**

40. SUBSEQUENT EVENTS

Since the conclusion of the year 2016 and up to date no significant events occurred.

41. FINANCIAL STATEMENTS APPROVAL

The consolidated financial statements were approved by the Board of Directors on March 27, 2017.

According to the Portuguese Commercial Companies Code, it is possible the amended for these Financial Statements, after approval by the Board of Directors.

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.

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

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OPINIONS

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, S.A., referring to the financial year of 2016, 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, accounting policies and measurement criteria adopted by the company.

3. We had analyzed and approved the provision of additional services by PricewaterhouseCoopers & Associados - SROC, Lda. for the year 2016.

4. We have no knowledge of any situation which didn't respect the articles of association and the legal terms applicable.

5. We analyzed the Individual Legal Certification of Accounts and the Consolidated Legal Certification of Accounts issued by the Statutory External Auditor, with which we agree.

Thus,

6. 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, S.A. 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.

7. 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.".

8. 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, 2016;

    b) Approve the proposal for the net result application, contained in the management report of the Board of Directors.

Vila Nova de Gaia, 27th March 2017

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, S.A. 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, 27th March 2017

STATUTORY AUDIT REPORT AND AUDITORS' REPORT

(FREE TRANSLATION FROM THE ORIGINAL IN PORTUGUESE)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of Toyota Caetano Portugal, S.A. (the Entity), which comprise the statement of financial position as at December 31, 2016 (which shows total assets of Euro 253,151,094 and total shareholders' equity of Euro 126,376,712 including a net profit of Euro 5,950,756), the statement of income by nature, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly in all material respects, the financial position of Toyota Caetano Portugal, S.A. as at December 31, 2016, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs) and other technical and ethical standards and recommendations issued by the Institute of Statutory Auditors. Our responsibilities under those standards are described in the "Auditor's responsibilities for the audit of the financial statements" section below. In accordance with the law we are independent of the Entity and we have fulfilled our other ethical responsibilities in accordance with the ethics code of the Institute of Statutory Auditors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

KEY AUDIT MATTERS	AUDIT APPROACH
REVENUE CUT-OFF	
Disclosures related with revenue presented in the notes to the consolidated financial statements 2.3.o), 26 and 27. The Company's revenue amounts to Euro 274.4 million. This amount includes Euro 18.5 million referent to sales occurred in December. According to IAS 18, revenue is recognized in the income statement when the significant risks and rewards of ownership are transferred from the seller to the buyer, it is probable that the economic benefits associated with the transaction will flow to Toyota Caetano Portugal and the amount of revenue can be measured reliably. The automatic recognition of revenue is made at the moment of billing issuance. In a moment after that, a manual adjustment is made to the sales related with cars that, at the reporting date, were not delivered to the clients. This issue is a key audit matter because there is a gap between the billing moment and the moment of the transfer of significant risks and rewards to the client, and also because the mentioned manual adjustment results from a manual procedure.	In order to mitigate the risk of a cut-off error concerning revenue recognition arising from sales of goods, we have performed the following audit procedures: • Identification and test of key controls related with revenues and receivables processes; • Inventory counting assistance and analysis of adjustments made to inventory; • Tests of detail to the cut-off assertion through the verification of delivery notes; • Tests of detail to revenue manual adjustments; • Analytical procedures to the caption sales (variance analysis against last year and budget)

KEY AUDIT MATTERS	AUDIT APPROACH
USED CARS VALUATION	
Disclosures related with inventory presented in the notes to the consolidated financial statements 2.3.e) and 12. The Company presents in the consolidated statement of financial position, inventory amounting to Euro 52.1 million, representing about 21% of total assets. The mentioned amount includes Euro 40.5 million related with merchandise, which are measured at the lower of average acquisition cost and net realizable value. The amount of merchandise contains Euro 7.4 million referent to used cars, without any cumulative impairment loss being recognized. According to IAS 2, merchandise and raw and subsidiary materials are measured at average cost, which is lower that their respective market value. The inventory cumulative impairment losses reflect the difference between the acquisition cost and the net realizable value. This issue is a key audit matter because of the magnitude of the amount of used cars inventory as well as the judgment inherent to assessment of impairment losses. There is the risk of the amount of recognized cumulative impairment losses not totally reflects the effective loss and that the difference between both amounts is material.	In order to mitigate the risk of the carrying amount of used cars inventory being greater that their net realizable value, we have performed the following audit procedures: • Test of detail to the valuation of used cars inventory as of December 31, 2016. • Validation of valuation assumptions, including, among other procedures, analysis of historical commercial information and comparison between the Company's expectations concerning the net realizable value of used cars and market analysts' expectations. • Assessment of the controls implemented by the Company in order to minimize days in inventory related with used cars. • Analytical review to margins of used cars as well as to inventory turnover related with used cars. • Analysis of used cars' sales occurred after December 31, 2016 in order to identify situations in that the net realizable amount if lower than the carrying amount as of December 31, 2016.

RESPONSIBILITIES OF MANAGEMENT AND SUPERVISORY BOARD FOR THE FINANCIAL STATEMENTS

Management is responsible for:

a) the preparation of the financial statements, which present fairly the financial position, the financial performance and the cash flows of the Entity in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union;

b) the preparation of the Directors' Report, including the Corporate governance Report, in accordance with the applicable law and regulations;

c) the creation and maintenance of an appropriate system of internal control to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;

d) the adoption of appropriate accounting policies and criteria;

e) the assessment of the Entity's ability to continue as a going concern, disclosing, as applicable, events or conditions that may cast significant doubt on the Entity's ability to continue its activities.

The supervisory board is responsible for overseeing the process of preparation and disclosure of the Entity's financial information.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our responsibility is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

a) identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

b) obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;

c) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

d) conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern;

e) evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

f) communicate with those charged with governance, including the supervisory board, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;

g) of the matters we have communicated to those charged with governance, including the supervisory board, we determine which one's were the most important in the audit of the financial statements of the current year, these being the key audit matters. We describe these matters in our report, except when the law or regulation prohibits their public disclosure;

h) confirm to the supervisory board that we comply with the relevant ethical requirements regarding independence and communicate all relationships and other matters that may be perceived as threats to our independence and, where applicable, the respective safeguards.

Our responsibility also includes verifying that the information included in the Directors' report is consistent with the financial statements [and the verification set forth in paragraphs 4 and 5 of article No. 451 of the Portuguese Company Law].

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

DIRECTOR'S REPORT

In compliance with paragraph 3 e) of article No. 451 of the Portuguese Company Law, it is our understanding that the Director's report has been prepared in accordance with applicable requirements of the law and regulation, that the information included in the Directors' report is consistent with the audited financial statements and, taking into account the knowledge and assessment about the Entity, no material misstatements were identified.

CORPORATE GOVERNANCE REPORT

In compliance with paragraph 4 of article No. 451 of the Portuguese Company Law, it is our understanding that the Corporate governance report includes the information required under article No. 245-A of the Portuguese Securities Market Code, that no material misstatements were identified in the information disclosed in this report and that it complies with paragraphs c), d), f), h), i) and m) of that article.

ADDITIONAL INFORMATION REQUIRED IN ARTICLE NO. 10 OF THE REGULATION (EU) 537/2014

In accordance with article No. 10 of Regulation (EU) 537/2014 of the European Parliament and of the Council, of April 16, 2014, and in addition to the key audit matters referred to above, we also provide the following information:

a) We were first appointed auditors of the Entity in the Shareholders' General Meeting of April 23, 2010 for the period of 2010, having remained in functions until the current period. Our last appointment was in the Shareholders' General Meeting of April 30, 2015 for the period from 2015 to 2018.

b) The management has confirmed to us it has no knowledge of any allegation of fraud or suspicions of fraud with material effect in the financial statements. We have maintained professional scepticism throughout the audit and determined overall responses to address the risk of material misstatement due to fraud in the financial statements. Based on the work performed, we have not identified any material misstatement in the financial statements due to fraud.

c) We confirm that our audit opinion is consistent with the additional report that was prepared by us and issued to the Entity's supervisory board as of March 27, 2017.

d) We declare that we did not provide any prohibited non-audit services referred to in paragraph 8 of article No. 77 of the by-laws of the Institute of Statutory Auditors ("Estatutos da Ordem dos Revisores Oficiais de Contas") and that we remain independent of the Entity in conducting our audit.

March 27, 2017

PricewaterhouseCoopers & Associados

- Sociedade de Revisores Oficiais de Contas, Lda.

represented by:

José Miguel Dantas Maio Marques, R.O.C.

STATUTORY AUDIT REPORT AND AUDITORS' REPORT

(FREE TRANSLATION FROM THE ORIGINAL IN PORTUGUESE)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the consolidated financial statements of Toyota Caetano Portugal, S.A. (the Group), which comprise the consolidated statement of financial position as at December 31, 2016 (which shows total assets of Euro 275,777,869 and total shareholders' equity of Euro 127,670,973 including a net profit of Euro 5,950,756), 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 notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly in all material respects, the consolidated financial position of Toyota Caetano Portugal, S.A. as at December 31, 2016, and their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs) and other technical and ethical standards and recommendations issued by the Institute of Statutory Auditors. Our responsibilities under those standards are described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section below. In accordance with the law we are independent of the entities that are included in the Group and we have fulfilled our other ethical responsibilities in accordance with the ethics code of the Institute of Statutory Auditors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

KEY AUDIT MATTERS	AUDIT APPROACH
REVENUE CUT-OFF	
Disclosures related with revenue presented in the notes to the consolidated financial statements 2.3.o), 28 and 29. The Group's revenue amounts to Euro 337 million. This amount includes Euro 40 million referent to sales occurred in December. According to IAS 18, revenue is recognized in the income statement when the significant risks and rewards of ownership are transferred from the seller to the buyer, it is probable that the economic benefits associated with the transaction will flow to the Group Toyota Caetano Portugal and the amount of revenue can be measured reliably. The automatic recognition of revenue is made at the moment of billing issuance. In a moment after that, a manual adjustment is made to the sales related with cars that, at the reporting date, were not delivered to the clients. This issue is a key audit matter because there is a gap between the billing moment and the moment of the transfer of significant risks and rewards to the client, and also because the mentioned manual adjustment results from a manual procedure.	In order to mitigate the risk of a cut-off error concerning revenue recognition arising from sales of goods, we have performed the following audit procedures: • Identification and test of key controls related with revenues and receivables processes; • Inventory counting assistance and analysis of adjustments made to inventory; • Tests of detail to the cut-off assertion through the verification of delivery notes; • Tests of detail to revenue manual adjustments; • Analytical procedures to the caption sales (variance analysis against last year and budget)

KEY AUDIT MATTERS	AUDIT APPROACH
USED CARS VALUATION	
Disclosures related with inventory presented in the notes to the consolidated financial statements 2.3.e) and 10. The Group presents in the consolidated statement of financial position, inventory amounting to Euro 82.8 million representing about 30% of total assets. The mentioned amount includes Euro 72.6 million related with merchandise, which are measured at the lower of average acquisition cost and net realizable value. The amount of merchandise contains Euro 32.6 million referent to used cars, being the respective cumulative impairment losses of Euro 1.5 million. According to IAS 2, merchandise and raw and subsidiary materials are measured at average cost, which is lower that their respective market value. The inventory cumulative impairment losses reflect the difference between the acquisition cost and the net realizable value. This issue is a key audit matter because of the magnitude of the amount of used cars inventory as well as the judgment inherent to assessment of impairment losses. There is the risk of the amount of recognized cumulative impairment losses not totally reflects the effective loss and that the difference between both amounts is material.	In order to mitigate the risk of the carrying amount of used cars inventory being greater that their net realizable value, we have performed the following audit procedures: • Test of detail to the valuation of used cars inventory as of December 31, 2016 • Validation of valuation assumptions, including, among other procedures, analysis of historical commercial information and comparison between the Group's expectations concerning the net realizable value of used cars and market analysts' expectations. • Assessment of the controls implemented by the Group in order to minimize days in inventory related with used cars. • Analytical review to margins of used cars as well as to inventory turnover related with used cars. • Analysis of used cars' sales occurred after December 31, 2016 in order to identify situations in that the net realizable amount if lower than the carrying amount as of December 31, 2016.

