ANNUAL FINANCIAL STATEMENT

DECEMBER 2017

Toyota Caetano Portugal, S.A.

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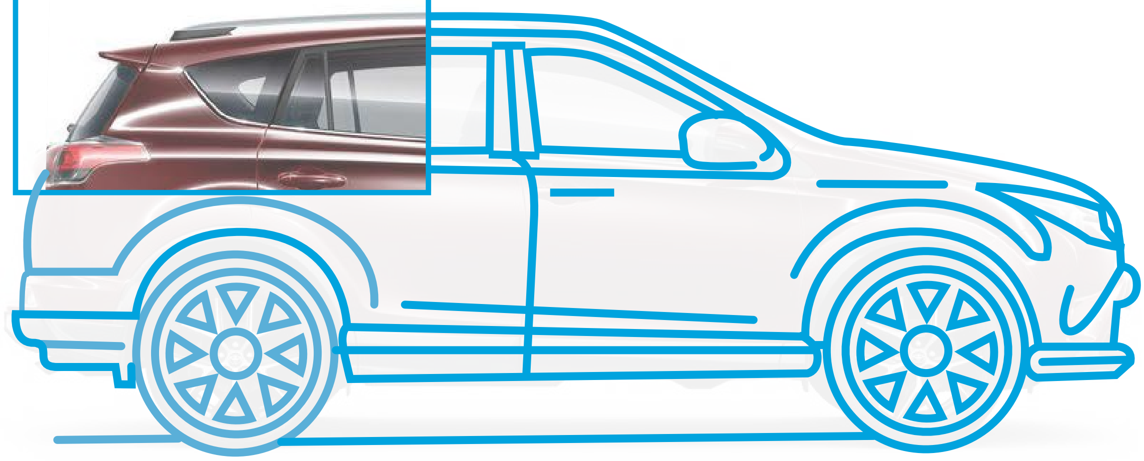
GENERAL



1 GENERAL

CORPORATE BODIES

GENERAL MEETING BOARD

Chairman
José Lourenço Abreu Teixeira

Vice Chairman
Manuel Fernando Monteiro da Silva

Secretary
Jorge Manuel Coutinho Franco da Quinta

Secretary
Maria Olívia Almeida Madureira

BOARD OF DIRECTORS

Chairman & CEO
José Reis da Silva Ramos

Member
Maria Angelina Martins Caetano Ramos

Member
Salvador Acácio Martins Caetano

Member
Miguel Pedro Caetano Ramos

Member
Matthew Peter Harrison

Member
Nobuaki Fujii

Member
Rui Manuel Machado de Noronha Mendes

SUPERVISORY BOARD

Chairman
José Domingos da Silva Fernandes

Member
Alberto Luis Lema Mandim

Member
Daniel Broekhuizen

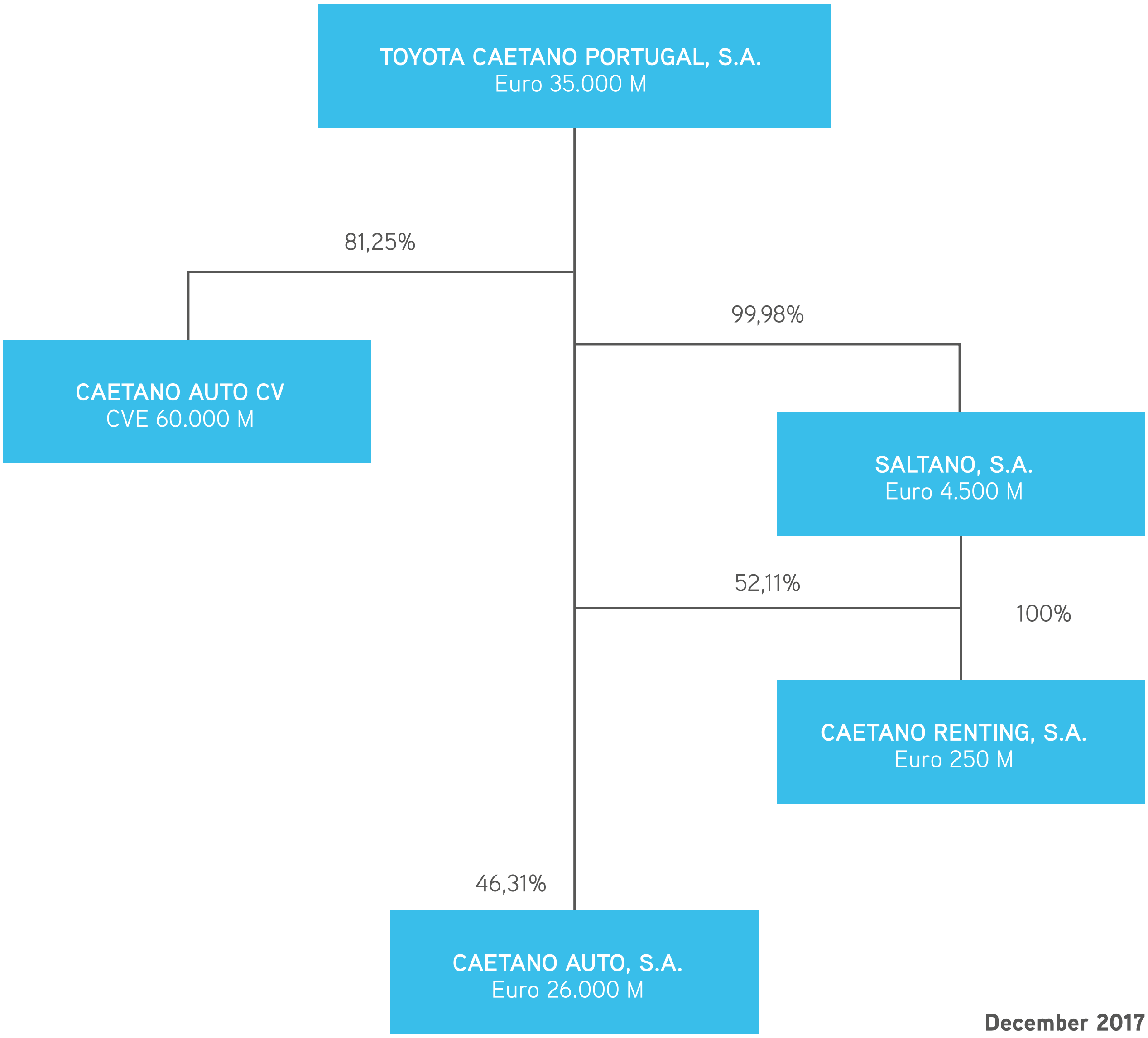
Deputy Member
Maria Lívia Fernandes Alves

STATUTORY AUDITOR

PricewaterhouseCoopers & Associados - Sociedade de Revisores Oficiais de Contas, Lda. represented by José Pereira Alves or by José Miguel Dantas Maio Marques

Deputy Member
António Joaquim Brochado Correia

GROUP TREE


TOYOTA CAETANO PORTUGAL, S.A.
Euro 35.000 M
81,25%
CAETANO AUTO CV
CVE 60.000 M
99,98%
SALTANO, S.A.
Euro 4.500 M
52,11%
100%
CAETANO RENTING, S.A.
Euro 250 M
46,31%
CAETANO AUTO, S.A.
Euro 26.000 M
December 2017

GENERAL INFORMATION

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Phone. +351 256 790 000 - Fax. +351 256 790 008

SOUTHERN DIVISION

Carregado
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Phone. +351 263 857 244 - Fax +351 263 857 204

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"

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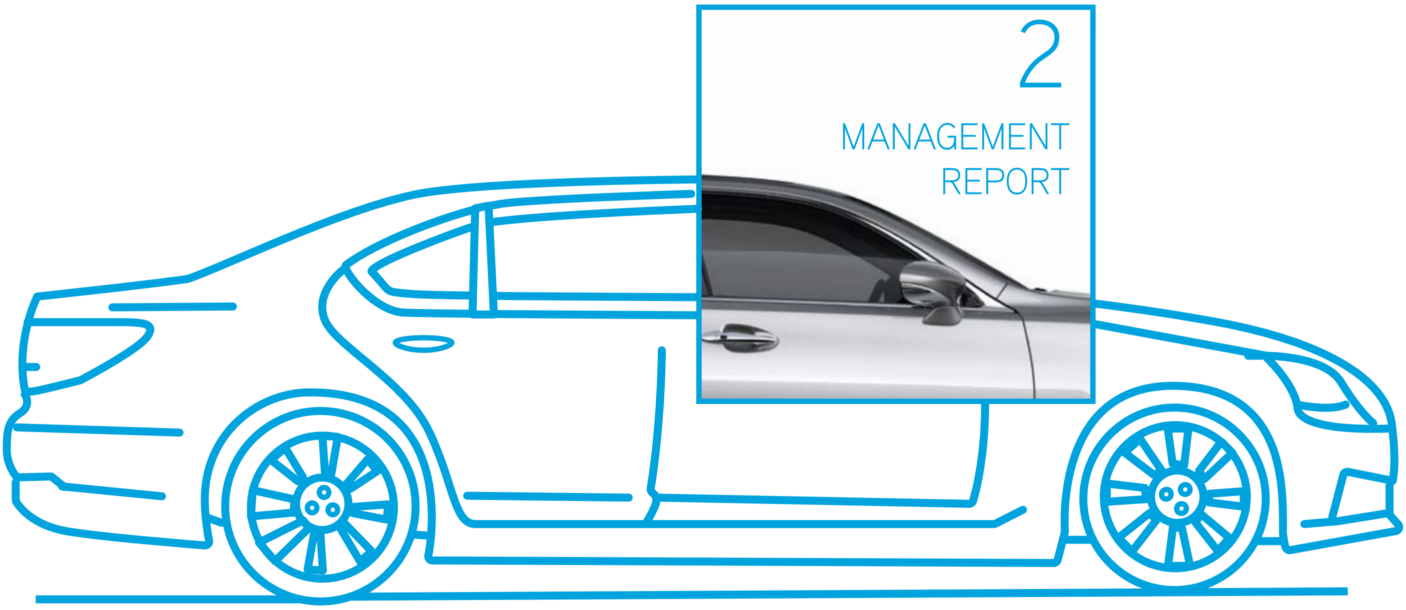
MANAGEMENT REPORT



MESSAGE FROM THE CHAIRMAN

In 2017, Toyota Caetano Portugal celebrated the 49th anniversary of the establishment of the Salvador Caetano Group as a representative of the brand in Portugal. Despite all the challenges we faced during this journey, Toyota came to stay and it really did stay. We are almost half a century old, but we know that our journey still holds many challenges, new ways of doing business, new mobility solutions. A clean mobility wanted by people in Portugal, in Europe and all around the World.

During this year, it was clear that the automotive sector must redirect its strategy toward clean mobility solutions. Emission standards in Europe are promoting an increased production of alternative fuel vehicles, including hybrid, plug-in hybrid, electric and fuel cell versions, most of which Toyota and Lexus have pioneered. Faced with this scenario, both brands promise that from 2050 onward, they will only produce zero-emission models.

But this promise is also increasingly accompanied by the creation of close relationships with customers, following new trends and consumption profiles, which requires real-time services as well as creativity to differentiate our offer. To do so, we are already using new digital channels that add value to our operations. I believe that, more and more, we will overcome expectations and dazzle our Customers. With our technology and the engagement of our professionals, we will put more and more smiles on the faces of Toyota and Lexus customers.

For Toyota Caetano Portugal, going digital is not all about technical ability and engineering. Going digital is a matter of attitude, so we need to attract, develop and retain new professionals with technical and transversal skills associated with the technologies of the future and aligned with the expectations of customers.

This year was also marked by a relatively stable political and socio-economic context, which is essential to allow Portugal and its Companies to develop their work in a balanced way, increasing their competitiveness in both domestic and international markets. However, it is more and more important that the Portuguese Government allows the automotive sector to grow, without raising the tax burden and adjusting taxation and incentives for the purchase of clean vehicles.

Regarding Toyota Caetano Portugal's commercial activity, we saw a 5.4% increase in sales in 2017 compared to 2016, with the market share reaching 4%. I would also like to emphasize the fact that we remain a benchmark player in industrial vehicles, whose activity has a market share of around 25%, with 1,024 vehicles sold this year. This result is mainly due to the commitment and dedication of a team that is engaged with the brand's objectives.

Regarding our industrial activity, in 2017 we manufactured 1,913 units of the Toyota Land Cruiser 70, a model manufactured at our Ovar Manufacturing Unit. That year, this manufacturing unit was also chosen to kick off Toyota's unique project "Five Continents Drive", a global test programme for Toyota vehicles. In 2017, the 'European adventure' began at the place chosen by Toyota to install its first manufacturing unit in Europe 46 years ago. I also highlight the fact that this manufacturing unit was honoured by the Toyota Motor Corporation with the 2017 President Awards.

A distinction that recognizes our persistence, resilience, and the work we have been doing throughout our lifetime, overcoming the many challenges and revealing the true "Kodawari" spirit – never give up.

These figures show Toyota Caetano Portugal's ability to assertively address the challenges it is faced with, turning them into opportunities to create added value. These results are only possible thanks to our People, who, with passion and commitment to the development of new solutions, demonstrate their huge capacity to do more and better, always.

For the new year, I reaffirm our commitment to never give up and maintain our focus on quality, the implementation of Kaizen and the development of the key abilities for our activity, safeguarding the relationships of trust we have built with our Partners, Employees and Customers over the years.

José Ramos
(Chairman & CEO Toyota Caetano Portugal)

2 MANAGEMENT REPORT

INTRODUCTION

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

TOYOTA CAETANO PORTUGAL, S.A.

INDUSTRIAL ACTIVITY

OVAR MANUFACTURING UNIT

In 2017, the Ovar Manufacturing Unit manufactured, as part of its main activity, a total of 1,913 units of the Land Cruiser 70. This was higher than the estimated budget and confirms the growth trend of the last 2 years.

During the second half of the year, a Takt-time change and product changes (Minor Changes) were carried out.

In the PPO/PDI activity, 3,469 vehicles were transformed/prepared, a result that is slightly lower than that achieved in the same period of the previous year.

PRODUCTION	2017	2016	2015	2014	2013
Toyota Physical Units	1.913	1.823	1.629	1.664	1.111
Transformed/Prepared Physical Units	3.469	3.773	4.353	3.271	2.339
Total Employees	177	186	206	170	181

In 2017, the Manufacturing Unit achieved a positive overall result. We maintained our orientation towards Quality, Customer Satisfaction and Continuous Improvement, without failing to implement a rigorous and demanding Cost Reduction Plan, in which it was necessary to adjust the organizational structure to the needs of the moment and to focus on the reduction of operating costs.
It should be noted that the Ovar Manufacturing Unit was distinguished by Mr. Akio Toyoda (President of TMC) for its ability to embody the true "Kodawari" spirit, i.e., to never give up.

We also highlight the following events occurred during the year under review:

- New time bank agreement signed between the Employees and the Company, making labour more flexible in order to meet market needs and fluctuations;

- Audit conducted by APCER in the scope of the ISO 14001 Environmental Management System and ISO 9001 Quality Management System (both follow-ups);
- Toyota Motor Europe's Audit to our Environmental Management System;
- 5th Facilities Assessment and 1st Risk Assessment, carried out by Toyota Motor Europe;
- Five Continents Drive event, promoted by Toyota Motor Europe;
- Open Day in partnership with AIDA (Industrial Association of the District of Aveiro);
- Also worth mentioning is the introduction of a new logistics system for CKD sending/receiving using returnable racks.

FUTURE PROSPECTS

For 2018, an increase in the production volume (2,488 vehicles) is expected. Together with no prospects of any minor changes to any products, this increase will allow us to achieve a greater flow/normalization in production, with the consequent positive impacts on the rationalization of costs and on profit.

COMMERCIAL ACTIVITY

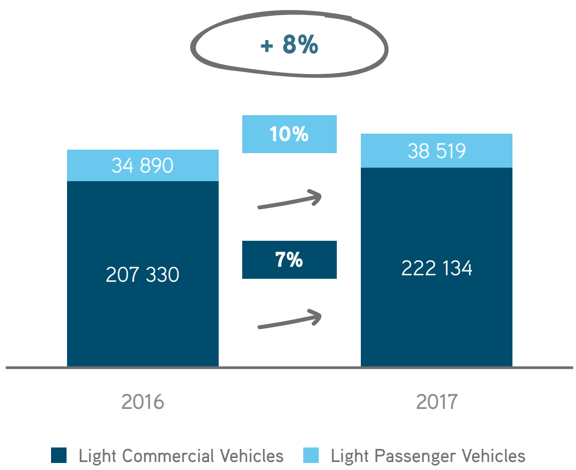
LIGHT VEHICLES MARKET – FRAMEWORK

The light vehicle market showed a new growth trend in 2017, with an 8% increase over 2016 and a total of 260,653 vehicles sold.

Passenger vehicles and light commercial vehicles showed a positive trend when compared to the same period of the previous year, with a positive variation of 7% and 10%, respectively.

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

Market Development



Source: ACAP (Portuguese Automobile Trade Association)

1) In 2017, Portugal witnessed an improvement in its main macroeconomic indicators, which ended up showing positive figures, most notably the growth in consumer confidence indices and GDP.
2) This improvement in macroeconomic indicators had a special impact on the corporate market, resulting in a higher growth in the sales of commercial vehicles.
3) We should also emphasise that the increase in the car rental market also contributed to a positive development in passenger vehicles.

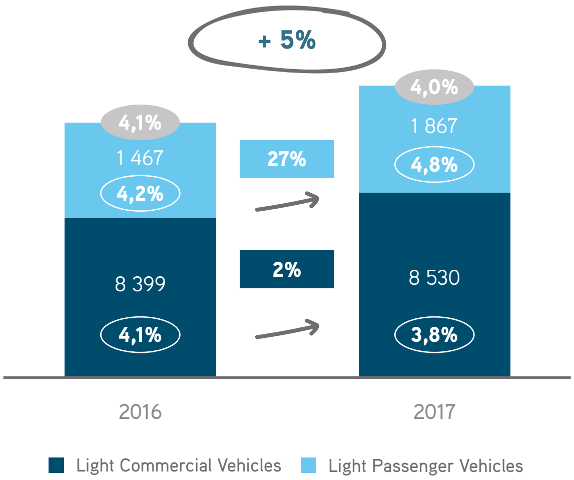
TOYOTA VEHICLES

In 2017, Toyota sold a total of 10,397 vehicles, which represents an increase of more than 5% when compared to the previous year.
Toyota's performance was different, depending on whether we are talking about Light Passenger Vehicles or Light Commercial Vehicles:

1) In Light Passenger Vehicles, Toyota grew by around 2%, reaching a market share of 3.8%. This performance seems somewhat restrained, resulting from a lower brand presence in the segment of car rental sales, which showed a strong growth. It is worth noting the substantial increase in the sales of hybrid vehicles (+74% compared to 2016), also boosted by the new C-HR model that completed the first year of sales and is part of one of the fastest-growing segments – Crossovers.

2) In Light Commercial Vehicles, Toyota shows a quite strong growth of about 27%, with a market share of 4.8% (+0.6 p.p. compared to 2016). This recovery is associated with the good performance of the Hilux and Proace models, recently launched in the market. We should highlight the strong competitive pressure felt in B (utility) and C (small family) segments – aggressive promotional campaigns throughout the entire year – a pressure that we cannot always or should not align with, otherwise we will sacrifice our overall profitability beyond advisable.

Toyota Evolution 2016 vs. 2017



Source: ACAP (Portuguese Automobile Trade Association)

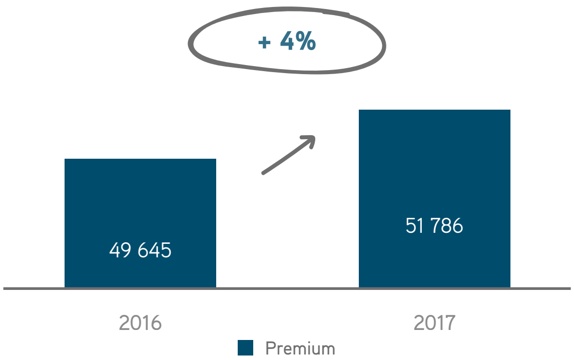
For 2018, the overall priorities and goals set include:

- Capitalizing on the most representative models in terms of sales – Yaris, Auris and C-HR – based on the launch of special series;
- Enhancing sales to corporate customers (the most representative segment in the automotive market);
- Continue focusing on the image and value of the Brand, which will celebrate 50 Years from the date of the agreement for Exclusive Distribution in Portugal.
- Enhancing our focus on the sale of hybrid vehicles.
- Enhancing the commercial vehicle range, recently renewed with the New Generations of the Proace and Hilux models.

PREMIUM MARKET – FRAMEWORK

The Premium Market also showed a positive development compared to the previous year, with a 4% growth, and a total of 51,786 vehicles sold. The Premium Market represents nearly 23% of the total passenger vehicle market.

Premium Market Development



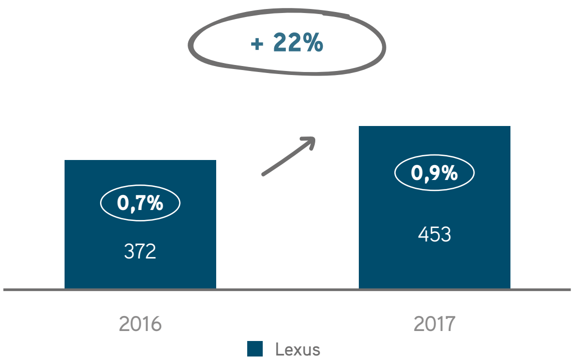
Source: ACAP (Portuguese Automobile Trade Association)

LEXUS VEHICLES

In a complex competitive environment, with a strong commercial aggressiveness between competitors in the C-Premium and D-Premium segments, the Lexus brand continues its upward trend, showing a remarkable 22% increase. In 2017, Lexus registered 453 new licence plates, all of them with hybrid technology, which corresponds to a 0.9% share of the premium market (+0.2 p.p.).

The performance of the best-selling model, the sports sedan IS, renewed at the beginning of the year, was decisive for the increase in Lexus sales in 2017.

Lexus Evolution 2016 vs. 2017



Source: ACAP (Portuguese Automobile Trade Association)

For 2018, the overall goals set include:

- Strengthening the brand's innovative position, leveraged by a broad and exclusive offer of hybrid vehicles with advanced design;
- Launching of new products: the new NX 300h and a new version of the RX 450h SUV;
- Capitalizing on the most representative models in terms of sales - CT 200h, IS 300h and NX 300h;
- Expanding the dealership network, which will have new points of sale and assistance.

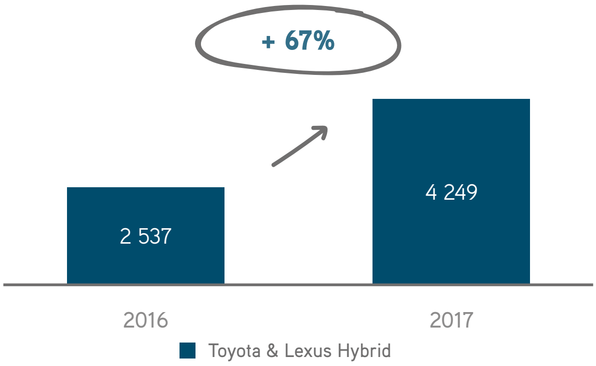
TOYOTA AND LEXUS HYBRID SALES GROWTH

In 2017, we should, once again highlight the performance of the Toyota and Lexus hybrid models, which showed a 67% growth compared to 2016. Hybrid vehicles accounted for 47.3% (+18.4 p.p. compared to 2016) of Toyota and Lexus light passenger vehicle sales.

This performance was due to a broad and renewed offer of hybrid vehicles, corresponding to a total of 16 models – 8 Toyota and 8 Lexus – and to the focus on the dissemination and promotion of the benefits of hybrid technology.

For 2018 we expect the sale of hybrid vehicles to keep growing at a substantially higher rate than that of the market.