RESPONSIBILITIES OF MANAGEMENT AND SUPERVISORY BOARD FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for:

a) the preparation of the consolidated financial statements, which present fairly the financial position, the financial performance and the cash flows of the Group in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union;

b) the preparation of the Directors' Report, including the Corporate governance Report, in accordance with the applicable law and regulations;

c) the creation and maintenance of an appropriate system of internal control to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;

d) the adoption of appropriate accounting policies and criteria;

e) the assessment of the Group's ability to continue as a going concern, disclosing, as applicable, events or conditions that may cast significant doubt on the Group's ability to continue its activities.

The supervisory board is responsible for overseeing the process of preparation and disclosure of the Group's financial information.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

a) identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

b) obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;

c) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

d) conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

e) evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

f) obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion;

g) communicate with those charged with governance, including the supervisory board, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit

h) of the matters we have communicated to those charged with governance, including the supervisory board, we determine which one's were the most important in the audit of the consolidated financial statements of the current year, these being the key audit matters. We describe these matters in our report, except when the law or regulation prohibits their public disclosure;

i) confirm to the supervisory board that we comply with the relevant ethical requirements regarding independence and communicate all relationships and other matters that may be perceived as threats to our independence and, where applicable, the respective safeguards.

Our responsibility also includes verifying that the information included in the Directors' report is consistent with the consolidated financial statements and the verification set forth in paragraphs 4 and 5 of article No. 451 of the Portuguese Company Law.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

DIRECTOR'S REPORT

In compliance with paragraph 3 e) of article No. 451 of the Portuguese Company Law, it is our understanding that the Director's report has been prepared in accordance with applicable requirements of the law and regulation, that the information included in the Directors' report is consistent with the audited consolidated financial statements and, taking into account the knowledge and assessment about the Group, no material misstatements were identified.

CORPORATE GOVERNANCE REPORT

In compliance with paragraph 4 of article No. 451 of the Portuguese Company Law, it is our understanding that the Corporate governance report includes the information required under article No. 245-A of the Portuguese Securities Market Code, that no material misstatements were identified in the information disclosed in this report and that it complies with paragraphs c), d), f), h), i) and m) of that article.

ADDITIONAL INFORMATION REQUIRED IN ARTICLE NO. 10 OF THE REGULATION (EU) 537/2014

In accordance with article No. 10 of Regulation (EU) 537/2014 of the European Parliament and of the Council, of April 16, 2014, and in addition to the key audit matters referred to above, we also provide the following information:

a) We were first appointed auditors of Toyota Caetano Portugal, S.A. in the Shareholders' General Meeting of April 23, 2010 for the period of 2010, having remained in functions until the current period. Our last appointment was in the Shareholders' General Meeting of April 30, 2015 for the period from 2015 to 2018.

b) The management has confirmed to us it has no knowledge of any allegation of fraud or suspicions of fraud with material effect in the financial statements. We have maintained professional scepticism throughout the audit and determined overall responses to address the risk of material misstatement due to fraud in the consolidated financial statements. Based on the work performed, we have not identified any material misstatement in the consolidated financial statements due to fraud.

c) We confirm that our audit opinion is consistent with the additional report that was prepared by us and issued to the Group's supervisory board as of March 27, 2017.

d) We declare that we did not provide any prohibited non-audit services referred to in paragraph 8 of article No. 77 of the by-laws of the Institute of Statutory Auditors ("Estatutos da Ordem dos Revisores Oficiais de Contas") and that we remain independent of the Group in conducting our audit.

Porto, March 27, 2017

PricewaterhouseCoopers & Associados

- Sociedade de Revisores Oficiais de Contas, Lda.

represented by:

José Miguel Dantas Maio Marques, R.O.C.

REMUNERATION COMMITTEE DECLARATION

The Remuneration Committee of Toyota Caetano Portugal, S.A. states the following:

a) **Compliance with the policy set defined for Financial Year of 2015:**

Analyzed all accounting data and other records of Toyota Caetano Portugal, this Committee verified that there was no change on the remuneration of the Governing Bodies during the year 2016, thus having been complied the proposals of this Committee approved in the General Meeting of Shareholders of April 28, 2016.

b) **Policy of Remuneration applicable during the Financial Year 2016:**

In view of the current economic climate and given the forecasts of activity and results for the financial year 2017, provided by the Management of the Company, is the understanding of this Committee that the amounts of remuneration of the fixed nature for all members of the governing bodies, who maintain executive functions, must respect in its essence the deliberations of the Management concerning the salary policy to be applied to the remaining Employees, in other words, they must in 2017 be updated in a range of 1% to 2%.

For the non-Executive, this Committee has the opinion that they shall not receive any remuneration, as it is the practice hitherto followed.

Regarding the Variable Remuneration of the executive members of the Board of Directors, it has been allocated according to the results obtained by the Company, combining with the distribution policy of dividends to the shareholders and the bonus payable to employees.

In 2016, this component of remuneration did not exist, and therefore it was accomplished the proposal of this Committee of do not exceed 2% of distributable results.

Therefore and referring to paragraph b) of number 3 of article 2 of Law 28/2009 of 19 June, this Remuneration Committee propose the maintenance of the criteria established for 2017, namely that the variable remuneration of the Executive Members of the Board of Directors as a whole does not exceeds 2% of the profits distributable determined in the financial year of 2016.

The decision to award Variable Remuneration depending on the results obtained has implicit the verification of the alignment of interests of the members of the Board of Directors with the interests of the Company and, therefore, is one of the mechanisms to be integrated in paragraph a) of number 3 of article 2 of Law No. 28/2009 of 19 June and simultaneously responding to paragraph e) of the same number of article 2 of Law No.28/2009, ensuring the limitation of the variable remuneration in the case that the results obtained are of a negative nature.

Concerning the information related to paragraph c) of number 3 of article 2 of Law No. 28/2009 of June 19, we certify the absence of any plan of allocation of shares or options to acquire shares by the members of the administration and supervision. This committee proposes to maintain this criterion.

The company's practice in the timing of annual payments must, in our opinion, remain, and therefore shall be excluded the possibility stated in paragraph d) of number 3 of article 2 of Law No. 28/2009.

The Remuneration Committee

Alberto Luis Lema Mandim

Maria Conceição Monteiro da Silva

Francelim Costa da Silva Graça

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CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

PART I – INFORMATION ON SHAREHOLDER STRUCTURE, ORGANIZATION AND CORPORATE GOVERNANCE

A. SHAREHOLDER STRUCTURE

I. CAPITAL STRUCTURE

1. **Capital structure**.

   As at 31 December 2016, the Company share capital consists of 35,000,000 fully subscribed and paid bearer shares, each with a nominal value of 1 Euro, all shares being listed on Euronext Lisbon.

   There are no shareholders holding special rights.

2. **Restrictions on transmission of shares such as clauses of consent for sale, or limitations to share ownership.**

   There are no restrictions on the transferability of shares or limitations to share ownership.

3. **Number of own shares, share of social capital and corresponding percentage of voting rights that correspond to the own shares.**

   Not applicable.

4. **Significant agreements with terms of change of control.**

   See number 6 of Part I.

5. **Renewal or revocation of defensive measures, in particular those providing for limiting the number of votes of detention or sensitive exercise by a single shareholder.**

   Not applicable.

6. **Agreements which the company is aware and may lead to restrictions on the transfer of securities or voting rights.**

   This company isn't aware of any parasocial agreement between shareholders.

II. HOLDINGS AND LIABILITIES HELD

7. Qualifying shares, share capital and votes of liability, and causes of power allocation.

Qualified holdings in the share capital of Toyota Caetano Portugal, S.A:

SHAREHOLDER	NUMBER OF SHARES	%
Salvador Caetano Auto (S.G.P.S), S.A.	21.288.281	60,824%
Toyota Motor Europe NV/SA directly	9.450.000	27,000%
Salvador Fernandes Caetano (Heirs of) directly	1.399.255	3,998%

8. Number of shares and bonds held by members of the management and supervision.

The members of the Board of Directors and the members of Audit Board don't have any shares or bonds from the company.

MEMBER	SHARES	BONDS
José Reis da Silva Ramos	0	0
Maria Angelina Martins Caetano Ramos	0	0
Salvador Acácio Martins Caetano	0	0
Miguel Pedro Caetano Ramos	0	0
Rui Manuel Machado de Noronha Mendes	0	0
Matthew Peter Harrison	0	0
Nobuaki Fujii	0	0
Yoicho Sato	0	0
MEMBER	**SHARES**	**BONDS**
José Domingos da Silva Fernandes	0	0
Alberto Luis Lema Mandim	0	0
Daniel Broekhuizen	0	0
Maria Lívia Fernandes Alves	0	0
Kenichiro Makino	0	0

9. Special powers of the board of directors, including with respect to resolutions of capital increase.

Within the powers of the Board described in paragraph 21 of Part I is not foreseen explicitly granting of any specific power in relation to decisions to increase capital.

10. Significant trade relations between the qualifying shares and society.

During financial year 2016 no business or transactions were performed between the company and holders of qualified holdings or entities with whom they have any relationship, pursuant to Article 20. of Código dos Valores Mobiliários (Portuguese Securities Code), outside of normal market conditions.

B. CORPORATE BOARDS AND COMMISSIONS

I. GENERAL SHAREHOLDERS' MEETING

The General Shareholders' Meeting consists of all shareholders with voting rights, whose remit is to deliberate on statutory changes, evaluate the overall management and auditing of the Company, deliberate on the management report and the financial statements for the year, elect the governing bodies falling under its remit and generally deliberate on all terms submitted thereunto by the Board of Directors.

The company makes the necessary and adequate human resources and logistic support available for the members of the board of the General Shareholders' Meeting, through the company's legal department. The latter collaborates actively in the preparation of the General Shareholders' Meetings, ensuring publication of the respective convening notices, receipt and control of all communications from shareholders and financial intermediaries, working closely and also guaranteeing all the logistics of the general shareholders' meetings.

11. Identification members of the general meeting.

The Board of the General Shareholders' Meeting consists of 4 members, as follows:

José Lourenço Abreu Teixeira – President

Manuel Fernando Monteiro da Silva – Vice-President

Maria Olívia Almeida Madureira – Secretary

Jorge Manuel Coutinho Franco da Quinta – Secretary

The current board of the General Shareholders' Meeting was elected in 30 April 2015 for a period of 4 years, and ends its mandate in 31 December 2018.