Toyota and Lexus Hybrid Sales Evolution 2016 vs. 2017

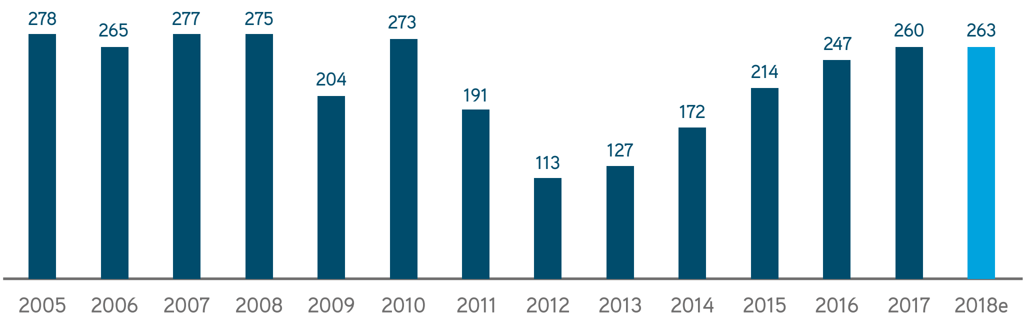


Source: ACAP (Portuguese Automobile Trade Association)

FUTURE PROSPECTS

Given the current economic environment and considering the latest forecasts of the Banco de Portugal, 2018 will continue to show a growth profile.
All macroeconomic indicators are expected to show a positive development compared to 2017.
In view of this scenario, the Market forecast for 2018 suggest a 1% growth compared to the previous year, corresponding to approximately 263,000 vehicles sold:

Evolution of the Automotive Market
In thousands



In view of the conditions described, the goal for 2018 is to sell 11,500 Toyota and Lexus vehicles, a figure that would correspond to a 6% increase compared to 2017 and amount to a 4.4% market share.

AFTER-SALES

In 2017, the overall turnover of the After Sales Division amounted to 37 million euros, which represents a 8.5% increase compared to the previous year.
In a little more detail, we can say that the commercial activity of auto parts (genuine & national incorporation), which excludes accessories, warranties and services, amounted to 27.6 million euros. This figure represents a 6.1% increase compared to 2016.
In turn, turnover in accessories (which includes merchandising) amounted to 3.3 million euros in 2017. These sales were 11% higher than the figures achieved in the previous year, and also translate into growth in the incorporation per new vehicle sold.

BUSINESS STRATEGY:

During 2017, TCAP maintained the focus of its Customer-Oriented Strategy (360º strategy).
This strategy is intended to meet all the customer's needs and provide excellent service. Positive results indicate that we are on the right track.

In this regard, we highlight some of the actions carried out:

• Renewal of the annual VCI (Value Chain Index) challenge for 2017. 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 warning programmes, active front-of-house customer service, Customer retention services (insurance, maintenance contracts...), promotion of the sale of accessories, implementation of the specialised service for hybrid vehicles, and technical evaluation of services.
• Extension and new approach of communication for the dissemination of the 5+ Service (intended for owners of Toyota vehicles with over 5 years of age). This service includes competitive fixed prices nationwide for replacing oil and filters, clutch parts, shock absorbers and timing belts. In 2017, these packs were extended.
• New edition of "Toyota Day", which stood out in 2017 as the edition with the best results in terms of service scheduling, sale of new vehicles and overall event participation.
• Renewal of the Online Scheduling system for Toyota customers, which evolved from a request for scheduling by the customer to an effective service scheduling. This is a significant improvement to the best customer service.

Obviously, many other actions were carried out during 2017, reaching the good results mentioned above.

INDUSTRIAL MACHINERY

TOYOTA INDUSTRIAL EQUIPMENT

	MARKET			TOYOTA + BT SALES				
	'16	'17	Variation %	'16		'17		Variation %
				QTY	Share	QTY	Share	
Counterbalanced Forklift Trucks	1389	1634	18%	280	20,2%	329	20,1%	17,5%
Warehouse Equipment	1744	2434	40%	333	19,1%	695	28,6%	108,7%
TOTAL MMC	3133	4068	30%	613	19,6%	1024	25,2%	67,0%

Source: Wits

First of all, it is important to note that the statistical source has changed. Until 2016 we used data from ACAP (machines delivered to customers). Due to legal requirements, the disclosure of these statistics is currently suspended.
Thus, the data in the table above refer to WITS statistics at European level, which disclose the number of orders placed at manufacturing plants.

MARKET

The Cargo Handling Machine market showed a 30% growth in 2017.

Regarding Toyota, 1,024 orders were placed in 2017, which represents a 25.2% market share in a total market of 4,068 vehicles.

TOYOTA SALES PERFORMANCE BY SEGMENT

Regarding the Counterbalanced Forklift Trucks segment, there was a 17.5% increase compared to the same period of the previous year, placing our market share at 20.1%.

In the Warehouse Equipment segment, there was a 108.7% increase, placing our market share at 28.6%. This increase is explained by the fact that, in March 2017, a large fleet deal, of approximately 300 vehicles was closed by Toyota, which influenced both the market and our market share.

FUTURE PROSPECTS

Considering the current political situation, as well as the future prospects for economic growth, market growth is expected to continue in 2018, but at a more moderate pace.

Regarding Toyota's performance, a challenging year is expected, as the aggressiveness of competing brands has been significantly growing.
However, we aim to differentiate ourselves from competitors by maintaining a good assistance service and innovative offers, so that we can attract new customers and thus maintain and consolidate market leadership.

CAETANO AUTO, S.A.

- The European Central Bank is expecting robust economic expansion in the Eurozone over the next few years. Banco de Portugal, in its macroeconomic outlook, also forecasts a recovery in line with the expected pace of growth for the Eurozone. In this scenario, it is expected that the Portuguese Gross Domestic Product (GDP) will continue to grow, within an economic cycle that has not been happening for many years.

- Therefore, 2017 was a year of recovery in the domestic economy and the operations of Caetano Auto follow this trend, allowing for significant improvements compared to the same period of the previous year.

- As a result, this year's turnover exceeded 212 million euros, surpassing the 185 million euros of the previous year, which represents a 14.6% increase.

- It should be noted that all the efforts made by Caetano Auto with regard to continuous improvement within the scope of its various activities has been yielding rather interesting measurable results, such as those mentioned above in relation not only to turnover, but also in terms of cost containment, thus leveraging the Company's profitability.

- With regard to expenses, the careful management of all the Company's costs allowed for expenses to remain at the levels of the previous year, despite the increase in sales.

- As for depreciation and amortisations, they continue to significantly impact the profit obtained by the company, as these represent over 2 million euros, mainly due to the real estate assets held.

- With regard to these real estate assets, it is important to emphasise the changes occurred in 2017, namely the selling of real estate in Viana do Castelo and Parque das Nações, and by the beginning of the activity in the new facilities of Santa Maria da Feira.

- For all of the above, Caetano Auto ended 2017 with positive earnings before taxes (EBT) and more than quadrupled that of 2016.

In light of the above, prospects for 2018 are quite bright, as the estimated growth of the automotive market will certainly, at least in 2018, produce results as positive as those obtained in this financial year.

CAETANO AUTO CV, S.A.

ECONOMIC ENVIRONMENT INDICATOR*

The economy in Cape Verde is expected to grow at around 4% at the end of 2017. Although the unemployment rate has reached 15% and absolute poverty is at 34%, the economy in Cape Verde is in a process of recovery. In terms of inflation, it should remain stable between 1% and 2%.

In 2017, tourism continued to be the driver of the economy in Cape Verde. As a result, large international hotel chains continue to invest in the construction of new units in Ilha do Sal, Ilha da Boa Vista and in Cidade da Praia, Ilha de Santiago, in particular the Hilton chain, which opened a 5-star Hotel in Ilha do Sal in October and started the construction of another one in Cidade da Praia, as well as the Meliá chain, which started the construction of a new unit in Ilha da Boa Vista, in addition to the 3 hotels it already owns in Ilha do Sal.
It is true that Cape Verde still has an extremely vulnerable profile, dependent on public aid, sensitive to external shocks and climate changes and heavily dependent on beach tourism.
The expected GDP growth in the state budget proposal for 2018 is 5% to 5.5%.

*Source (State Budget Proposal 2018)

COMMERCIAL ACTIVITY

VEHICLES

				VARIATION	
SEGMENT	BRAND	2017	2016	QTY.	%
Light-Duty Passenger Vehicles	Toyota	62	106	-44	-41,5%
Light Commercial Vehicles	Toyota	295	224	+71	+30%
Heavy Commercial Vehicles	Toyota	27	28	-1	-7,1%
		384	358	+26	+7,3%

Compared to the same period in 2016, Caetano Auto, CV, S.A. sold 26 more vehicles (+7.3%), with Hilux and Hiace models clearly contributing the most to this increase.
For 2018 and following the aforementioned macroeconomic outlook, a new increase in vehicle sales is expected, which should reach 400 vehicles.

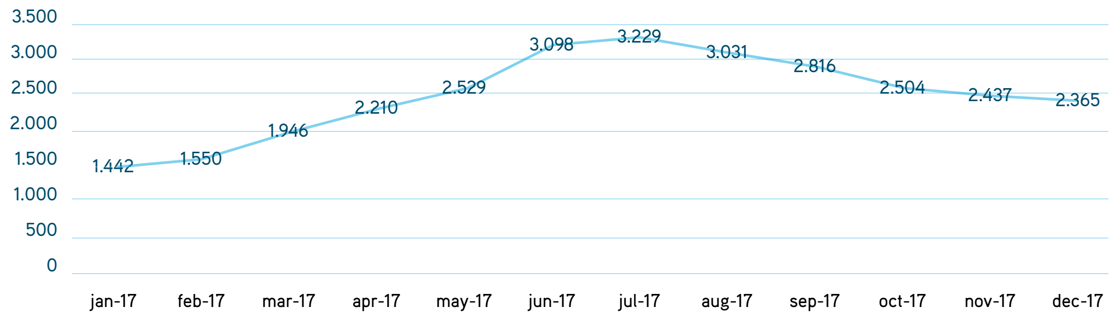
AFTER-SALES

In terms of After Sales, there was a 7.65% increase in turnover, although essentially boosted by the retail sale of parts and accessories. Effort to attract and retain customers at our workshops will certainly be one of the main objectives for 2018.
With regard to the PGO+ assessment, Caetano Auto CV improved its result, compared to the previous year, reaching 88%, which places it at the level of European benchmark facilities.

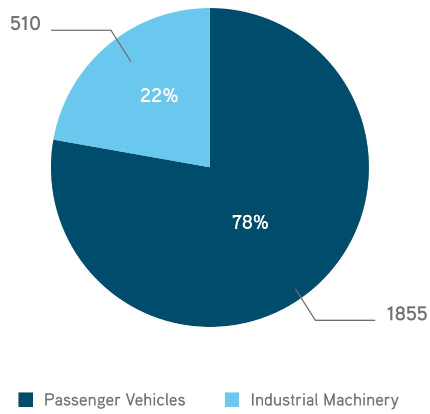
CAETANO RENTING, S.A.

Turnover increased significantly when compared to the same period in 2016, exceeding 7 million euros, which is equivalent to an increase of around 56%.
The Company's average fleet throughout the year stood at 2,430 vehicles and peaked in July, at 3,229 vehicles.

FLEET GROWTH



At the end of 2017, the fleet reached 2,365 vehicles, of which 78% were Passenger Vehicles and 22% were Industrial Machinery:



The significant increase in the fleet was mainly due to the purchase of vehicles intended for the car rental segment, reaching 1,913 out of a total of 2,589 purchases made this year, which means that this segment has a weight of about 73.8% in the entire fleet.
The increase in vehicles associated with the above-mentioned segment resulted in an increase in operating costs, which will only be fully recovered after the sale, which will most likely occur during the next year.