The information below covers the points 12 to 14 of Part I of the form attached to CMVM Regulation no. 4/2013.

EXERCISE OF VOTING

Under Article 4 (6) of the Articles of Association, to each group of one hundred shares corresponds one vote.

Shareholders intending to attend must have their shares registered under their name in the Company Share Register or otherwise provide proof of their deposit at a financial intermediary, by fax or e-mail, up to five working days prior to the date set for the General Shareholders' Meeting.

The Company's Articles of Association do not include statutory provisions providing for the existence of shares that do not confer voting rights or which provide that no voting rights are counted over a certain number, when issued by a single shareholder or shareholders related to him/her.

Only those shareholders who are legitimate owners of shares entitling them to at least one vote have the right to attend the General Shareholders' Meeting and to participate in discussions and voting. However, shareholders who do not have the minimum number of one hundred shares may group themselves in such a way as to complete that amount. In this situation, one member must be elected to represent the group, and this representative's identity must be sent by letter addressed to the Chairman of the Board of the General Shareholders' Meeting.

The company's Articles of Association do not include the duty, at least every five years, to subject the resolution of the General Shareholders' Meeting, to maintenance or removal of the statutory rule which provides for limiting the number of votes likely to be held or exercised by a single shareholder individually or by arrangement with other shareholders.

There are no defensive measures intended to cause automatic and serious erosion of company assets in case of transfer of control or change of composition of the management body.

No defined statutory rules exist on the exercise of voting rights except where pertaining to the minimum quorum of 75% required for the approval of the following resolutions:

a) Changes to the Articles of Association;

b) Incorporation of reserve funds in the share capital, namely and specifically revaluation reserves;

c) Transfer, leasing or cession of the operation of all or an important part of the company's activities, and the succession or acceptance of a third-party entity activity;

d) Reduction or increase in capital;

e) Sharing of profits and setting of the dividend percentage, as well as the possible distribution of Free Reserve funds;

f) Issuance of bonds;

g) Election or dismissal of all or some members of the governing bodies;

h) Election or dismissal of the members of the Remuneration Committee;

i) Merger, demerger or dissolution of the Company, as well as the appointment of liquidators;

j) Acquisition, disposal, transfer, leasing and cession of fixed assets with a transaction value greater than two million, five hundred thousand Euros.

In order to deliberate on the matters referred to in the previous point, if the required majority is not present during the first convening notice, the General Shareholders' Meeting will meet fifteen days later in order to deliberate on the same matters, with the requirement that the respective decision be voted by a seventy-five percent majority of the votes from present or represented shareholders.

Shareholders may exercise their postal voting rights, in accordance with the following terms and conditions:

a) Postal votes are to be sent to, and received by, the Company's headquarters, by means of registered letter with acknowledgement of receipt, addressed to the Chairman of the Board of the General Shareholders' Meeting, at least five working days prior to the date of the Meeting. The letter should include a statement issued by a financial intermediary providing proof of share ownership and also a sealed envelope containing the vote;

b) The voting paper must be signed by the legitimate shareholder or by his/her legal representative, and if the shareholder is a natural person, the vote shall be accompanied by a certified copy of his/her identification card; if the shareholder is a legal person, the signature should be certified as and empowered to exercise the voting rights;

c) Postal votes shall be considered at the moment of voting at the General Shareholders' Meeting, when they will be added to the votes cast at the meeting.

d) Only votes containing the following clear and unequivocal information shall be deemed valid:

  - indication of the General Shareholders' Meeting and of the item/s of the respective agenda to which the vote refers;
  - the specific proposal for which it is to be cast, including the indication of the respective proponent or proponents; however, the shareholder casting a postal vote in relation to a given proposal may declare that he/she votes against all other proposals pertaining to the same point of the agenda, with no further specification.
  - the precise and unconditional indication of the voting decision for each proposal, as well as whether the vote is maintained in case the proposal is altered by its proponent, the shareholder being permitted to make his/her vote conditional on a given proposal to the approval or rejection of another proposal, within the scope of the same agenda item.

e) It is understood that shareholders who send postal votes vote negatively on all deliberative proposals submitted after issuing the vote.

Toyota Caetano Portugal provides a template for exercising the postal voting right on the Company's website (www.toyotacaetano.pt).

As described in sub-paragraph a) of number I9, the vote ballots must be received by the company up to five days prior to the General Shareholders' Meeting.

We are required to inform that, in accordance with the Company's current Articles of Association, there is no provision for voting by electronic means.

II. MANAGEMENT AND SUPERVISION

COMPOSITION

15. Identification of governance model adopted.

The Company adopts the governance model commonly known as 'enhanced Latin', which recommends the separation of the board of directors and the audit body, as well as dual auditing, consisting of an audit board and a statutory auditor. The Board of Directors' evaluation concluded that the adoption of this model allows for an audit body with effective and enhanced auditing, composed entirely of members subject to a regime of incompatibilities and independence requirements.

16. Statutory rules on procedural requirements and materials for the appointment and replacement of the board of directors.

The members of the Board of Directors are elected by the General Meeting for a period of four years, renewable, which is responsible for performing all acts of management to implement the operations inherent to its objects, acting in the best interests of the Company, shareholders and employees. The General Meeting may also elect two alternate directors.

In accordance with Article 17 of Toyota Caetano Portugal's Articles of Association, the appointment and replacement of the members of the management body abide by the following rules:

a) By means of the calling in of alternate members by the Chairman of the Board of Directors, respecting the order in which they appear on the list submitted to the General Shareholders' Meeting;

b) In case there are not alternate members, through co-option, to be carried out within sixty days following a definitive absence, unless the number of acting board members is insufficient for the Board of Directors to be able to operate;

c) Should no co-option have been effected, the alternate member shall be designated by the Audit Board;

d) By election of a new board member.

The appointment of non-executive board members is in accordance with Article 17 of Toyota Caetano Portugal, S.A.'s Articles of Association, and abiding by the following rules:

Replacing an outgoing member

a) By means of the calling in of alternate members by the Chairman of the Board of Directors, respecting the order in which they appear on the list submitted to the General Shareholders' Meeting;

b) In case there are not alternate members, through co-option, to be carried out within sixty days following a definitive absence, unless the number of acting board members is insufficient for the Board of Directors to be able to operate;

c) Should no co-option have been effected, the alternate member shall be designated by the Audit Board;

New member

d) By election of a new board member.

New non-executive directors are appointed by election in the General Shareholders' Meeting.

17. Composition of the board of directors.

The Board of Directors elected in 2015 for a period of 4 years, its mandate ending in 2018, consists, in accordance with the Articles of Association of Toyota Caetano Portugal, S.A., of 7 members, shareholders or not, elected by the General Shareholders' Meeting.

The Board of Directors, its functions, independence and date of first appointment was as follows:

MEMBER	FUNCTION		INDEPENDENCE	DATE OF DESIGNATION
José Reis da Silva Ramos	Chairman	Executive	No	29/01/2010
Maria Angelina Martins Caetano Ramos	Member	Executive	No	30/03/1989
Salvador Acácio Martins Caetano	Member	Executive	No	30/03/1989
Miguel Pedro Caetano Ramos	Member	Executive	No	23/04/2010
Rui Manuel Machado de Noronha Mendes	Member	Executive	No	23/04/2010
Matthew Peter Harrison	Member	Non-executive	No	27/08/2015
Nobuaki Fujii	Member	Non-executive	No	01/04/2016
Yoicho Sato	Member	Non-executive	No	23/01/2014

18. Distinction of executive members and non-executive directors and concerning the non-executive members, identification of which may be deemed to be independent.

In item 17 of Part I, are discriminated executive and non-executive directors, as well as those who are considered independent.

The executive members of the Board of Directors of Toyota Caetano Portugal, S.A. cannot be considered independent insofar as the appointment of all of them corresponds to the proposal by the main shareholder and their interests are aligned with it.

The non-executive members do not perform any other role in resident companies and there is no incompatibility in the exercise of their duties. However, they may not be considered independent as they represent Toyota Motor Europe, a company holding approximately 27% of the share capital of Toyota Caetano Portugal, S.A.

The assessment of the independence of the Board of Directors' members carried out by the management body is based on Article 414 (5) of Código das Sociedades Comerciais (Portuguese Commercial Companies Code).

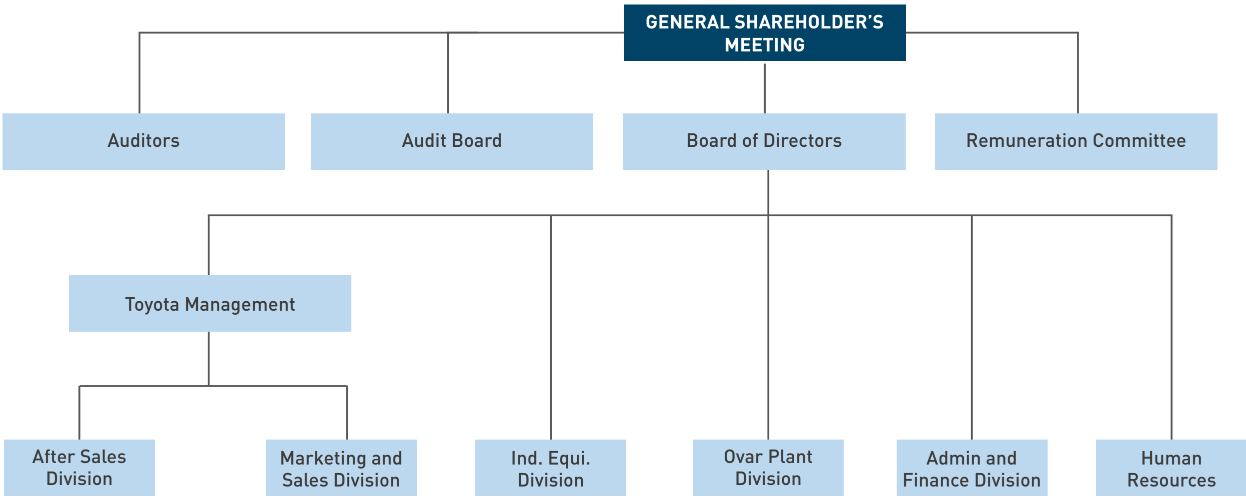
19. Professional qualifications and other elements relevant curriculum for each of the members of the board of directors.

In annex (Annex I) is disclosed the professional qualifications of the members of the Board of Directors.

20. Family relationships, professional or trade, and meaningful usual, the members of the board of directors to the shareholders to whom be attributed qualified than 2% of voting rights.

No member of the Board of Directors currently holds Company shares. However, it should be noted that the process of sharing of the assets of Mr. Salvador Fernandes Caetano is still in progress.

21. Chart on the division of powers between the various officers, committees and / or departments, including information on delegation of powers in particular with regard to the delegation of daily administration of the company.



OPERATION

Board of Directors

The Board of Directors delegates powers to a director responsible for each of the divisions identified in the above organization chart, including current management and with whom the Board meets regularly to review and follow-up the activity carried out. It should be noted that an annual budget is prepared and which, during the financial year, is subject to periodic control carried out by the Company's Board of Directors and by the company's operational management.