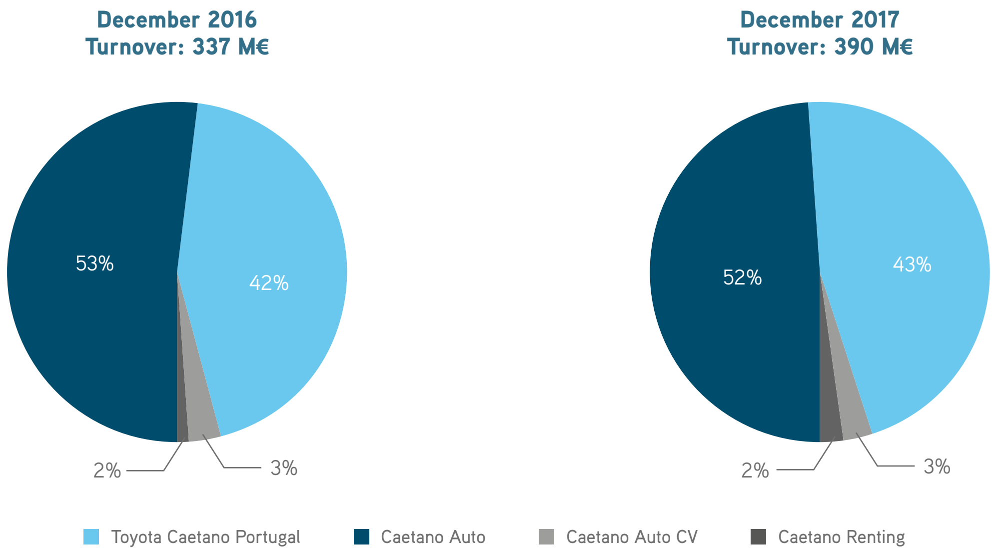
Despite this increase in costs, the Company was able to maintain positive results, and a clear improvement is expected for 2018.

FINANCIAL ACTIVITY

CONSOLIDATED ANALYSIS

The consolidation perimeter of the Toyota Caetano Portugal Group remained unchanged during 2017, when compared to 2016.

In 2017, the Group had a turnover of 390 million euros, approximately 53 million euros higher (+15.8%) than the one obtained in the same period of 2016. This growth is justified mainly by the growth in the automotive market in Portugal, which was accompanied by the activity levels witnessed in the Toyota Caetano Group, with special emphasis on the hybrid vehicles Auris, Yaris and Crossover C-HR. The growth and improved profitability of the project related to the assembly of off-road vehicles for export (LC70) at the Ovar manufacturing unit also contributed to these favourable developments. Therefore, the contribution of the motor vehicle industrial department for the turnover is approximately 39 million euros, compared to 35 million euros recorded in the same period of 2016.



While continuing to pursue the main goal of turning the Toyota brand into a reference in the national automotive market, it was possible to implement a series of measures, namely in what regards structure costs and a slight increase in the trade margin, which allowed obtaining an E.B.I.T.D.A. of about 34 million euros, approximately 8.9 million euros higher (+35.6%) than the one recorded in the same period of 2016.

On the other hand, the financial results, about 2.6 million euros in the red, are higher than the ones recorded in the same period of 2016, by approximately 300,000 euros, while reflecting the higher financing costs incurred by the Toyota Caetano Portugal Group in order to meet the growth in activity and, in particular, the impact of this growth on stocks and credit granted.

As a result of the increase in investments related to the use and rental of transport equipment, there was an increase of approximately 3 million euros recorded under the heading Depreciations and Amortizations, which, combined with the aforementioned factors, generated a consolidated net income of approximately 9.4 million euros, i.e., 57.1% more than the amount reached in 2016, which stood at 6 million euros.

The degree of financial autonomy of 44.3% continues to reflect a perfectly adequate management of the capital structure.

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/16	DEC/17	VARIATION
Turnover	**336.956**	**390.035**	**15,8%**
Gross Profit	61.693	72.088	16,8%
% (f) sales	18,3%	18,5%	
External supplies and services	37.106	43.230	16,5%
% (f) sales	11,0%	11,1%	
Staff expenses	39.365	38.635	-1,9%
% (f) sales	11,7%	9,9%	
E.B.I.T.D.A.	25.106	34.040	35,6%
% (f) sales	7,5%	8,7%	
Operating income	9.565	15.429	61,3%
% (f) sales	2,8%	4,0%	
Net financial income	-2.297	-2.575	-12,1%
% (f) sales	-0,7%	-0,7%	
Consolidated net profit for the year	6.003	9.431	57,1%
% (f) sales	1,8%	2,4%	
Net Bank Credit	54.665	62.671	14,6%
Level of financial autonomy	46,1%	44,3%	

Finally we should note that, despite the fact that the latest estimates point to a “slight slowdown” in economic growth in Portugal in 2018-19, we find it likely that the upward trend in the automotive sector will remain stable, with a clear emphasis on the Hybrid segment which, in view of the variety of products offered by the Toyota Caetano Group in this segment, will inevitably lead to an improvement of its sustainability in the markets in which it operates.

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, 2017, the company did not hold any own shares.

NON-FINANCIAL REPORT

DESCRIPTION OF THE CORPORATE MODEL

In line with the diagnosis of the needs of its stakeholders, Toyota Caetano Portugal has been prioritizing the implementation of an ethics and transparency policy over the years, achieving its sustainability strategy through socially- and environmentally-aware management.

A - ENVIRONMENTAL REPORT

Toyota Caetano Portugal and its employees are committed to reducing impacts caused by their activity on the environment and to promoting sustainability, combined with the principles included in the Environment Policy.

The automotive sector has redirected its strategy toward clean mobility solutions. Emission standards in Europe are promoting increased production of alternative fuel vehicles, including hybrid, plug-in hybrid, electric and fuel cell versions, most of which Toyota and Lexus have pioneered. Faced with this scenario, both brands state that, from 2050 onward, they will only produce zero-emission models.

During 2017, the implementation of the defined strategy is clearly evident in the primary actions planned and in the results obtained:

- In the scope of its Integrated Quality and Environment Management System, we highlight the internal and external audits performed (certifying entity – SGS), and the effective transition into the new ISO 9001:2015 and ISO 14001:2015 norms with zero non-conformities.

- Toyota Motor Europe's Audit to our Environmental Management System;

- Integrated in the Management System, Toyota Caetano Portugal has been reinforcing its continuous improvement strategy (kaizen), namely the level 1 daily kaizen (team organization), the level 2 daily kaizen (5S) and kaizen suggestions (ideas/projects implemented by employees). Employees receive annual recognition of the continuous improvement results from the Administration.

- For the fourth consecutive year, Toyota Caetano Portugal has participated in the annual report on Sustainable Development "Carbon Disclosure Project" (CDP), promoting corporate transparency and calculation of the company's carbon footprint. The result achieved in 2017 was awarded with the "Management level".

The Toyota & Lexus hybrid and plug-in vehicle massification strategy within the national market has greatly contributed to this CDP result, where we have achieved an excellent 47,3% hybrid vehicle sales ratio over the passenger vehicle sales total.

The energy efficiency actions implemented in the buildings and processes were also subject to significant improvements. In developing our activity, we acknowledge the need to contribute toward sustainable development of locations where we operate and toward maintaining cooperation relations with communities by supporting social, cultural and academic institutions. Employees should and must protect and ensure proper preservation of company assets (facilities, equipment and others) and use resources efficiently and responsibly, avoiding waste.

For 2018, Toyota Caetano Portugal commits to the following:

- To continue a sustainable growth in hybrid vehicle sales, for which we draw a 50% penetration objective over the passenger vehicle sales total.

- To continue with an employee daily focus on the Kaizen principle, where we aim at an objective of 1.5 ideas per employee.

- To achieve a renewal of the Quality and Environment Management System Certification. To reinforce the risk--based philosophy, according to the FMEA (Failure Mode and Effects Analysis) methodology.

- To continue to meet the stakeholders' demand for transparency in Toyota Caetano Portugal's low carbon economy through the Carbon Disclosure Project (CDP), and to maintain the "Management level".

Toyota Caetano Portugal endeavours to provide a safe, wholesome work environment for every employee and service provider. Everyone needs to collaborate in abiding by the set rules for Workplace Health and Safety, informing superiors about possible deviations observed, so as to ensure that the safety of the company's people, facilities, equipment and assets is never put at risk.

B - REPORT ON SOCIAL ISSUES REGARDING WORKERS

In recent years, the growing need to attract and retain current and potential employees that consequently contribute to end-customer satisfaction leads companies to undertake a strategy of Employer Branding that delivers functional, emotional and symbolic benefits to all stakeholders. This path is also being developed at Toyota Caetano Portugal with the creation of the Personnel, Brand and Communication Corporate Division (DPC) in January 2015, the main mission of which is to make Toyota Caetano Portugal an increasingly pleasant place to live and work through the integrated management of Personnel, in alignment with corporate values, culture and business objectives.

The DPC is composed of multidisciplinary teams oriented for project management and currently acts according to the following intervention axes:

1) Business Partners – to monitor the company's needs in its various activities (distribution, industrial equipment and industry), combining the business strategy with the talent management strategy;
2) Labour and Legal Consulting – to guide and advise managers on legal labour matters and work relations;
3) Careers and Wages – to develop and implement Lean procedures for processing payroll, recruitment and internships, induction and integration, performance management, and career and talent management;
4) Training and Development – to develop skills (soft and hard skills) of young people (Learning Centres) and resources;
5) Brand and Communication – to ensure internal and institutional communication, and the reinforcement of corporate values and culture;
6) Safety, Health and Well-Being - to manage services that support the well-being of employees within the area of occupational health and safety, as well as by maintaining proper communal and eating areas;
7) Quality, Environment and Kaizen – to apply quality and environment management systems and implement proposals for continuous improvement, by defining policies, practices and efficient tools;
8) Special Projects – to develop projects according to business necessities, in connection with personnel management and internal marketing.

The eight axes include activities that serve the different needs associated with the desired development cycle for an employee, from admission and development through to leaving the company, in relation to the integrated personnel management system that composes the organizational model.
In 2017, action priorities were focused on improving policies, HR processes and procedures and internal marketing, and in developing new processes taking into consideration the current market demands and the values/behaviours of the new generation of enterprising workers, fuelled by challenges, by leaderships that generate new leaders and by companies with value proposals that are relevant to all stakeholders. Thus, the focus was on a set of areas:

- Reviewing and updating the organizational corporate model based on role description mapping.

- Performance and development management (GDD), which assumes the analysis of employee potential and performance, to enable career and talent management, in line with Toyota Caetano Portugal's objectives and values.

- "To be Caetano" training session for all intermediate managers to reinforce the company founder's Culture and Values within the teams, promoting a higher level leadership, in line with the Toyota Way.

- Reinforcing corporate culture by implementing a strategic plan to promote management by Values, as well as the development of internal initiatives that promote the employees' well-being and commitment, as is the case of the "To Be Club", the Indoor Football Tournament, the Christmas meal, the Activity Evaluation Meeting, among others.

- Digital scanning of processes with the installation of information terminals and the development of interactive platforms in the scope of processes, procedures and internal events.

- Reformulating and launching the Employee Portal to provide content to the employee by using a more approachable and appealing language and a more intuitive navigation.

- Undertaking initiatives in the scope of TCAP's Social Responsibility, namely in the educational area and in connection with the local community, from which we highlight the partnership with Porto de Futuro (a program by the Oporto City Council) and the Oporto Polytechnic Institute, among others, to bring the academic world closer to corporate life. We also highlight our participation in providing meals to social welfare institutions integrated in the local community.

- The Strategic Thinking Workshop has also involved Toyota Caetano Portugal's higher management, resulting in an action plan for the future that answered the following questions: "Where are we?" "Where do we want to go?" "What attitudes do we want to develop?" "Which Leadership and Professional profiles allow us to face our challenge?"

- Launching the young talent attraction and retention program to provide a differentiating professional experience.

- Restructuring the procedure, the Induction Manual, and other process support tools, to standardize practices within the Toyota universe in Portugal and, from the first hour, to instil the company's philosophy and practices in our employees.

- Reformulating the health and catering social welfare, to increase employee satisfaction and well-being.

- Digital scanning of administrative personnel management processes, to streamline, simplify and dematerialise them through the use of IT tools, such as "Business Project Management" and the Employee Portal.

- Implementing the Kaizen methodology into the daily tasks of the various operation teams, by organizing spaces and managing visual aspects, creating procedures, standardizing tasks, carrying out systematic meetings and developing motivational projects, to promote a continuous improvement and internal entrepreneurship, and the acceleration of incremental and transformational innovation.

For 2018, we foresee the continuity of the work developed since 2015, highlighting some priorities resulting from the alignment of the personnel management and development strategy with the business strategy, namely:

- Continuing the development of TCAP's career and talent management models, by training young people and resources, by reinvigorating and requalifying teams to respond to functional succession in critical areas, as well as by promoting new leaderships.