The Board of Directors is responsible for exercising the widest range of powers, representing the Company in and out of court, actively and passively, as well as to carry out all acts that seek to achieve the corporate purpose, in particular the following:

a) Without the need for resolution by the shareholders, the Board of Directors may create branches, agencies, delegations or other local forms of representation, in Portugal and abroad;

b) Install or acquire, keep, transfer or shut down establishments, factories, laboratories, workshops, deposits or warehouses;

c) Acquire, dispose of and commit their own shares and bonds in any manner, as per resolutions of the General Shareholders' Meeting; acquire and dispose of other fixed assets and commit them by any means; and acquire fixed assets and, with the prior opinion of the Audit Board, dispose of them by means of any acts or contracts, including to provide security interest.

d) Negotiate with any credit institution, particularly banks, each and every operation deemed necessary, namely by raising loans according to the terms, conditions and manner deemed most convenient;

e) Make bank account transactions, deposit and withdraw moneys; issue, draw, accept and endorse letters, promissory notes, checks, statements of invoices and any other credit instruments;

f) Admit to, desist from or compound with any actions;

g) Appoint Company representatives;

h) Carry out all other duties provided for in the Articles of Association or by law;

i) Ensuring the creation and operation of internal control and risk management systems;

The executive members of the Board of Directors make available any information requested by the company's Governing Bodies, namely to the Audit Board and the Board of the General Shareholders' Meeting, in a timely manner and as appropriate to the request.

Audit Board

The Audit Board, consisting of three permanent members and two alternate member, is responsible for supervising the management, verifying the compliance of the Company's accounts, accounting records and supporting documents, and ensuring compliance with the law and with the Company's Articles of Association.

As part of its function the Audit Board verify the internal audit process having access to all reports prepared which include, among others, matters related to accountability.

It is incumbent on the Audit Board to indicate, represent the company before, and supervise the activity and independency of, the External Auditor, directly interacting with him/her in accordance with his/her duties and the operating standards.

22. Operating regulations of the board of directors.

The Company is making efforts towards the creation and dissemination on the Company's website of the operating regulations of the board of directors and audit body.

23. Number of meetings held and degree of attendance of each member.

The Board of Directors holds regular meetings, its resolutions being valid only when the majority of its members are present.

During the course of 2016, the Board of Directors convened four times, and the corresponding minutes are registered in the Board of Directors' book of minutes having been present all its members.

24. Statement of corporate bodies competent to perform a performance evaluation of executive.

The General Shareholders' Meeting has delegated to the Remuneration Committee the specification of the remunerative policies to be applied, as well as the performance assessment of the members of the management body and the communication of information to the General Shareholders' Meeting on proposed policies and their compliance.

The remunerations policy for the Board of Directors and for the Audit Body is defined by an independent Remuneration Committee, based on criteria that meet the ability to create shareholder value. Definition of the above-mentioned criterion takes into account several factors including market comparative data and macroeconomic data.

25. Pre-determined criteria for performance evaluation of executive.

As per approval by the Remuneration Committee, the fixed remuneration of the members of the Board of Directors is not directly dependent on the evolution of the Company share price or on income obtained.

However, all members of the Management Body are dependent on company income as regards the variable component of their annual remuneration, in what is usually designated as a "Balance Reward" or annual bonus, corresponding to an annual performance bonus calculated taking into account the assessment carried out by the Remuneration Committee within the scope of its duties.

Regarding the policies to be followed in respect of the variable remuneration of the Management Body, this has been exclusively dependent on the annual net profits obtained by the company, following in a certain way the dividend payment and employee bonus policy approved by the General Shareholders' Meeting which, in historical terms and in light of the aggregate total of the Board of Directors, has represented about 3% of annual net income, but with some flexibility in the range of allocation, which may fall to a lower limit of 1.5% and never exceed the upper limit of 4%.

26. Availability of each of the members of the board of directors with indication of positions held simultaneously in other business in and out of the group, and other relevant activities held by members of those bodies during the year.

The executive members of the Board of Directors also carry out management duties in the following companies:

NAME	COMPANY	FUNCTION
Eng.º José Reis da Silva Ramos Chairman Board Directors TOYOTA CAETANO PORTUGAL, S.A.	Rigor - Consultoria e Gestão, S.A.	Chairman Board Directors
	Saltano – Invest. e Gestão, SGPS, S.A.	Chairman Board Directors
	Caetano Auto, S.A.	Chairman Board Directors
	Caetano Renting, S.A	Chairman Board Directors
	Caetanobus – Fabricação de Carroçarias, S.A.	Chairman Board Directors
	Caetano Aeronautic, S.A.	Chairman Board Directors
	Lusilectra – Veículos. e Equipamentos, S.A.	Chairman Board Directors
	Caetano Auto CV, S.A.	Chairman Board Directors
	Portianga - Comércio Internacional e Participações, S.A.	Chairman Board Directors
	Salvador Caetano - Indústria (SGPS), S.A.	Chairman Board Directors
	Salvador Caetano Auto África, SGPS, S.A.	Chairman Board Directors
	Grupo Salvador Caetano, SGPS, S.A.	Member Board Directors
	Atlântica – Comp. Portuguesa de Pesca, S.A.	Member Board Directors
	MDS Auto - Mediação de Seguros, S.A.	Member Board Directors
	Soc. Imobiliária Quinta da Fundega, Lda.	Manager
	Movicargo - Serviços Aduaneiros, Lda.	Manager
	Crustacil – Comércio de Marisco, Lda.	Manager

NAME	COMPANY	FUNCTION
Drª Maria Angelina Martins Caetano Ramos Member Board Directors TOYOTA CAETANO PORTUGAL, S.A.	Grupo Salvador Caetano, SGPS, S.A.	Chairman Board Directors
	Atlântica - Comp. Portuguesa de Pesca, S.A.	Chairman Board Directors
	Poal - Pavimentações e Obras Acessórias, S.A.	Chairman Board Directors
	Auto Partner - Imobiliária, S.A.	Chairman Board Directors
	Cociga – Construções Civis de Gaia, S.A.	Chairman Board Directors
	Covim - Soc. Agrícola, Silvícola e Imobiliária, S.A.	Chairman Board Directors
	Simoga - Sociedade Imobiliária de Gaia, S.A.	Chairman Board Directors
	Salvador Caetano Capital, SGPS, S.A.	Chairman Board Directors
	Saltano – Invest. e Gestão, SGPS, S.A.	Member Board Directors
	Caetano Auto, S.A.	Member Board Directors
	Portianga – Com. Int. e Participações, S.A.	Member Board Directors
	Caetano - Baviera - Comércio de Automóveis, S.A.	Member Board Directors
	Salvador Caetano Auto África, SGPS, S.A.	Member Board Directors
	Caetano Auto CV, S.A.	Member Board Directors
	Salvador Caetano Auto, SGPS, S.A.	Member Board Directors
	Crustacil – Comércio de Marisco, Lda.	Manager
	Maqtin - Comércio e Indústria de Máq. Ferramentas e Tintas, Lda.	Manager

NAME	COMPANY	FUNCTION
Eng.º Salvador Acácio Martins Caetano Member Board Directors TOYOTA CAETANO PORTUGAL, S.A.	Caetano-Baviera – Comércio de Automóveis, S.A.	Chairman Board Directors
	Salvador Caetano-Auto, SGPS, S.A.	Chairman Board Directors
	Tovicar – Sociedade de Com. de Automóveis, S.A.	Chairman Board Directors
	Caetano Retail, SGPS, S.A.	Chairman Board Directors
	Caetano City e Active (Norte), S.A.	Chairman Board Directors
	Caetano Fórmula, S.A.	Chairman Board Directors
	Caetano Star, S.A.	Chairman Board Directors
	Turispaiva – Soc. Turística Paivense, S.A.	Chairman Board Directors
	Lavorauto - Administração Imb. E Cons. de Empresas, S.A.	Chairman Board Directors
	Grupo Salvador Caetano, SGPS, S.A.	Vice-President Board Directors
	Rigor - Consultoria e Gestão, S.A.	Member Board Directors
	Saltano – Invest. E Gestão, SGPS, S.A.	Member Board Directors
	Caetano Renting, S.A.	Member Board Directors
	Portianga – Com. Int. e Participações, S.A.	Member Board Directors
	Cociga – Construções Civis de Gaia, S.A.	Member Board Directors
	Salvador Caetano Auto África, SGPS, S.A.	Member Board Directors
	Amorim Brito & Sardinha, Lda.	Manager
	Maqtin - Comércio e Indústria de Máq. Ferramentas e Tintas, Lda.	Manager

NAME	COMPANY	FUNCTION
Engº Miguel Pedro Caetano Ramos Member Board Directors TOYOTA CAETANO PORTUGAL, S.A.	Globalwatt, SGPS, S.A.	Chairman Board Directors
	Vas África, S.A.	Chairman Board Directors
	VAS, Cabo Verde, Sociedade Unipessoal, S.A.	Chairman Board Directors
	Caetano Fórmula East África, S.A.	Chairman Board Directors
	Salvador Caetano Equipamentos, S.A.	Chairman Board Directors
	Caetano Fórmula West África, S.A.	Chairman Board Directors
	Caetano Move África, S.A.	Chairman Board Directors
	Caetano Squadra África, S.A.	Chairman Board Directors
	Sol Green Watt, S.L.	Chairman Board Directors
	Caetanolyrsa, S.A.	Chairman Board Directors
	Finlog - Aluguer e Comércio de Automóveis, S.A.	Vice-President Board Directors
	Ibericar, Sociedad Iberica del Automóvil, S.A.	Vice-President Board Directors
	Lidera Soluciones, S.L.	Vice-President Board Directors
	Grupo Salvador Caetano, SGPS, S.A.	Member Board Directors
	Caetano - Baviera - Comércio de Automóveis, S.A.	Member Board Directors
	MDS Auto - Mediação de Seguros, S.A.	Member Board Directors
	Salvador Caetano Capital (SGPS), S.A.	Member Board Directors
	Portianga - Comércio Internacional e Participações, S.A.	Member Board Directors
	Caetano Retail, SGPS, S.A.	Member Board Directors
	Rigor - Consultoria e Gestão, S.A.	Member Board Directors
	Salvador Caetano - Auto, SGPS, S.A.	Member Board Directors
	Salvador Caetano Auto África, SGPS, S.A.	Member Board Directors
	Caetano Aeronautic, S.A.	Member Board Directors
	Auto Partner - Imobiliária, S.A.	Member Board Directors
	Salvador Caetano Indústra, SGPS, S.A.	Member Board Directors
	Ibericar Barcelona Premium, S.L.	Member Board Directors
	MAPFRE Seguros Gerais, S.A.	Member Board Directors
	Guerin - Rent - a - Car (Dois) LDA.	Manager
	Robert Hudson, Limitada	Manager
	Ibericar Centro Auto, S.L.	Manager
	Simba Caetano Fórmula, Limited	Manager

NAME	COMPANY	FUNCTION
Dr. Rui Manuel Machado de Noronha Mendes Member Board Directors TOYOTA CAETANO PORTUGAL, S.A.	Caetanobus - Fabricação de Carroçarias, S.A.	Member Board Directors
	Caetano Aeronautic, S.A.	Member Board Directors
	Caetano Renting, S.A.	Member Board Directors
	Salvador Caetano Indústria (SGPS), S.A.	Member Board Directors

The executive member just perform on the boards of subsidiaries and affiliated companies and their availability is total.