- Communicating and reinforcing the Employer Branding strategy to attract and retain talent in the organization, and a larger commitment to the satisfaction of external clients.

- Reinforcing and communicating the digital scanning culture directed at process efficiency and quality, thus promoting external and internal client loyalty.

- Developing the organizational climate study based on Corporate Values, to assess employee satisfaction and consequently promote plans that respond to employee expectations.

Thus, we expect to keep achieving valid results, acting with respect to personnel, concern for their well-being and justice for their development, thereby continually achieving valid results, showing respect for personnel, showing concern for their well-being and justice for their development, which promoted their satisfaction at work.

Toyota Caetano Portugal commits to promoting the existence of a cordial environment within the company, essential for the well-being and proper performance of its employees. Likewise, employees all need to contribute toward building a good work environment, hinged on criteria of loyalty, mutual respect, education and justice. Employees are also expected to adopt principles of cooperation, teamwork and accountability in the quest for excellence and accomplishment.

C – EQUALITY BETWEEN MEN AND WOMEN

Toyota Caetano Portugal promotes equality between men and women in a policy of equal work – equal pay, and 30% of its labour force is female.

D – NON-DISCRIMINATION

Effectively, Toyota Caetano Portugal operates and will continue to operate within the market with integrity, honesty and respect for every relationship it maintains, rejecting discrimination practices and promoting equality of opportunities for everyone, as well as the right to moral integrity and dignity at the workplace.

E - RESPECT FOR HUMAN RIGHTS

In keeping with the Toyota Way principles, one of the Company's central pillars includes Respect for People and protecting Human Rights. In this regard, we do not tolerate discriminatory behaviour on the basis of race, ethnicity, nationality, social background, age, gender, ideology, political opinion, religion or any other physical or social condition of our Employees. On top of being Company practice, we seek to instil this attitude in the daily relations with the various stakeholders while raising our Employees' awareness to applying these principles outside the Company and boosting their personal networks.

F - FIGHTING CORRUPTION AND ATTEMPTED BRIBERY

Toyota Caetano Portugal requires careful, responsible weighting of every topic that could reflect the Values and Professional Ethics assumed by the Group. At every one of our companies, we acknowledge the importance of always bearing in mind the principles whereby it is governed while guiding our strategy and the way these shall be internalised and actually put into practice by every employee.
These rules contribute toward consolidating the image and role of Toyota Caetano Portugal and toward strengthening trusting relations with all stakeholders, including shareholders, employees, service providers, government bodies, regulators, local communities, customers, suppliers, competitors and the media.
Toyota Caetano Portugal has always been, is and will be in the market with integrity, honesty and respect for everyone we relate to. All of the Group's employees, regardless of the duties they perform, not only abide by their duty to observe applicable laws, but also regulate their conduct bearing in mind these basic principles.
Likewise, employees need to refrain from using the Group's assets to benefit themselves or any third parties.
All employees regulate their actions through strict compliance with the responsibilities they have been assigned, by performing their duties by strictly complying with what constitutes the description of such actions, while observing

the instructions they have rightfully been given by their superiors and shouldering the consequences of their actions or omissions in carrying on the operations they have been entrusted with.
Employees use the power they have been delegated, in a weighted and non-abusive manner, always considering the company's interests and the pursuit of its objectives, namely safeguarding Toyota's assets.
On the other hand, employees shall encourage team spirit, while showing solidarity with the decisions that are made, acting without discretion, with transparency, precision and truthfulness, avoiding any conflicts of interest and attitudes that could affect the image of both the company of which they are part and Toyota.
Toyota Caetano Portugal's corporate practices are transparent and equitable, and no active or passive bribery, corruption or influence peddling shall be tolerated.
The Group's employees shall refuse any offers that could be considered or construed as an attempt to influence the company or the employee. When in doubt, employees shall notify their immediate superiors, in writing, of the situation.
Likewise, no employee may offer any gift or other benefit that could be perceived as an attempt to influence a current or future decision-making process, or as a reward regarding a decision that has already been made. When in doubt, employees shall notify their immediate superiors, in writing, of the situation.

Employees shall act with independence, impartiality and loyalty toward the Group and within the margin of either their own or third-party interests. As part of this:

a) Employees shall refrain from intervening or influencing in making decisions that could be related to people to whom they are or have been linked by bonds of kinship or affinity or to entities with which they collaborate or have collaborated.

b) Involvement in activities that could compete or interfere with Group company activities and, in the case of a potential conflict of interest, employees and service providers shall forthwith notify their immediate superior thereof, in writing.

Employees are under obligation to protect the confidentiality of business information to which they have access as part of the positions they hold, namely as concerns the Toyota Caetano Portugal Group and its customers and suppliers, and no type of internal knowledge shall be used for personal gain. Compliance with the duty of confidentiality, as well as professional secrecy itself, shall remain in place even after expiry of the term, termination of the employment relationship or the provision of services.

G – DIVERSITY

In this course of action, Toyota Caetano Portugal fosters diversity at several levels by extending it to its management and corporate bodies. The Company is attentive to renewing its management officers, favouring age as being synonymous with acquired knowledge and the necessary qualifications for performing their duties. We consider both dimensions to be vital for developing a sustainable strategy. In this diversity policy, women are also increasingly filling leadership positions within the Organisation, in a direct correlation with the growing number of women in the structure's management. Within the company's hiring practices, and while fostering training, women and young people are encouraged to actively take part, as Toyota Caetano Portugal believes it is in generational sharing and in gender and cultural diversity that the company will be increasingly prepared to take action in a global and inclusive world.

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 2017 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 2017's profits obtained in the financial year, amounting to Euros 9.338.304,78 stated in the individual financial statements of Toyota Caetano Portugal:

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

Eur 2.330.889,90

b) To dividends to be allocated to Share Capital, 0,20 Eur per share, which considering its 35.000.000 shares totals

Eur 7.000.000,00

c) The remainder for the retained earnings account

Eur 7.414,88

OTHER ISSUES / ACKNOWLEDGEMENTS

From the end of 2017 to present date, there were no relevant events worthy of mention.

This report would not be completed without expressing our appreciation to those people or entities who have contributed in any way to the development of the Company's activities or to the results achieved in 2017, in particular:

• To our Customers and Dealers, for the encouragement they have given us through the trust placed in our products and the distinction of their preference;
• To Banking Entities, for the necessary collaboration to the development of our activity;
• To the other Corporate Bodies for always showing their cooperation;
• To all Employees for their dedication to achieving the Company's goals.

Vila Nova de Gaia, 21 March 2018

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 SHARES HELD IN THE COMPANY BY 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 8(b) and Article 14(7), both of CMVM Regulation 5/2008)

In compliance with the provisions of Article 447 of the Companies Code, it is hereby declared that, on 31 December 2017, the members of the Company's management and supervisory bodies did not hold any of its shares or bonds.

It is further stated that during 2017 there was a disposal of the ownership of the number of shares which represent the share capital of TOYOTA CAETANO PORTUGAL, S.A. by the respective members of the Board of Directors:

José Reis da Silva Ramos:

- does not own any shares or corporate bonds;
- the spouse, Maria Angelina Martins Caetano Ramos, as of 10 July 2017, owned 699,628 shares, as a result of the execution of the distribution agreement regarding the Joint Heirship of Salvador Fernandes Caetano and Ana Pereira Martins, which she has sold on 25 July 2017, at the price of 3.694€ each and therefore as at 31 December 2017 she does not hold any shares or corporate bonds;

Maria Angelina Martins Caetano Ramos:

- as a result of the execution of the distribution agreement regarding the Joint Heirship of Salvador Fernandes Caetano and Ana Pereira Martins, as of 10 July 2017, owned 699,628 shares, which she has sold, on 25 July 2017, at the price of 3.694€ each and therefore as at 31 December 2017 she does not hold any shares or corporate bonds.

Salvador Acácio Martins Caetano:

- as a result of the execution of the distribution agreement regarding the Joint Heirship of Salvador Fernandes Caetano and Ana Pereira Martins, as of 10 July 2017, owned 699.627 shares, which he has sold, on 25 July 2017, at the price of 3.694€ each and therefore as at 31 December 2017 he does not hold any shares or corporate bonds;

Miguel Pedro Caetano Ramos: does not own any shares or corporate bonds;
Matthew Peter Harrison: does not own any shares or corporate bonds;
Nobuaki Fujii: does not own any shares or corporate bonds;
Rui Manuel Machado de Noronha Mendes: does not own any shares or corporate 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:

- 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 the Vice-Chairwoman of the Board of Directors and Miguel Pedro Caetano Ramos is a Member of the Board of Directors), purchased, on 25 July 2017, 699,628 shares at a price of 3.694€ each; on 26 July 2017, 699,627 shares at a price of 3.694€ each; on 26 September 2017, 3,665 shares at a price of 1.97€ each; on 29 September 2017, 2,639 shares at a price of 1.97€ each; on 18 October 2017, 8,769 shares at a price of 2.10€ each; on 19 October 2017, 8,971 shares at a price of 2.10€ each; on 31 October 2017, 1,010 shares at a price of 2.07€ each; on 10 November 2017, 24,925 shares at a price of 2.08€ each; on 15 November 2017, 7,501 shares at a price of 2.20€ each; on 16 November 2017, 1,050 shares at a price of 2.19€ each; on 20 November 2017, 7,400 shares at the price of 2.28€ each; on 21 November 2017, 4,990 shares at a price of 2.30€ each; on 8 December 2017, 862 shares at a price of 2.56€ each; on 13 December 2017, 7,303 shares at the price of 2.66€ each; on 14 December 2017, 3,970 shares at a price of 2.70€ each; on 18 December 2017, 1,950 shares at a price of 2.77€ each; on 20 December 2017, 1,200 shares at a price of 2.70€ each; on 27 December 2017, 3,500 shares at a price of 2.75€ each, and thus, on 31 December 2017, held 22,777,241 shares with a nominal value of 1 euro each.

- 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, Salvador Acácio Martins Caetano and Rui Manuel Machado de Noronha Mendes, are Members of the Board of Directors) carried out no transactions and thus, on 31 December 2017, 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, José Reis da Silva Ramos is the spouse of the Chairwoman of the Board of Directors) carried out no transactions and thus, on 31 December 2017, held 393,252 shares with a face 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) carried out no transactions and thus, on 31 December 2017, held 290 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 his spouse

- Maria Angelina Martins Caetano Ramos, Member of the Board of Directors, holds:

- 39.49%[1] of the share capital of Group Salvador Caetano, SGPS, S.A., a company in a control relationship with the Company;

[1] This percentage includes shares held by his spouse

- Salvador Acácio Martins Caetano, Member of the Board of Directors, holds:

- 39.49%[1] of the share capital of Group Salvador Caetano, SGPS, S.A., a company in a control relationship with the Company;

[1] This percentage includes shares held by his 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 ON THE SHARES HELD BY SHAREHOLDERS IN TOYOTA CAETANO PORTUGAL, S.A.

The following is a list of the shareholders that, on 31 December 2017, 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:

	SHARES			
SHAREHOLDERS HOLDERS OF AT LEAST 10%	HELD[1] 31.12.2016	PURCHASED 2017	SOLD 2017	HELD[2] 31.12.2017
TOYOTA MOTOR EUROPE NV/SA	9.450.000			9.450.000

[1] Share capital on 31/12/2016: € 35,000,000.00, represented by 35,000,000 shares with a nominal value of € 1.00 each.

[2] Share capital on 31/12/2017: € 35,000,000.00, represented by 35,000,000 shares with a nominal value of € 1.00 each.

	SHARES			
SHAREHOLDERS HOLDERS OF AT LEAST 50%	HELD[1] 31.12.2016	PURCHASED 2017	SOLD 2017	HELD[2] 31.12.2017
Salvador Caetano – Auto, S.G.P.S., S.A.	21.288.281	1.488.960		22.777.241

[1] Share capital on 31/12/2016: € 35,000,000.00, represented by 35,000,000 shares with a nominal value of € 1.00 each.