Non-executive members do not perform any management duties in other companies, carrying out their professional activity in Toyota Motor Europe.

Committees within the board of directors

The information provided in items 27 to 29 of the model attached to CMVM Regulation no. 4/2013 is not applicable to the Company.

Considering the composition of the Board of Directors, the governance model and the shareholder structure of the company, the Board of Directors does not understand appropriate the creation of special committees.

III. SUPERVISORY BOARD

COMPOSITION

30. Identification of the supervisory board.

The supervisory board adopted according to the Latin model of corporate governance is the Audit Board.

31. Composition of the audit board.

Audit Board, consisting of two permanent members and two alternate members.

The Audit Board, elected in 2015 for a period of four years, its mandate ending in 2018 and its duties are detailed as follows:

MEMBER	FUNCTION	INDEPENDENCE	SHARE	DATE DESIGNATION
José Domingos da Silva Fernandes	Chairman	Yes	0	28/04/2011
Alberto Luís Lema Mandim	Member	Yes	0	27/04/2012
Daniel Broekhuizen	Member	Yes	0	28/04/2016
Maria Lívia Fernandes Alves	Alternate Member	Yes	0	27/04/2012
Kenichiro Makino	Alternate Member	Yes	0	28/04/2016

32. Identity of the audit board consider that independent pursuant to art. 414., Paragraph 5 CSC

The Chairman of the Audit Board is independent, according to the criteria laid down in Article 414 (5) of Código das Sociedades Comerciais (Portuguese Commercial Companies Code), and in addition the Audit Board carries out the correspondent self-evaluation.

33. Qualifications for each member of the audit board.

The members of the Audit Board have appropriate skills to carry out their roles and the Chairman is properly supported by the other members of the Audit Board (Annex I).

OPERATION

34. Regulation of operation of the audit board.

The regulations for the operation of the audit board are not disclosed on the website of the company.

External Auditor / Statutory Auditor

Under Article 420., Paragraph 1, paragraphs c), d), e) and f) and 446., Paragraph 3 of the Commercial Companies Code, the Statutory Auditors to control the regularity of the accounting records and documents supporting materials, as well as, when appropriate, and by the way thought adequate, the extent of cash and stocks of any kind of goods or assets belonging to the Company or received as collateral, deposit or other security, and also the accuracy of the individual and consolidated financial statements and the accounting policies and valuation criteria adopted by the Company to conduct a proper assessment of the assets and profits.

Following the entry into force of Decree-Law n. º 185/2009, of 12 August also the Statutory Auditors has duty attest the Corporate governance report published annually contains the elements required under the law, namely, in respect of qualifying holdings in the share capital of the Company, the identification of holders of special rights and description of such rights, any restrictions on voting rights, the rules governing the appointment and replacement of directors and the amendment of Bylaws Society, the powers and proceedings of the board, and key elements of the internal control systems and risk management implemented in the Company in relation to the financial reporting process.

35. Number of meetings held and degree of attendance at meetings held each member of the audit board.

The Audit Board met forth times during the year 2016 and the corresponding recorded in the minutes book of the minutes of the Audit Committee, having been present all its members.

36. Availability of each of the audit board members with indication of positions held simultaneously in other business in and out of the group, and other relevant activities held by the members of that body.

During the past five years, the members of the Audit Board have carried out other duties in the following companies:

José Domingos da Silva Fernandes
- Chairman of the Audit Board for the companies
  - Caetano – Baviera – Comércio de Automóveis, S.A. (Grupo Salvador Caetano)
- Statutory Auditor for the companies
  - Multiponto, S.A.
  - Summertime – Sociedade Imobiliária, S.A.
  - Convemaia – Sociedade Imobiliária, S.A.
  - BDS, SGPS, S.A.
  - Poliedro, SGPS, S.A.
  - ONIRAM – Sociedade Construtora de Máquinas Industriais, Lda.

Alberto Luís Lema Mandim
- Member of the Audit Board for the company
  - Caetano Auto S.A.
- President of the Audit Board for the company
  - Fundação Salvador Caetano

Daniel Broekhuizen: does not perform any other duties in other Companies

Maria Lívia Fernandes Alves
- Member of the Audit Board for the company
  - Caetano Auto S.A.

Kenichiro Makino: does not perform any other duties in other Companies

POWERS AND FUNCTIONS

37. Procedures and criteria for intervention of the audit board for the purpose of employment of additional services to the external auditor.

The Audit Board has the duty of supervising the activity and independence of the External Auditor, interacting with him under the terms of his/her competences and operating standards and is the first recipient of the External Auditor's Report.

Furthermore, the Audit Board is responsible for proposing the provider of external audit services and the relevant remuneration and for ensuring that suitable conditions for the provision of the services are provided within the Company. Finally, the Audit Board evaluates the External Audit on an annual basis and submits to the General Shareholders' Meeting the proposal for his/her dismissal whenever there is fair grounds to that end.

38. Other functions of the audit board.

Regarding this matter, reference is made in item 21 of Part I.

IV. STATUTORY ACCOUNTANT

39. Identification of statutory accountant and social auditor that represents.

Statutory Accountant, in the person of José Pereira Alves, representing the company PricewaterhouseCoopers & Associados - Sociedade de Revisores Oficiais de Contas, Lda. nº 9077 in CMVM.

40. Number of years in the statutory accounts held together consecutively functions of the company and / or group.

The current Statutory Auditors office held consecutively with the Company since 2010.

41. Other services.

The item "Other services" includes verification of the supporting documentation of the investment project under the System of Incentives for Research & Development in the NSRF Operational Program, verification of the values reported in the billing reports in the scope of the fulfillment of the contractual obligations arising from the contract concluded under the Framework Agreement - Motor Vehicles and Motorcycles within the competence of the Public Purchase Agency and certification of the annual declaration on tires introduced in the Portuguese territory for the year 2015.

The Board of Directors, when requesting projects, before awarding them ensures that, under the terms of European Commission Recommendation No. C (2002) 1873 of 16 May 2002, no services are contracted of the auditors and their network liable to compromise their independence.

V. EXTERNAL AUDITOR

42. Identification of the external auditor designated for purposes of art. 8. º and social auditor that stands in compliance with these functions as well as the respective registration number in CMVM.

External auditors the company PricewaterhouseCoopers & Associados - Sociedade de Revisores Oficiais de Contas, Lda. nº 9077 in CMVM.

43. Number of years in the external auditor and the respective member accounts officer that the stands to meet these functions consecutively exercised to the company and / or group.

The external auditor performs functions sequentially with the Company since 2010.

44. Policy and frequency of the external auditor rotation and respective social auditor that stands in compliance with these functions.

Is not internally defined any policy of mandatory rotation of external auditor, in addition to the legally applicable to public interest entities, being the period of mandatory rotation of statutory social accounts representing the External Auditor on the performance of these functions due to the combination the paragraph. 2 of article 54. Statute of the Order of Chartered Accountants (7 years).

45. Body responsible for assessment of external auditor and frequency with which this assessment is made.

The Audit Board undertakes an annual assessment of the work of the External Auditor, ensuring that the fulfilment of the provisions laid down in Article 54 of Decree-Law No. 487/99 of 16 November (amended by Decree-Law No. 224/2008, 20 November) in relation to the rotation of the partner responsible for implementing the work.

46. Identification of services, other than audit, performed by the external auditor for the company and / or companies with it applied in a control, and statement of internal procedures for the purpose of approval of employment of such services and statement of reasons for hiring.

The item "Other services" were essentially service of compliance granted.

The Board of Directors, when requesting projects, before awarding them ensures that, under the terms of European Commission Recommendation No. C (2002) 1873 of 16 May 2002, no services are contracted of the auditors and their network liable to compromise their independence.

47. Annual remuneration paid by the company and / or by a collective of or in relation to the field group auditor and other individuals or collective in the same network and discrimination of percentage of every type of service.

The remunerations paid to our auditors and to other legal persons belonging to the same network, by the companies bearing a control or group relationship, amount to 63.170 Euro, distributed as follows:

	€	%
Company		
Value of audit services	29.500	46%
Value of other services	3.500	6%
Group companies		
Value of audit services	30.170	48%

C. ORGANIZATION

I. STATUTES

48. Rules for the amendment of articles company statutes.

Amendment of articles of the company statutes is possible only upon approval by the General Assembly by a majority of 75% of capital.

In order to deliberate on the matters referred to in the previous point, if the required majority is not present during the first convening notice, the General Shareholders' Meeting will meet fifteen days later in order to deliberate on the same matters, with the requirement that the respective decision be voted by a seventy-five percent majority of the votes from present or represented shareholders.

II. REPORTING OF IRREGULARITIES

49. Media and politics whistleblowing occurred in society.

The reporting of irregularities shall be effected through the delivery of a written document or by internal e-mail addressed to the market liaison officer (point 57 of part I). This officer will in turn use all available means for the analysis and verification of the reported facts, keeping, if required, the confidentiality of the initial information and firstly reporting the findings to the Board of Directors, who will then consider if they shall be disclosed to the market, within legally established parameters, if such disclosure is deemed necessary.

These reports are filed for a minimum period of five years, and are made available to the Auditors on demand.

III. INTERNAL CONTROL AND RISK MANAGEMENT

50. People, bodies or committees responsible for internal audit and/or for the implementation of internal control systems.

At Toyota Caetano Portugal, S.A., the control of risks inherent to the activity is carried out directly by the Board of Directors and is assessed on an annual basis by the Audit Board.

51. Explanation, also including organizational chart, of the hierarchical and/or functional relationships of other company bodies or committees.

The Company produces financial information on a regular basis, and all the management information produced for both internal use and to be used by other entities, it is prepared using computer systems.

The Company Board of Directors delegates powers in the directors responsible for each of the divisions company which meets periodically for analysis and monitoring of developed financial information subject to regular monitoring carried out by the Board of Directors and the operational direction of the company.

Chart in point 21 of part I.

52. Existence of other functional areas with competences for risk control.

There is no other functional areas with competences for risk control beyond those referred to in point 50 of part III.

53. Identification of the main types of risk (economic, financial and legal) to which the company is exposed when conducting business.

In its activities, Toyota Caetano is subject, in each of its business areas or of its subsidiaries, to a multitude of risks that have been identified in order to mitigate and control.

Credit to customers

Toyota Caetano's credit risk is mainly associated with loans to customers, related to its operating activity, the risk that a customer pays late or does not pay for property acquired primarily due to lack of liquidity.

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.

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.

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.

Liquidity Risk

Liquidity risk management at Toyota Caetano Group aims 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 unfavorable terms.

54. Description of the risk identification, assessment, monitoring, control and management process.

Credit to customers

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

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

Exchange Rate Risk

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

Liquidity risk management at Toyota Caetano Group aims at:

(i) Liquidity, i.e. guaranteeing continued access in the most efficient way to sufficient funds to meet current payments on their due dates, as well as any requests for funds, within the times set for such, even where these are not planned;

(ii) Safety, i.e. minimizing the probability of default in repayment of any application of funds; and

(iii) Financial efficiency, i.e. ensuring that Companies maximize the value/minimize the opportunity cost of holding excess liquidity in the short-term.