[2] Share capital on 31/12/2017: € 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, issued by the CMVM)

On 31 December 2017, the shareholders with qualified shareholdings in the company's share capital are the following:

SHAREHOLDER	SHARES	% OF VOTING RIGHTS
Salvador Caetano - Auto - S.G.P.S., S.A.	22.777.241	65,078
Toyota Motor Europe NV/SA	9.450.000	27,000

3 INDIVIDUAL ACCOUNTS

FINANCIAL HIGHLIGHTS

(Amounts expressed in euro)

	DEC/17	DEC/16
SALES	313 210 999	274 422 481
CASHFLOW	17 928 987	15 547 936
NET INCOME	9 338 305	5 950 756
NET FINANCIAL EXPENSES	2 003 235	2 192 636
PAYROLL EXPENSES	15 614 797	16 347 273
NET INVESTMENT	8 366 063	9 116 941
GROSS WORKING CAPITAL	73 438 926	83 579 339
GVA	23 482 573	40 105 224
UNITS SOLD	16 895	15 750
NUMBER OF EMPLOYEES	507	525

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2017

(Amounts expressed in euro)

ASSETS	NOTES	DEC/17	DEC/16
NON-CURRENT ASSETS			
Intangible Assets	8	89 528	629 129
Tangible Fixed Assets	5	30 212 204	29 041 382
Investment Properties	6	14 555 076	15 122 686
Goodwill	7	611 997	611 997
Financial Investments - Equity Method	9	40 836 444	37 196 156
Other Financial Investments	10	59 504	59 504
Deferred Tax Assets	15	1 320 835	1 511 801
TOTAL NON-CURRENT ASSETS		**87 685 588**	**84 172 655**
CURRENT ASSETS			
Inventories	11	61 045 015	52 135 449
Accounts Receivable	12	106 694 935	101 960 592
Other Accounts Receivable	13	2 454 538	1 288 272
Corporate Income	15		52 316
Other Current Assets	14	2 449 484	1 454 032
Other Financial Investments	10	3 432 799	3 432 799
Cash And Cash Equivalents	4	14 225 420	8 654 980
TOTAL CURRENT ASSETS		**190 302 191**	**168 978 439**
TOTAL CURRENT		**277 987 779**	**253 151 094**

EQUITY AND LIABILITIES	NOTES	DEC/17	DEC/16
EQUITY			
Share Capital		35 000 000	35 000 000
Legal Reserve		7 498 903	7 498 903
Adjustments to Financial Investments		3 579 095	2 705 421
Revaluation Reserve		6 195 184	6 195 184
Other Reserves		67 319 346	67 319 346
Retained Earnings		1 781 402	1 707 102
Net Income		9 338 304,78	5 950 756
TOTAL EQUITY	16	**130 712 235,26**	**126 376 712**
LIABILITIES			
NON-CURRENT LIABILITIES			
Loans	17	24 951 241	30 350 204
Defined Benefit Plan Liabilities	21	5 655 000	5 108 420
Deferred Tax Liabilities	15	158 398	214 348
TOTAL NON-CURRENT LIABILITIES		**30 764 639**	**35 672 972**
CURRENT LIABILITIES			
Loans	17	51 559 955	32 986 922
Accounts Payable	18	33 491 227	30 179 049
Other Accounts Payable	19	10 373 165	10 135 303
Corporate Income	15	1 648 715	
Other Current Liabilities	20	19 437 842	17 080 130
Defined Benefit Plan Liabilities	21		691 580
Derivative Financial Instruments - Swap	23		28 425
TOTAL CURRENT LIABILITIES		**116 510 905**	**91 101 410**
TOTAL LIABILITIES		**147 275 544**	**126 774 382**
TOTAL EQUITY + LIABILITIES		**277 987 779**	**253 151 094**

Chartered Accountant: Alexandra Maria Pacheco Gama Junqueira.

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.

INCOME STATEMENT BY NATURE FOR THE YEARS ENDED 31 DECEMBER 2017 AND 2016

(Amounts expressed in euro)

	NOTES	DEC/17	DEC/16
OPERATIONAL GAINS			
Sales and Service Rendered	24 and 25	313 210 999	274 422 481
Other Gains	28	37 369 167	36 201 733
Variation in Production	11	3 170 060	-367 778
TOTAL OPERATIONAL GAINS		**353 750 226**	**310 256 437**
OPERATIONAL EXPENSES			
Cost of Goods Sold and Raw Material Consumed	11	-264 702 751	-231 161 973
External Supplies and Services	26	-44 740 211	-36 105 468
Payroll Expenses	27	-15 614 797	-16 347 273
Depreciations	5,6 and 8	-8 302 452	-8 351 894
Provision and Impairment	22	-22 903	-15 253
Other Expenses	28	-9 042 893	-9 017 567
TOTAL OPERATIONAL EXPENSES		**-342 426 007**	**-300 999 428**
OPERATIONAL INCOME		**11 324 219**	**9 257 009**
Gains in Financial Investments - Equity Method	9	2 330 889,90	626 455
Interest Expenses	29	-2 313 065	-2 458 924
Interest Income	29	309 830	266 288
INCOME BEFORE TAXES		**11 651 874**	**7 690 828**
Income Tax for the Year	15	-2 313 569	-1 740 072
NET INCOME		**9 338 305**	**5 950 756**

Chartered Accountant: Alexandra Maria Pacheco Gama Junqueira.

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.

STATEMENT OF THE COMPREHENSIVE INCOME AT 31 DECEMBER 2017 AND 2016

(Amounts expressed in euro)

	DEC/17	DEC/16
NET PROFIT FOR THE PERIOD	**9 338 305**	**5.950.756**
Components of other consolidated comprehensive income, that could not be recycled by profit and loss		
Remeasurement (Actuarial losses gross of tax) (Note 21)		-1 574 421
Deferred tax of actuarial losses (Note 15)		354 245
Other changes in equity		-1 110 105
COMPREHENSIVE INCOME	**9 338 305**	**3 620 475**

Chartered Accountant: Alexandra Maria Pacheco Gama Junqueira.

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.

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY FOR THE PERIODS ENDED 31 DECEMBER 2017 AND 2016

(Amounts expressed in euro)

	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 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**
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**
Changes in period									0
MEP						0			0
Allocation of Profits				626 455		626 455	74 301	-700 756	0
Remeasurement (Actuarial losses)						0			0
Other Changes in Equity				247 218		247 218			247 218
	0	0	0	873 674	0	873 674	74 301	-700 756	247 218
Net Income								9 338 305	9 338 305
Total Gains and Losses								9 338 305	9 338 305
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 2017	**35 000 000**	**7 498 903**	**6 195 184**	**3 579 095**	**67 319 346**	**84 592 528**	**1 781 402**	**9 338 305**	**130 712 235**

Chartered Accountant: Alexandra Maria Pacheco Gama Junqueira.

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.

INDIVIDUAL CASH FLOW STATEMENT PERIOD ENDED DECEMBER 31, 2017

(Amounts expressed in euro)

STATEMENT OF CASH FLOWS ON OPERATING ACTIVITIES	NOTES	DEC/17		DEC/16	
Collections from Customers		397 868 482		350 471 366	
Payments to Suppliers		-364 976 999		-316 734 582	
Payments to Personnel		-8 144 486		-8 285 675	
Operating Flow			**24 746 997**		**25 451 110**
Payments of Income Tax			-1 646 620		-456 559
Other Collections/Payments Related to Operating Activities			-27 837 307		-24 356 486
Cash Flow from Operating Activities			**-4 736 931**		**638 066**
STATEMENT OF CASH FLOWS ON INVESTING ACTIVITIES					
Collections from:					
Investments					
Tangible Fixed Assets	5	4 813 440		3 830 105	
Investment Subsidy					
Interest and Others					
Dividends			4 813 440	1 624 908	5 455 013
Payments to:					
Investments	9			-171	
Tangible Fixed Assets	5	-361 408		-90 014	
Intangible Assets	8		-361 408	-175 871	-266 057
Cash Flow from Investing Activities			**4 452 032**		**5 188 957**
STATEMENT OF CASH FLOWS ON FINANCING ACTIVITIES					
Collections from:					
Lease	17	7 022 706		6 352 620	
Loans	17	49 500 000	56 522 706	24 298 957	30 651 577
Payments to:					
Loans	17	-39 041 062		-25 110 526	
Lease Down Payments	17	-4 307 574		-3 421 170	
Interest and Others		-2 042 650		-2 053 741	
Dividends	16	-5 276 080	-50 667 367	-5 262 611	-35 848 047
Cash Flow from Financing Activities			**-5 855 339**		**-5 196 470**
CASH AND CASH EQUIVALENTS					
Cash and Cash Equivalents at Beginning of Period	4		8 654 980		8 024 428
Cash and Cash Equivalents at End of Period	4		14 225 420		8 654 980
Net Flow in Cash Equivalents			**5 570 440**		**630 552**

Chartered Accountant: Alexandra Maria Pacheco Gama Junqueira.

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.

NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS AT 31 DECEMBER 2017

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, 2017, the companies of Toyota Caetano Group, their headquarters and abbreviations used, are as follows:

COMPANIES WITH HEADQUARTERS IN PORTUGAL:	HEADQUARTERS
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:	HEADQUARTERS
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").

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 2017, were adopted by the first time in the fiscal year ended at 31 December 2017:

a) Changes to accounting standards applicable to periods beginning on or after 1 January 2017:

(i) Standards:

- IAS 7 (amendment), 'Cashflow statement – Disclosure initiative' (effective for annual periods beginning on or after 1 January 2017). 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. This amendment didn't have impact in 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 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. This amendment didn't have in the Entity financial statement.

b) Standards that have been published and are mandatory for the accounting periods beginning on or after 1 January 2018, 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. It is not expected significant impact of future adoption of this standard on 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 standard on the Entity financial statements.

- IFRS 16 (new), 'Leases' (effective for annual periods beginning on or after 1 January 2019). This new standard replaces the IAS 17 with a significant impact on the accounting by lessees that are now required to recognise 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". Is expected impact of future adoption of this standard 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 allows companies that issue insurance contracts the option to recognise 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. It is not expected significant impact of future adoption of this amendment on 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 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 these amendments 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:

- Annual Improvements 2014 - 2016, (generally effective for annual periods beginning on or after 1 January 2017). The 2014-2016 annual improvements impacts: IFRS 1, IFRS 12 and IAS 28. This amendment did have insignificant impact in 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 9 (amendment), 'Prepayment features with negative compensation' (effective for annual periods beginning on or after 1 January 2019). This amendment is still subject to endorsement by the European Union. The amendment introduces the possibility to classify certain financial assets with negative compensation features at amortized cost, provided that specific conditions are fulfilled, instead of being classified at fair value through profit or loss It is not expected significant impact of future adoption of this amendment on the Entity financial statements.

- IAS 28 (amendment), 'Long-term interests in Associates and Joint Ventures' (effective for annual periods beginning on or after 1 January 2019). This amendment is still subject to endorsement by the European Union. The amendment clarifies that long-term investments in associates and joint ventures (components of an entity's investments in associates and joint ventures), that are not being measured through the equity method, are to be measured in accordance with IFRS 9, being subject to impairment expected credit loss model, prior to any impairment test of the investment as a whole. It is not expected significant impact of future adoption of this amendment on the Entity financial statements.

- Annual Improvements 2015 - 2017, (generally effective for annual periods beginning on or after 1 January 2019). These improvements are still subject to endorsement by the European Union. The 2015-2017 annual improvements impact: IAS 23, IAS 12, IFRS 3 and IFRS 11. It is not expected significant impact of future adoption of this amendment on the Entity financial statements.

- IFRS 17 (new), 'Insurance contracts' (effective for annual periods beginning on or after 1 January 2021). This standard is still subject to endorsement by European Union. This new standard replaces IFRS 4 and applies to all entities issuing insurance contracts, reinsurance contracts and investment contracts with discretionary participation characteristics. IFRS 17 is based on the current measurement of technical liabilities at each reporting date. The current measurement can be based on a complete "building block approach" or "premium allocation approach". The recognition of the technical margin is different depending on whether it is positive or negative. IFRS 17 is of retrospective application. This standard is not applicable 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.