Any surplus liquidity in the Group is applied to the amortization of short-term debt, as per the criteria of economic and financial reasonableness.

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 programs, and other types of financial operations with relationship Banks, ensuring the right balance between satisfactory liquidity levels and adequate commitment fees.

55. Main elements in the internal control and risk management systems implemented at the company with regard to the financial information disclosure process (art. 245(A)(1) (m)).

It should be noted further that the risk management set out above includes the following:

- Sensitivity analysis (measurement of potential impacts according to the likelihood of occurrence of each risk);
- strategic alignment of the company according to the risks actually incurred;
- mechanisms for controlling the execution of the risk management measures adopted and their effectiveness;
- information and communication internal mechanisms on the various components of the risk alert system.

IV. INVESTOR SUPPORT

56. Office responsible investor support, composition, functions, services provided by such information and elements for contact.

Although no Investor Assistance Office has yet been formally established, this task is carried out by the market liaison officer. Whenever necessary, the market liaison officer ensures the provision to the market of all relevant information regarding noteworthy events, facts susceptible of inclusion within the framework of relevant facts, quarterly disclosure of income and answers to any clarification requests made by investors or by the general public as regards financial information of a public nature.

57. Market liaison officer.

Rui Manuel Machado de Noronha Mendes

Telefone: 227867203

E-mail: rmendes@toyotacaetano.pt

58. Market liaison officer, composition, functions, services provided by such information and elements for contact.

The representative for market relations receives calls daily with various issues, including clarification on dividends and other general meetings, usually answered immediately when the information is public.

V. WEB SITE

59. Address

The website of the Company, www.toyotacaetano.pt , is available in Portuguese and in English according to CMVM VI.1 recommendation.

60. Site of information about the firm, the public company status, headquarters and remaining data provided for in article 171 of the companies code.

On the page of the Company's Internet within the tab identified as "investors" we find a tab for the "Company", where is published information on the company, the public company status , headquarters and remaining data provided for in Article 171 of the Commercial Companies Code.

61. Site of information about the statutes and the operating regulations of the organs and / or committees.

On the page of the Company's Internet within the tab identified as "investors" we find a tab for the "Company", where is published information of The Statutes.

62. Site of information of the identity of the corporate officers, the representative for market relations, the investor support office or equivalent structure, their functions and local access means where the statutes and operating regulations of organs and / or committees.

On the page of the Company's Internet within the tab identified as "investors" we find a tab for the "Company", where is published information of corporate officers.

Also find on the page of the Company's Internet within the tab identified as "investors" we find a tab for the "Investor support" where is published the representative for market relations, the investor support office or equivalent structure, their functions and local access.

63. Site of information provide the financial statement which must be accessible for at least five years as well as the semi-annual calendar of corporate events, at the beginning of each semester, including, among others, the general meetings, disclosure of accounts annual and, if applicable, quarterly.

On the page of the Company's Internet within the tab identified as "investors" we find a tab for the "Reports and accounts" where is disclosed for five years, the documents presenting the accounts for each financial year.

On the page of the Company's Internet within the tab identified as "investors" we find a tab for the "Calendar of events" is published the calendar of corporate events.

64. Site of information where is published the notice for the general meeting and all the preparatory and subsequent information related to it.

On the page of the Company's Internet within the tab identified as "investors" we find a tab for the "General Meeting" where we find the disclosure of the notice, resolutions and minutes of the General Assembly.

65. Site of information where it provides the historical resolutions passed at the general meetings of the company, the represented capital and the voting results, with reference to the seven years period.

On the page of the Company's Internet within the tab identified as "investors" we find a relative to "General Meetings" tab where we find a historical record with the resolutions passed at general meetings of the company, the represented share capital and the voting results, with reference to the 7 year period.

D. REMUNERATION

I. JURISDICTION TO DETERMINE

66. Indication as to the jurisdiction to determine the remuneration of governing bodies, of members of the managing director and executive officers of the company.

The remuneration policy of the Board of Directors and Audit Board is set by an independent Remuneration Committee, based on criteria that meet the ability to create shareholder value. In defining the criteria stated above are taken into account several factors including comparative market data and macroeconomic data.

II. REMUNERATION COMMITTEE

67. Composition of the charges, including identification of individuals or collective contracted for you support and declaration of independence of each of the members and advisors

The Remuneration Committee consists of the following members:

- Alberto Luís Lema Mandim

- Francelim Costa da Silva Graça

- Maria Conceição Monteiro Silva

68. Knowledge and experience of members of the remuneration policy of remuneration.

The professional experience of the members of the Remuneration Committee allows them to exercise their responsibilities effectively, while safeguarding the interests of the Company.

The seniority of the members of the Committee in carrying out their duties should be noted in this respect.

The Remuneration Committee to support the performance of its functions didn't contract any singular or collective entity that provides or has provided, over the past three years, services to any structure subject of the corporate boards, to the corporate boards itself or has current relationship with the company or consultant of the company.

III. STRUCTURE OF REMUNERATION

69. Description of the remuneration of management and supervisory referred to in article 2. º Law no. 28/2009 Of 19 June.

The remunerations policy for the Board of Directors and for the Audit Body is defined by an independent Remuneration Committee, based on criteria that meet the ability to create shareholder value. Definition of the above-mentioned criterion takes into account several factors including market comparative data and macroeconomic data.

The policy for remuneration of the directors responsible for each of the divisions identified in the functional organization chart of the Company presented of this report is structured based on a balance between the level of responsibility, in the fixed part, and performance against targets set both at the level of budgetary follow-up and for the result of previously agreed projects, in the variable part.

70. Information on how the remuneration is structured way to align the interests of members of the board of directors to the long-term interests of the company as well as on the way it is based on performance evaluation and excessive discourages risks.

As per the Remuneration Committee's attached statement (Annex II), there are mechanisms within the Company that permit alignment of the interests of the members of the Management Body with the interests of the company.

71. Reference, if applicable, the existence of a variable component of remuneration and information about possible impact of performance appraisal in this component.

As approved by the Remuneration Committee sets the remuneration of the members of the Board of Directors is not directly dependent on the evolution of the share price of the Company or of the results obtained.

72. Deferred payment of variable component of remuneration to mention the period of deferred.

There were no deferred payment of the variable component.

73. Criteria which is based on the allocation variable remuneration shares.

There is no allocation of variable remuneration in shares and taking into account the model of remuneration the members of the Board of Directors doesn't celebrate any contracts with the company or with third parties to mitigate the risk inherent in the variability of remuneration.

There is no agreement by the Board of Directors for the award of variable remuneration in shares.

There is no agreement by the Board of Directors that have the effect to mitigate the risk inherent in the variability of remuneration fixed by the company.

74. Criteria which is based on the allocation variable remuneration in options.

No variable remuneration in options.

75. Main parameters and grounds of any system annual awards and any other non-cash benefits.

Members of the Board of Directors are dependent on the performance of the company in the variable portion of their annual compensation, as is usually designated as "Bonus Balance" or annual bonus, corresponding to an annual performance bonus determined taking into account the assessment made by the Remuneration Committee as part of their duties.

76. Main features of additional pension scheme or early retirement for directors.

Toyota Caetano Portugal, S.A. (together with other affiliates) has constituted a pension fund by public deed on 29 December 1988. This Pension Fund initially provided, initially and as long as Toyota Caetano continued with its decision to make contributions to the fund, for the workers to receive, from the date of their retirement, a non-updateable supplement to be determined based on a percentage of salary, among other conditions.

Given the economic circumstances as of 1 January 2008 Toyota modified the conditions of Salvador Caetano Pension Fund, which can be summarized as follows:

- retention of a Defined Benefits system (20% of social security pensionable salary as at the date of retirement (65 years)) for current pensioners and beneficiaries of deferred pensions, and also for all current employees of member companies of Salvador Caetano Group who on 1 January 2008 were over 50 years of age with more than 15 years' service in the company;
- a Defined Contribution Scheme for the rest of the employees of the group.

The members of the Board of Directors benefit from the Salvador Caetano Pension Fund provided that they fulfil all the requirements demanded for any other employee of one of the companies of the universe included in the Pension Fund.

Currently, the pension fund covers the members of the Board of Directors who meet the above conditions.

IV. DISCLOSURE OF REMUNERATION

The information below covers the points 77 to 81 of Part I of the form attached to CMVM Regulation no. 4/2013.

The remunerations obtained by the members of the Board of Directors and Audit Board of Toyota Caetano Portugal, S.A. during the financial year of 2015 for the performance of their duties in the Company and in other Companies of the Group are as follows:

REMUNERATIONS	FIXED COMPONENT		VARIABLE COMPONENT		TOTAL
	COMPANY	TOYOTA GROUP COMPANIES	COMPANY	TOYOTA GROUP COMPANIES	
BOARD OF DIRECTORS					
José Reis da Silva Ramos	152.618	0	0	0	152.618
Maria Angelina Martins Caetano Ramos	112.175	285.712	0	0	397.887
Salvador Acácio Martins Caetano	0	0	0	0	0
Rui Manuel Machado de Noronha Mendes	82.390	0	0	0	82.390
Miguel Pedro Caetano Ramos	0	0	0	0	0
Matthew Peter Harrison	0	0	0	0	0
Nobuaki Fujii	0	0	0	0	0
Yoicho Sato	0	0	0	0	0
AUDIT BOARD					
José Domingos da Silva Fernandes	4.900	0	0	0	4.900
Alberto Luís Lema Mandim	3.500	0	0	0	3.500
Daniel Broekhuizen	0	0	0	0	0
Maria Lívia Fernandes Alves	0	0	0	0	0
Kenichiro Makino	0	0	0	0	0
Total	**355.583**	**285.712**	**0**	**0**	**641.295**

During the year ended December 31, 2016 didn't occur any cession of functions of any executive member and there wasn't no payment or due any payment as compensation.

82. Remuneration of the year of reference of the chairman of the general assembly.

The remuneration of the Chairman and Vice-Chairman of do Board of the General Shareholders' Meeting consists of a fixed amount corresponding to the actual attendance to the meetings held during 2016.

In 2016 both Chairman and Vice-Chairman did not earn any remuneration.

V. AGREEMENTS WITH IMPLICATIONS REMUNERATION

The information provided in sections 83 and 84 of the model attached to CMVM Regulation no. 4/2013 is not applicable to the Company.

VI. PLANS FOR ALLOTMENT OF SHARES OR OPTIONS ON SHARES

The information provided in paragraphs 85 to 87 of the model attached to CMVM Regulation no. 4/2013 is not applicable to the Company as the Company has not adopted any plans to allot shares or any plans allocation of purchase of shares to members of governing bodies or employees options.

E. TRANSACTIONS WITH RELATED COMPANIES

I. MECHANISMS AND CONTROL PROCEDURES

89. Mechanisms implemented by the company for purposes of controlling trades with related parties (please see the concept resulting from IAS 24).

During financial year 2016 no business or transactions were performed between the company and holders of qualified holdings or entities with whom they have any relationship, pursuant to Article 20. of Código dos Valores Mobiliários (Portuguese Securities Code), outside of normal market conditions.