- IFRIC 23 (new), 'Uncertainty over income tax treatment' (effective for annual periods beginning on or after 1 January 2019). This interpretation is still subject to endorsement by European Union. This is an interpretation of IAS 12 - 'Income tax', referring to the measurement and recognition requirements to be applied when there is uncertainty as to the acceptance of an income tax treatment by the tax authorities. In the event of uncertainty as to the position of the tax authority on a specific transaction, the entity shall make its best estimate and record the income tax assets or liabilities under IAS 12, and not under IAS 37 - "Provisions, contingent liabilities and contingent assets ", based on the expected value or the most probable value. The application of IFRIC 23 may be retrospective or retrospective modified. 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	4-6
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 6).

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 26).

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 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.

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.

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 fulfil the conditions for their concession.

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) 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.

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, 2017 and 2016, 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, Toyota Caetano only have derivative financial instruments, for which the company as not applied hedge accounting derivatives. At December 31, 2017 the Company no longer use derivative financial instruments

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 as at December 31, 2016 is presented in the Note 23.

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.

j) 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 21). The Entity recognized remeasurement in "Other reserves". The contribution to Define Contribution Plan are recognized in expenses for the year.

k) 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.

l) 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.

m) 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.

n) 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.

o) Statement of financial position classification

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

p) Earnings per share

Basic:
The basic earnings per share is calculated by dividing the taxable income of the shareholders by the weighted average number of common shares issued during the period, excluding the common shares acquired by the company and held as treasury shares.

Diluted:
Diluted earnings per share are calculated by dividing the profit attributable to shareholders, adjusted for the dividends of convertible preferred shares, convertible debt interest and gains and expenses resulting from the conversion, by the weighted average number of common shares issued during the period plus the average number of shares common shares issued in converting potential dilutive common shares.

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 25.

In that note we can find information by subsegments. For the subsegment of vehicles is presented by commercial and industry. For the subsegment of industrial equipment is present by commercial, services and rental

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”. Favourable and unfavourable 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, 2017 and 2016 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 7);
d) Discharge of the fair value of derivative financial instruments; and
e) Clearance of responsibilities with Pension complements (Note 21).

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 assumptions with the greatest impact on the estimates mentioned above are the discount rate used for the purposes of calculating the pension liabilities and the Goodwill impairment, and the mortality table used for the purposes of calculating the pension liabilities.
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 programs, and other types of financial operations with relationship Banks, ensuring the right balance between satisfactory liquidity levels and adequate commitment fees.

vi) 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, 2017 can be summarize as follow:

BANK DEPOSITS RATING	RATING AGENCIES	BANK DEPOSITS
A1	Moody's	97 528
A3	Moody's	97 726
Aa2	Moody's	3 944
Aa3	Moody's	7 038
B1	Moody's	8 497 688
B3	Moody's	115 293
Baa3	Moody's	4 646 248
Caa1	Moody's	456 043
	Others without rating	218 145
Total		**14 139 653**

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, 2017, there were no changes in accounting policies and no material mistakes related with previous periods were identified.

4. CASH AND CASH EQUIVALENTS

As of 31 December 2017 and 31 December 2016 cash and cash equivalents detail was the following:

	DEC/17	DEC/16
Money	85 767	85 032
Bank Deposits at Immediate Disposal	14 139 653	8 569 948
Cash and Cash Equivalents	14 225 420	8 654 980

5. TANGIBLE FIXED ASSETS

During 2017 and 2016, the movement in tangible fixed assets as well as in the accumulated depreciation were as follows:

DEC/17	LAND	BUILDINGS AND OTHER CONSTRUCTIONS	MACHINERY AND EQUIPMENTS	VEHICLES	ADMINISTRATIVE EQUIPMENT	OTHER FIXED ASSETS	CONSTRUCTION IN PROGRESS	TOTAL
Gross:								
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
Increases		44 036	220 363	10 313 500	76 336	26 819	23 056	10 704 110
Disposals			(4 684)	(7 826 678)				(7 831 363)
Transfers and Write-offs								
Final Balance 31/12/2017	3 946 027	32 576 733	52 682 382	49 067 308	6 208 216	2 969 294	32 456	147 482 415
Depreciations:								
Final Balance 31/12/2016	-	29 587 661	49 519 987	27 540 038	6 055 999	2 864 599	-	115 568 285
Increases		396 032	774 725	6 041 565	55 277	24 641		7 292 239
Transfers, Disposals and Write-offs			(4 684)	(5 585 629)				(5 590 313)
Final Balance 31/12/2017	-	29 983 693	50 290 028	27 995 974	6 111 276	2 889 240	-	117 270 211
Net Value	**3 946 027**	**2 593 040**	**2 392 354**	**21 071 334**	**96 940**	**80 054**	**32 456**	**30 212 204**

DEC/16	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
Transfers, Disposals and Write-offs				(4 339 255)				(4 339 255)
Final Balance 31/12/2016	-	29 587 661	49 519 987	27 540 038	6 055 999	2 864 599	-	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**

As at 31 December 2017 and 2016 the tangible fixed assets used under finance lease are resented as follows:

	DEC/17		
	ACQUISITION VALUE	DEPRECIATIONS	CURRENT VALUES
Tangible Fixed Assets Industrial equipment	32 794 866	(14 631 521)	18 163 346

	DEC/16		
	ACQUISITION VALUE	DEPRECIATIONS	CURRENT VALUES
Tangible Fixed Assets Industrial equipment	26 322 631	(10 040 184)	16 282 447

6. INVESTMENT PROPERTIES

As at 31 December 2017 and 31 of December of 2016, 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 3.338.592 Euros in the period ended in 31 December 2017 (3.400.831 Euros in 31 December 2016) (Note 28).

In accordance with external appraisals done in the end of 2012, 2014, 2015 2016 and 2017 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 56,8 million Euros, approximately (56,9 million Euros in 2016).
The Board of Directors is convinced that there is no significant change in the fair value of those investment properties in 2017 believing that are valid the appraisals done.

The detail of investment properties in 2017 and 2016:

BUILDINGS	PLACE	DEC/17			DEC/16		
		CARRYING AMOUNT	FAIR VALUE	APPRAISAL	CARRYING AMOUNT	FAIR VALUE	APPRAISAL
Industrial Facilities	V.N. Gaia	3 019 591	8 692 000	Internal	3 236 940	8 692 000	External
Industrial Facilities	V.N. Gaia	249 386	788 000	Internal	261 219	788 000	Internal
Industrial Facilities	Carregado	5 038 392	19 218 000	Internal	5 086 938	19 218 000	External
Industrial Warehouse	V.N. Gaia	841 109	6 077 000	Internal	942 873	6 077 000	External
Commercial Facilities	Lisboa	1 141 201	1 300 000	Internal	1 170 590	1 247 000	Internal
Land	Leiria	355 125	797 000	Internal	355 125	797 000	Internal
Commercial Facilities	Cascais	108 640	834 000	Internal	116 985	834 000	Internal
	Cascais	251 205	950 000	Internal	264 592	950 000	Internal
	Prior Velho	2 943 103	15 717 000	External	2 943 103	15 550 000	Internal
	Loures	193 024	849 000	Internal	197 073	849 000	Internal
	Vila Franca Xira	414 300	1 648 000	Internal	436 378	1 648 000	Internal
	Benavente				110 868	302 000	Internal
Total		**14 555 076**	**56 870 000**		**15 122 686**	**56 952 000**	

During 2017 and 2016, the movements occurred in the investment properties as well as in the accumulated depreciation were as follows:

DEC/17	LAND	BUILDINGS AND OTHER CONSTRUCTIONS	TOTAL
Gross:			
Final Balance 31/12/2016	9 782 682	32 006 384	41 789 066
Increases			
Disposals	(69 293)	(207 878)	(277 170)
Transfers and Write-offs			
Final Balance 31/12/2017	9 713 389	31 798 505	41 511 895
Depreciations:			
Final Balance 31/12/2016	-	26 666 380	26 666 380
Increases		456 742	456 742
Transfers, Disposals and Write-offs		(166 302)	(166 302)
Final Balance 31/12/2017	-	26 956 819	26 956 819
Net Value	**9 713 389**	**4 841 686**	**14 555 076**

DEC/16	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
Transfers, Disposals 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**

The movements in the period ended at 31 December, 2017 are due to the disposal of the commercial facility located in Porto Alto, Benavente, with matrix Article U-005843-A.

7. GOODWILL

During 2017, 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.

The 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 2017, 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]	8,68%

[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, 2017, the net book value of assets, including goodwill (612 thousand of Euros), does not exceed its recoverable amount (18 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.

8. INTANGIBLE ASSETS

During 2017 and 2016, the movements in intangible assets were as follows:

DEC/17	RESEARCH & DEVELOPMENT EXPENSES	SOFTWARE	TOTAL
Gross:			
Final Balance 31/12/2016	1 477 217	1 164 919	2 642 136
Increases		21 645	21 645
Disposals		(11 662)	(11 662)
Transfers and Write-offs			-
Final Balance 31/12/2017	1 477 217	1 174 902	2 652 119
Depreciations:			
Final Balance 31/12/2016	957 375	1 055 632	2 013 007
Increases	492 406	61 065	553 471
Transfers, Disposals and Write-offs		(3 887)	(3 887)
Final Balance 31/12/2017	1 449 781	1 112 810	2 562 591
Net Value	**27 437**	**62 092**	**89 528**

DEC/16	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
Transfers, Disposals and Write-offs			-
Final Balance 31/12/2016	**957 375**	**1 055 632**	**2 013 007**
Net Value	**519 842**	**109 287**	**629 129**

9. FINANCIAL INVESTMENTS – EQUITY METHOD

In 31 December 2017 and 31 December 2016, the financial investments were as follows:

	CAETANO AUTO	CAETANO AUTO CV	SALTANO	EQUITY METHOD ADJUSTMENTS	TOTAL
Balance 31 December 2015	**15 496 930**	**4 726 369**	**18 735 625**	**64 418**	**39 023 342**
Acquisitions	171				**171**
Disposal					
Gains/Losses	384 551	107 472	672 913	(257 280)	**907 656**
Dividends Received		(1 624 908)			**(1 624 908)**
Other Capital Movements	1 837	145	2	17 694	**19 678**
Others (actuarial losses)	(872 868)		(981 938)	725 024	**(1 129 782)**
Balance 31 December 2016	**15 010 621**	**3 209 077**	**18 426 602**	**549 856**	**37 196 156**
Acquisitions					
Disposal					
Gains/Losses	1 545 584	289 093	1 704 816	(146 423)	**3 393 070**
Dividends Received					
Other Capital Movements				247 218	**247 218**
Balance 31 December 2017	**16 556 205**	**3 498 170**	**20 131 418**	**650 651**	**40 836 444**

The gains and losses from group companies shown in Income Statement (2.330.890 Euros) include:

Gains in financial investments - Equity method	3 393 070
Intercompany margin deferral (Note 20)	-1 062 180
Total	**2 330 890**

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

	CAETANO AUTO		CAETANO AUTO CV		SALTANO	
	DEC/17	DEC/16	DEC/17	DEC/16	DEC/17	DEC/16
Equity	35 753 909	32 416 147	4 305 942	3 950 120	20 135 482	18 430 288
Net Income	3 337 762	830 457	355 851	132 290	1 705 195	673 048
% Direct	46,31%	46,31%	81,24%	81,24%	99,98%	99,98%
% Indirect	98,40%	98,41%	81,24%	81,24%	99,98%	99,98%

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

DEC/17	CAETANO AUTO	CAETANO AUTO CV	SALTANO
Assets			
Current	79 643 872	6 255 499	2 041 338
Non-Current	46 825 112	1 326 277	21 673 269
Liabilities			
Current	83 620 907	3 176 956	3 579 125
Non-Current	7 094 168	98 878	
Equity	35 753 909	4 305 942	20 135 482
Sales	212 093 511	12 649 730	
Operational Income	4 519 938	548 386	-5 608
Financial Income	-11 567	-43 973	
Net Income	3 337 762	355 851	1 705 195

DEC/16	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

10. OTHER FINANCIAL ASSETS

During the period ended in December 31, 2017 and 2016 the movements in Other Financial Assets were as follows:

OTHER FINANCIAL ASSETS	DEC/17	DEC/16
Balance at 01/01/2017	**3 492 302**	**3 492 302**
Acquisitions During the Period		
Other Regularizations		
Balance at 31/12/2017	**3 492 302**	**3 492 302**

Other Financial Assets can be summarized as follows:

OTHER FINANCIAL ASSETS	DEC/17	DEC/16
Non-current Investments in small private companies	59 504	59 504
Current Loan to group companies (Note 31)	3 432 799	3 432 799
Total	**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.