90. Indication of the trades which were subject to control in the reference year.

The Audit Board, within the scope of its remit, in accordance with the previous points, did not conduct a preliminary assessment of the business carried out between the company and holders of qualified holdings or entities with whom they have any relationship, pursuant to Article 20 of Código dos Valores Mobiliários (Portuguese Securities Code).

91. Description of the procedures and criteria applicable to the intervention of the supervisory bodies for the purposes of assessing business between the company and the holders of qualified shareholdings or entities with which they are in any relationship, pursuant to article 20 of the portuguese securities code.

The Audit Board within its competence, in accordance with the above points, did not make prior assessment to the transactions between the company and the qualifying shareholders or entities with which they are in any relationship, in accordance with Article 20 of Securities code.

II. ELEMENTS FOR TRANSACTIONS

92. Place of documents of accountability where is available information on transactions with related parties.

Business with related parties are disclosed in Note 36 to the consolidated financial statements of the Annual Report 2016.

The Report is available on the Company's website at www.toyotacaetano.pt as well as in the field of Securities Market Commission www.cmvm.pt.

PART II - EVALUATION OF CORPORATE GOVERNANCE

1. Identification of the Code of Corporate Governance adopted

The Report was prepared in compliance with the guidelines laid down in CMVM (Comissão do Mercado de Valores Mobiliários – Portuguese Securities Market Commission) Regulation No. 4/2013 of 18 July.

2. Compliance with the recommendations contained in CMVM's Corporate Governance Code

CMVM RECOMMENDATIONS	COMPLIANCE	REPORT
I. ELIGIBILITY AND CORPORATE CONTROL I.1. Companies should encourage shareholders to attend and vote at general meetings, in particular by not setting an excessively high number of shares required to be entitled to one vote and implementing the necessary to exercise the right to vote by postal voting and electronic postal voting.	Yes	Item 12
I.2. Companies should not adopt mechanisms that hinder the passing of resolutions by shareholders, including shall not set a constitutive or deliberating quorum which outnumbers that which is provided for by Law.	No	Item 12
I.3. Companies should not establish mechanisms that have the effect of causing the gap between the right to receive dividends or subscription of new securities and the voting rights of each share, unless duly justified by reference to the long-term interests of shareholders.	Yes	Item 12
I.4. The articles of association of companies that, in fulfilling this principle, provide for the limitation of the number of votes that may be held or exercised by a single shareholder, individually or jointly with other shareholders, should also provide that the change or maintenance of this statutory provision be subject to decision by the General Shareholders' Meeting at least every five years - with no aggravated quorum requirement compared to the legal quorum - and that this decision shall count all the votes cast without operation of that restriction.	No	Item 12
I.5. Defensive measures should not be adopted where these are automatically intended to cause serious erosion of company equity in the event of transfer of control or change in the composition of the board of directors and thus obstruct the free transferability of shares and free assessment by shareholders of the performance of the members of board of directors.	Yes	Item 12
II.1. SUPERVISION, GOVERNING AND AUDITING BODIES II.1. SUPERVISION AND GOVERNING II.1.1. Within the limits established by law for each governing and auditing structure, and unless the company is of a reduced size, the board of directors shall delegate the day-to-day running of the company and the delegated duties should be identified in the annual report on Corporate Governance.	Yes	Item 21
II.1.2. The board of directors shall ensure that the company acts in accordance with its goals, and should not delegate its duties, namely in what concerns: i) definition of the company's strategy and general policies; ii) definition of the corporate structure of the group; iii) decisions that should be considered to be strategic due to the amounts, risk or particular characteristics.	Yes	Item 21

CMVM RECOMMENDATIONS	COMPLIANCE	REPORT
II.1.3. In addition to fulfilling its auditing duties, the general and supervisory board must assume full responsibility to the corporate governance level, so by the statutory provision or by equivalent means, shall be paid to the requirement of this organ decide on the strategy and major policies of society, the definition of the corporate structure of the group and the decisions that must be considered strategic due to the amounts or risk. This body should also assess compliance with the strategic plan and the implementation of major policies of the company.	Not Applicable	
II.1.4. Unless the company is of a reduced size and depending on the model adopted, the board of directors and the general and supervisory board, shall set up the necessary committees in order to: a) ensure that a competent and independent assessment of the executive board members' performance is carried out, as well as its own overall performance and further yet, the performance of all existing committees; b) study the adopted governance system and verify its efficiency and propose to the competent bodies measures to be carried out with a view to its improvement.	Not Applicable	
II.1.5. Unless the company is of a reduced size and depending on the model adopted, the board of directors and the general and supervisory board should set goals in terms of risk-taking and create systems for their control to ensure that the risks actually incurred are consistent with those goals.	Yes	Item 50
II.1.6. The Board of Directors shall include a number of non-executive members that ensure the efficient supervision, auditing and assessment of executive members' activity.	No	Item 17
II.1.7. The non-executive board members must include an adequate number of independent directors, taking into account the governance model adopted, the size of the company and its shareholder structure and the respective free float. The independence of the members of the General and Supervisory Board and Member of the Audit Committee is assessed in accordance with applicable law , and as to the other members of the Board are considered independent person who is not associated with any group of interests specific society , nor under any circumstance likely to affect their impartiality of analysis or decision , particularly in relation to: a. Have been employees of the company or a company with which it is found in a control or group in the past three years; b. Have , in the past three years , provided services or established significant business relationship with the company or company with which it is in a control or group , either directly or as a partner, director, manager or officer of a legal person; c. Being in favor of compensation paid by the company or by a company with which it is found in a control or group than the remuneration resulting from the exercise of the duties of a director; d. Living in consensual union, or a spouse , relative or order in and straight up to the 3rd degree , even in the collateral line , administrators or individuals directly or indirectly qualifying shareholders; e. Be qualified shareholder or representative of a shareholder holding qualifying holdings.	No	Item 18
II.1.8. When the board members that carry out executive duties are requested by other members of governing bodies to supply information, the former shall do so in a timely manner and the information supplied must adequately suffice the request made.	Yes	Item 21
II.1.9. The chairman of the executive committee shall send the convening notices and minutes of the meetings to the chairman of the board of directors and, when applicable, to the chairman of the audit board or of the audit committee.	Yes	Item 21
II.1.10. If the chairman of the board of directors carry out executive duties, this body shall appoint, from among its members, an independent member to ensure the coordination of the work of other non-executive members and the conditions so that they can make independent and informed or find an equivalent mechanism to ensure such coordination.	No	Item 18
II.2. AUDITING BODIES II.2.1. Depending on the applicable model, the chairman of the audit board, of the audit committee or of the committee on financial matters, should be independent and should have the appropriate skills to carry out his/her duties.	Yes	Item 32
II.2.2. The auditing body should be the main interlocutor of the external auditor and the first recipient of their respective reports, responsible for the propose the respective remuneration and to ensure that they are provided within the company, the appropriate conditions for the provision of services.	Yes	Item 21

CMVM RECOMMENDATIONS	COMPLIANCE	REPORT
II.2.3. The auditing body, shall assess the external auditor on an annual basis and advise the General Shareholders' Meeting that he/she be discharged whenever justifiable grounds are present.	Yes	Item 45
II.2.4. The auditing board shall evaluate the functioning of the internal control systems and risk management and propose adjustments that may be required.	Yes	Item 21
II.2.5. The Audit Committee, the General and Supervisory or the Audit Board shall decide on the work plans and affections to internal audit services and services that ensure compliance with the rules applicable to the company (compliance services) resources, and should be addressed to the reports from these services at least when they are concerned matters related to accountability identification or resolution of conflicts of interest and the detection of potential illegalities.	Yes	Item 21
II.3. REMUNERATION II.3.1. Members of the remuneration committee or alike, shall be independent from the members of the board of directors and shall include at least one member with knowledge and experience in remuneration policy matters.	No	Item 68
II.3.2. No natural or legal person who provides or has provided, over the past three years, services to any structure under dependence of the Board of Directors, the company's Board of Directors itself or who is currently in a relationship with a company consultancy agency, shall be hired to support the Remuneration Committee in the performance of its duties. This recommendation also applies to any natural or legal person who has an employment or service provision contract with those bodies.	Yes	Item 68
II.3.3. The statement on the remuneration policy for the board of directors and the audit body, referred to in Article 2 of Law 28/2009 of 19 June, shall, in addition to the contents specified therein, contain sufficient information on: a) Identification and explanation of the criteria for determining the remuneration to be paid to members of governing bodies; b) Information on the maximum potential amount, in individual terms, and the maximum potential amount, in aggregate, to be paid to members of governing bodies, and identification of the circumstances under which these maximum amounts may be payable; d) Information regarding the enforceability or unenforceability of payments for the dismissal or termination of appointment of administrators.	No	Item 69
I.3.4. A proposal shall be submitted at the General Shareholders' Meeting on the approval of schemes for the allotment of shares and/or stock options or further yet based on the fluctuations in share prices, to members of the governing and auditing bodies and other directors information for a correct assessment of the scheme.	Not Applicable	
II.3.5. Must be submitted to the General Meeting a proposal on the approval of any system of retirement benefits established for members of governing bodies. The proposal should contain all the elements necessary for a correct evaluation of the system.	Yes	Item 76
III. REMUNERATION III.1. The remuneration of the members of the board of directors should be structured to allow the alignment of their interests with the company's long-term interests and should be based on performance evaluation, and should discourage excessive risk taking.	Yes	Item 70
III.2. The remuneration of non-executive members of the board of directors and of the members of the audit board should not include any component whose amount depends on company performance or value.	Yes	Item 77
III.3. The variable component of the remuneration should be reasonable overall in relation to the fixed component of the remuneration, and ceilings should be set for all components.	No	Item 69
III.4. A significant portion of the variable remuneration shall be deferred for a period not less than three years, and its payment should be dependent on the continued positive performance of the company throughout this period.	No	Item 72
III.5. The members of the board of directors shall not enter into contracts, both with the company or with third parties, that may mitigate the risk inherent in the variability of remuneration fixed for them by the company.	Not Applicable	Item 73
III.6. Until the end of their mandate, executive directors should hold company shares that they have acquired through variable remuneration schemes, to a limit of twice the amount of their total annual remuneration, except those that need to be disposed of for the payment of taxes resulting from income on said shares.	Not Applicable	
III.7. when the variable remuneration includes allocation of options, the start of the period should be deferred for not less than three years.	Not Applicable	

CMVM RECOMMENDATIONS	COMPLIANCE	REPORT
III.8. When the removal of administrator is not due to serious breach of its duties or their unfitness for the normal exercise of their functions but still be reducible to poor performance, the company will find yourself provided with the appropriate and necessary legal instruments to any damages or compensation, beyond the legally due, is not required.	No	
IV. AUDITING IV.1. The external auditor shall, within the scope of his/her remit, verify the application of the remuneration policies and systems, the efficiency and effectiveness of internal control mechanisms and report any deficiencies to the company's audit board.	Yes	Item 34
IV.2. The company shall not hire from the external auditor, or any entity with which it has a shareholding relationship or which are part of the same network, miscellaneous services other than audit services. Where there are reasons for hiring such services - which must be approved by the audit board and explained in its annual report on Corporate Governance - they shall not be more than 30% of the total value of the services provided to the company.	Yes	Item 47
IV.3. Companies shall promote the rotation of the auditor after two or three mandates depending on whether these are, respectively, four or three years. Retention of the auditor beyond this period shall be substantiated on a specific opinion of the audit board that explicitly considers the level of auditor independence and the costs and benefits of replacement.	Yes	Item 44
V. CONFLICT OF INTEREST AND RELATED PARTY TRANSACTIONS V.1. The company's businesses with shareholders with qualifying holdings or entities with whom it has any type of relationship, pursuant to Art. 20 of Código dos Valores Mobiliários (Portuguese Securities Code), shall be carried out under normal market conditions.	Yes	Item 89
V.2. Businesses of significant relevance with shareholders with qualifying holdings or entities with whom it has any type of relationship, pursuant to Art. 20 of Código dos Valores Mobiliários (Portuguese Securities Code), shall be subject to the prior opinion of the audit board. This body shall establish the procedures and criteria required to define the relevant level of significance of such businesses and the other terms of its intervention.	No	Item 89
VI. REPORTING VI.1. Companies shall provide, through its website, in Portuguese and English, access to information enabling knowledge about its evolution and its current reality in economic, financial and governance terms.	Yes	Item 59 to 65
VI.2. Companies should ensure the existence of an investor assistance office and permanent contact with the market, responding to requests from investors in a timely processing of applications submitted and the treatment that was given should be maintained	Yes	Item 56

In relation to the recommendations that are not met, we wish to provide the following information:

I.2. Although a constitutive quorum that outnumbers that provided for by law has not been set, the Articles of Association of the Company provide for a set of resolutions, as defined in number I8 of the Report, which require a minimum quorum of 75% of the Company's share capital, a percentage higher than that provided for by law.

I.4. As mentioned in items 12 to 14 for each group of one hundred shares corresponds to one vote and are not contemplated in the statutes of the Company duty to submit to five years the amendment of the statutory provision in the General Assembly.

II.1.4. The Board of Director saw no need to create specific commissions for assessment of the executive members' performance and their overall performance and reflect on system structure and the adopted governance practices, verify its efficiency and propose measures to be implemented to its improvement.

II.1.6. The Board of Directors consists of a total of seven members, two of whom are non-executive members (refer to item 17 of the Report for further details concerning the composition of the Board), the number of non-executives accounting for 29% of the total number of board members.

II.1.7. The non-executive members of the board of directors (2 out of a total of 7 members), appointed by Toyota Motor Europe, may not be regarded as independent.

II.1.10. The chairman of the board of directors has executive functions and as mentioned in point no 18 the members non-executive aren't independent.

II.3.1. The members of the Remuneration Committee can not be considered independent due to seniority in the performance of their duties.

II.3.3. The statement on the remuneration policy for the board of directors and audit body, made by the remuneration committee as described in item 69, does not include decisions on payments for dismissal or termination by agreement of directors' roles.

III.3. There are not limits for fixed and variable components of the remuneration of the members of the management and supervisory.

III.4. As described in item 72 the variable remuneration does not depend on a policy of medium and long--term maximization of profit of the Company.

III.8. The company does not have the legal instruments adequate and necessary to avoid any compensation don´t be required beyond the legally due.

V.2. The Audit Board, within the scope of its remit, did not conduct a prior evaluation of businesses carried out between the company and shareholders with qualifying holding and entities with whom it has any type of relationship, in accordance with Article 20 of Código dos Valores Mobiliários (Portuguese Securities Code), as it considers that these were carried out under normal market conditions.

Note: This Report on Corporate Governance is a translation of the Report on Corporate Governance originally issued in Portuguese language. In the event of discrepancies, the Portuguese language version prevails.

ANNEX I

CURRICULUM VITAE

Name: **José Reis da Silva Ramos**

Date and Place of Birth: 15 August 1946, in Vila Nova de Gaia.

Marital Status: Married

Address: Alameda Senhor da Pedra, 262, Miramar Arcozelo, Vila Nova de Gaia

Academic Qualifications: Degree in Metallurgic Engineering

Professional Activity: Companies' Director

Name: **Maria Angelina Martins Caetano Ramos**

Date and Place of Birth: 18 August 1949, in Vila Nova de Gaia.

Marital Status: Married

Address: Alameda Senhor da Pedra, 262, Miramar Arcozelo, Vila Nova de Gaia

Academic Qualifications: Degree in Economics

Professional Activity: Companies' Director

Name: **Salvador Acácio Martins Caetano**

Date and Place of Birth: 30 January 1955, in Vila Nova de Gaia.

Marital Status: Married

Address: Rua Moreira Lobo, 80, Miramar Arcozelo, Vila Nova de Gaia

Academic Qualifications: Degree in Engineering

Professional Activity: Companies' Director

Name: **Miguel Pedro Caetano Ramos**

Date and Place of Birth: 26 September 1971, in Vila Nova de Gaia.

Marital Status: Married

Address: C Carnicero Edif. Puerto Chico, 5 P04 B, Torremolinos – Malaga - Spain

Academic Qualifications: Degree in Mechanical Engineering

Professional Activity: Companies' Director

Name: **Rui Manuel Machado de Noronha Mendes**

Date and Place of Birth: 8 August 1954, in Leça da Palmeira - Matosinhos.

Marital Status: Married

Address: Rua Dr. Manuel Rodrigues de Sousa, 64 – 6º Esq. - Matosinhos

Academic Qualifications: Degree in Economics

Professional Activity: Companies' Director

Name: **José Domingos Silva Fernandes**

Date and Place of Birth: 28 March 1951, in Cedofeita - Porto.

Marital Status: Married

Professional Address: Rua Cunha Júnior, 41 – B, 1º sala 4 4250-186 Porto

Academic Qualifications:

- 1970 Accountant studies, at the former Instituto Comercial do Porto
- 1975 Degree in Economics – Porto University

Work experience:

- 1975 – 1993 Technician at Inspeção- Geral de Finanças
- 1987 – 2011 Professor at Porto's Instituto Superior de Contabilidade e Administração

Since 1982 Registered at the Statutory Auditors' Association, and has performed such duties in several.

- 2001 – 2005 Chairman of the Disciplinary Board of the Statutory Auditors' Association

Currently

1) Performs the duties of Chairman of the Audit Board at other entities

Caetano – Baviera – Comércio de automóveis, SA (Grupo Salvador Caetano)

2) Performs the duties of Statutory Auditor at the following entities

MULTIPONTO, S.A.

SUMMERTIME - SOCIEDADE IMOBILIÁRIA, S.A.

CONVEMAIA - SOCIEDADE IMOBILIÁRIA, S.A.

BDS, SGPS, S.A.

POLIEDRO, SGPS, S.A.

ONIRAM - SOCIEDADE CONSTRUTORA DE MÁQUINAS INDUSTRIAIS, LDA

Name: **Maria Lívia Fernandes Alves**

Date and Place of Birth: 31 January 1945, in Nine - Vila Nova de Famalicão.

Marital Status: Divorced

Address: Rua Amorim Girão, 161, 1º Dtº, 4460-209 Senhora da Hora

Academic Qualifications: General Studies in Commerce

Name: **Alberto Luís Lema Mandim**

Date and Place of Birth: 5 July 1939 in Ermesinde-Valongo

Marital Status: Married

Address: Rua da Boavista nº 53, 4445-349 Ermesinde

Academic Qualifications:

-1964 Accountant studies, at the former Instituto Comercial do Porto

-1966 Chartered accountant; member nº 3927 of OCC

-1968 Programation in Fortran (EDP)

-1981 Programation in RPG (IBM)

-1990 Information Systems Analysis (IBM)

-2008 Companies Valuation (CTOC)

Work experience:

- 1961 – 1964 Bank employee Banco Espírito Santo
- 1964 – 1966 Accountant MOTO MECA RL
- 1966 – 1979 Manager SOC. CONSTRUÇÕES SOARES DA COSTA, S.A.
- 1979 – 1999 Manager Toyota Caetano Portugal, S.A. TOYOTA CAETANO PORTUGAL, S.A.
- 2000 – 2005 Member of Board of Directors RIGOR - CONSULTORIA E GESTÃO, S.A.
- 2005 – 2007 Member of Board of Directors RIGOR - CONSULTORIA E GESTÃO, S.A.
- 2005 – 2007 Member of Board of Directors INFORAUTO - CONSULTORIA E INFORMÁTICA DE GESTÃO,S.A.
- 2003 – 2012 Vice –president of the Board of directors SALVADOR CAETANO CAPITAL S.G.P.S., S.A.
- 2005 – 2011 Member of Board of Directors CAETSU PUBLICIDADE S.A.
- 2006 Member of Audit Board CAETANO AUTO, S.A.
- 2010 Member of Audit Board FUNDAÇÃO SALVADOR CAETANO.

ANNEX II

REMUNERATION COMMITTEE DECLARATION

The Remuneration Committee of Toyota Caetano Portugal, S.A states the following:

a) Compliance with the policy set defined for Financial Year of 2015:

Analyzed all accounting data and other records of Toyota Caetano Portugal, this Committee verified that there was no change on the remuneration of the Governing Bodies during the year 2015, thus having been complied the proposals of this Committee approved in the General Meeting of Shareholders of April 30, 2015.

b) Policy of Remuneration applicable during the Financial Year 2016:

In view of the current economic climate and given the forecasts of activity and results for the financial year 2016, provided by the Management of the Company, is the understanding of this Committee that should be maintained the amounts of remuneration of the fixed nature for all members of the governing bodies, until the terminus of the term of office that is now beginning and if they remain in executive functions.

However, this Committee considerers the possibility of revise the policy now defined, as strategic measure to adapt to the economic conditions evolution and their impacts on the automotive sector.

For the non-Executive, this Committee has the opinion that they shall not receive any remuneration, as it is the practice hitherto followed.

Regarding the Variable Remuneration of the executive members of the Board of Directors, it has been allocated according to the results obtained by the Company, combining with the distribution policy of dividends to the shareholders and the bonus payable to employees.

In 2015, this component of remuneration did not exist, and therefore it was accomplished the proposal of this Committee of do not exceed 2% of distributable results.

Therefore and referring to paragraph b) of number 3 of article 2 of Law 28/2009 of 19 June, this Remuneration Committee propose the maintenance of the criteria established for 2016, namely that the variable remuneration of the Executive Members of the Board of Directors does not exceeds 2% of the profits distributable determined in the financial year of 2015.

The decision to award Variable Remuneration depending on the results obtained has implicit the verification of the alignment of interests of the members of the Board of Directors with the interests of the Company and, therefore, is one of the mechanisms to be integrated in paragraph a) of number 3 of article 2 of Law No. 28/2009 of 19 June and simultaneously responding to paragraph e) of the same number of article 2 of Law No.28/2009, ensuring the limitation of the variable remuneration in the case that the results obtained are of a negative nature.

Concerning the information related to paragraph c) of number 3 of article 2 of Law No. 28/2009 of June 19, we certify the absence of any plan of allocation of shares or options to acquire shares by the members of the administration and supervision. This committee proposes to maintain this criterion.

The company's practice in the timing of annual payments must, in our opinion, remain, and therefore shall be excluded the possibility stated in paragraph d) of number 3 of article 2 of Law No. 28/2009.

The Remuneration Committee

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