11. INVENTORIES

As of 31 December 2017 and 31 December 2016, inventories detail was the following:

	DEC/17	DEC/16
Goods	45 144 905	40 511 618
Raw materials	10 413 228	9 307 008
Finished and Intermediate goods	4 432 510	1 466 863
Work in Progress	1 054 373	849 960
Total	**61 045 015**	**52 135 449**
Lost of impairments - Goods	**61 045 015**	**52 135 449**

The cost of goods sold and consumed as of 31 December 2017 and 31 December 2016 was as follows:

	DEC/17			DEC/16		
	GOODS	RAW MATERIALS	TOTAL	GOODS	RAW MATERIALS	TOTAL
Opening Balances	40 511 618	9 307 008	49 818 626	45 952 257	10 080 953	56 033 209
Purchases	236 996 229	33 446 028	270 442 257	194 777 814	30 169 577	224 947 390
Closing Balances	45 144 905	10 413 228	55 558 132	40 511 618	9 307 008	49 818 626
Total	232 362 942	32 339 809	264 702 751	200 218 452	30 943 521	231 161 973

The variation of production as of 31 December 2017 and 31 December 2016 was as follows:

	DEC/17	DEC/16
	FINISHED AND INTERMEDIATE GOODS AND WORK IN PROGRESS	
Opening Balances	5 486 883	2 316 823
Closing Balances	2 316 823	2 684 601
Total	3 170 060	(367 778)

12. ACCOUNTS RECEIVABLE

As of 31 December 2017 and 31 December 2016 Accounts Receivable detail was the following:

	CURRENT ASSETS	
	DEC/17	DEC/16
Accounts Receivable, Current Accounts	106 649 580	101 938 955
Accounts Receivable, Doubtful Accounts	5 458 117	5 723 947
	112 107 697	107 662 902
Lost of impairments (Note 22)	(5 412 762)	(5 702 310)
Total	106 694 935	101 960 592

Accounts receivable aging:

DEC/17	- 60 DAYS	60-90 DAYS	90-120 DAYS	+ 120 DAYS	TOTAL
Customers	65 956 762	9 047 351	4 649 109	20 520 712	100 173 934
Personnel	338			36 658	36 995
Independent Dealers	6 318 241	77 652		42 758	6 438 651
Accounts Receivable	72 275 340	9 125 002	4 649 109	20 600 128	106 649 580

DEC/16	- 60 DAYS	60-90 DAYS	90-120 DAYS	+ 120 DAYS	TOTAL
Customers	60 446 229	9 257 712	5 211 200	20 067 198	94 982 339
Personnel	12	1 117	13 000	42 372	56 502
Independent Dealers	6 636 689	256 228	(571)	7 769	6 900 115
Accounts Receivable	67 082 930	9 515 057	5 223 629	20 117 339	101 938 955

Debt maturity beyond date:

DEC/17	- 60 DAYS	60-90 DAYS	90-120 DAYS	+ 120 DAYS	TOTAL
Accounts Receivable	9 807 482	1 026 141	278 462	4 970 584	16 082 670
Accounts Receivable, Related Parties	27 260 362	8 293 227	4 379 884	15 393 735	55 327 207
Total	37 067 844	9 319 368	4 658 346	20 364 319	71 409 877

DEC/16	- 60 DAYS	60-90 DAYS	90-120 DAYS	+ 120 DAYS	TOTAL
Accounts Receivable	11 596 685	1 001 415	400 747	12 345 800	25 344 647
Accounts Receivable, Related Parties	24 211 955	8 491 207	5 071 126	13 169 796	50 944 084
Total	35 808 640	9 492 622	5 471 873	25 515 596	76 288 731

Debt maturity considering impairment losses:

DEC/17	- 60 DAYS	60-90 DAYS	90-120 DAYS	+ 120 DAYS	TOTAL
Doubtful Accounts	10 760	3 587	3 587	5 440 184	5 458 117

DEC/16	- 60 DAYS	60-90 DAYS	90-120 DAYS	+ 120 DAYS	TOTAL
Doubtful Accounts	7 173			5 716 773	5 723 946

13. OTHER CREDITS

As of 31 December 2017 and 31 December 2016 Other Credits detail was the following:

OTHER CURRENTS ASSETS	CURRENT	
	DEC/17	DEC/16
Down Payments	352 181	392 062
Shareholders - RETGS (Note 31)	2 102 357	896 210
	2 454 538	1 288 272

14. OTHER CURRENT ASSETS

Other Current Assets detail at 31 December 2017 and 2016 is as follows:

	DEC/17	DEC/16
Other Accounts Payable		
Recover of Sales Campaigns	1 447 500	932 100
Recover Logistics	242 733	40 523
Renting	15 296	14 585
Others	42 924	24 370
	1 748 452	**1 011 579**
Assets Deferral		
Insurance	370 226	106 937
Expenses from Commercial Paper Programs	100 358	75 058
Others	230 449	260 457
	701 033	**442 453**
Total	**2 449 484**	**1 454 032**

15. INCOME TAXES

Income Tax

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 2017 and 31 December 2016 Income tax detail was the following:

	DEC/17	DEC/16
Corporate Income Tax for the Year (estimate)	-2 178 552	-1 311 145
Corporate Income Tax for the Year (payments in advance) for the year	599 661	728 060
Corporate Income Tax for the Year (RETGS)	-69 824	635 401
	-1 648 715	**52 316**

The current tax can be decomposed as follows:

	DEC/17	DEC/16
Income taxes in year	2 178 552	1 311 145
Deferred income taxes	135 017	428 927
	2 313 569	**1 740 072**

The reconciliation of the earnings before taxes of the years ended at 31 December, 2017 and 2016 can be analyzed as follows:

	DEC/17	DEC/16
Income Before Taxes	**11 651 874**	**7 690 828**
National tax expense	22,50%	22,50%
Teorical Tax Expenses	**2 621 672**	**1 730 436**
Non-fiscal expenses	149 040	173 447
Penalities	34 431	
Reversion of impairment losses taxed	(16 004)	
Equity Method	(2 330 890)	(626 455)
Non-fiscal gains	(28 425)	(66 107)
Accounting Capital Gains	(1 591 234)	(1 299 761)
50% fiscal Capital Gains	829 692	649 881
Fiscal Capital Gains	16 499	
Fiscal Benefits	(76 113)	(76 668)
Current Tax	**1 814 163**	**1 353 485**
Additional Income tax	109 209	126 681
Local tax	129 583	96 677
State tax	214 166	148 355
Deferred tax	**(88 569)**	**14 874**
Effective Tax Expenses	**2 178 552**	**1 740 072**

Deferred Income Tax

Amounts and nature of the assets and liabilities for deferred taxes recorded in the financial statements as of 31 December 2017 and 2016 can be analyzed as follows:

DEC/17	INITIAL BALANCE	REFLECTED IN INCOME STATEMENT		REFLECTED IN EQUITY		FINAL BALANCE
		DECREASE	INCREASE	DECREASE	INCREASE	
Deferred Tax Assets						
Provisions	287 442		96 002			**191 440**
Fiscal Losses	88 569		88 569			**0**
Defined Benefit Plan Liabilities	1 129 395					**1 129 395**
Valuation of financial instruments	6 396		6 396			-
	1 511 801	-	**190 967**	-	-	**1 320 835**
Deferred Tax Liabilities						
40% of depreciation as a result of legal	48 576		(7 093)			**41 483**
Effect of the reinvestments of the gains infixed assets sales	165 772		(48 857)			**116 916**
	214 348	-	**(55 950)**	-	-	**158 398**

DEC/16	INITIAL BALANCE	REFLECTED IN INCOME STATEMENT		REFLECTED IN EQUITY		FINAL BALANCE
		DECREASE	INCREASE	DECREASE	INCREASE	
Deferred Tax Assets						
Provisions	287 442					**287 442**
Fiscal Losses	502 621		414 053			**88 568**
Defined Benefit Plan Liabilities	775 150			354 245		**1 129 395**
Valuation of financial instruments	21 270		14 874			**6 396**
	1 586 482	-	**428 927**	**354 245**	-	**1 511 801**
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**
	214 348	-	-	-	-	**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

16. EQUITY

COMPOSITION OF SHARE CAPITAL

As of 31 December 2017 and 2016, 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.	65,08%
- Toyota Motor Europe NV/SA	27,00%

DIVIDENDS

In 2017 were distributed dividends in amount of 5.250.000 Euros as a result of application of net income of 2016. The Board of Directors will propose that a dividend shall be paid in the amount of 7.000.000 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 69.100.748 Euros, includes in Other reserves and in Retained Earnings.

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 2017's profits obtained in the financial year, amounting to Euros 9.338.304,78 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 2.330.889,90

b) To dividends to be allocated to Share Capital, 0,10 Eur per share, which considering its 35.000.000 shares totals

Eur 7.000.000

c) The remainder for the retained earnings account

Eur 7.414,88

17. LOANS

As of 31 December 2017 and 2016, loans can be detailed as follows

	DEC/17			DEC/16		
	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL
Bank Loans	5 000 000		5 000 000			-
Mutual Loans	7 000 000	10 000 000	17 000 000	6 210 526	17 000 000	23 210 526
Confirming				9 930 536		9 930 536
Commercial Paper	34 400 000		34 400 000	12 800 000		12 800 000
Leasing	5 159 955	14 951 241	20 111 196	4 045 860	13 350 204	17 396 064
	51 559 955	24 951 241	76 511 196	32 986 922	30 350 204	63 337 126

During 2017 the following movements occurred in of bank loans, overdrafts, other loans and Commercial Paper Programs:

	OPENING BALANCES	INCREASES	DISPOSALS	FINAL BALANCES
Bank Loans	-	5 000 000		5 000 000
Mutual Loans	23 210 526		6 210 526	17 000 000
Confirming	9 930 536		9 930 536	-
Commercial Paper	12 800 000	44 500 000	22 900 000	34 400 000
Leasing	17 396 064	7 022 706	4 307 574	20 111 196
	63 337 126	56 522 706	43 348 636	76 511 196

As of December 31, 2017 and 2016, the detail of bank loans, overdrafts, other loans and Commercial Paper Programs is as follows:

DEC/17	USED AMOUNT	LIMIT
Current		
Bank Loan	5 000 000,00	5 000 000
Overdrafts		4 000 000
Mutual Loans	7 000 000	7 000 000
Commercial Paper	34 400 000	39 400 000
Leasing	5 159 955	5 159 955
	51 559 955	60 559 955
Non-current		
Mutual Loans	10 000 000	10 000 000
Leasing	14 951 241	14 951 241
	24 951 241	24 951 241
	76 511 196	85 511 196

DEC/16	USED AMOUNT	LIMIT
Current		
Bank Loans		3 000 000
Overdrafts		4 000 000
Confirming	9 930 536	10 000 000
Mutual Loans	6 210 526	6 210 527
Commercial 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**

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	CURRENT	NON-CURRENT					TOTAL
			2019	2020	2021	> 2021	TOTAL	
Diverse	Industrial Equipment	5 159 955	5 458 210	4 204 281	3 231 596	2 057 154	14 951 241	**20 111 196**

DEBT MATURITY

The maturity of the outstanding loans as per December 31, 2017 can be detailed as follows:

DEC/17	< 1 YEAR	1 - 3 YEARS	3 - 5 YEARS	> 5 YEARS	TOTAL
Bank Loans	5 000 000	-	-	-	**5 000 000**
Mutual Loans	7 000 000	-	10 000 000	-	**17 000 000**
Commercial Paper	34 400 000	-	-	-	**34 400 000**
Leasing	5 159 955	12 894 087	2 057 154	-	**20 111 196**
Total	**51 559 955**	**12 894 087**	**12 057 154**	**-**	**76 511 196**

The interest payment plan are as follows:

INTEREST AGING	2018	2019	2020	2021	> 2021	TOTAL
Mutual Loans	396 188	220 521	221 125	54 375	-	**892 208**
Leasing	611 976	411 082	225 045	107 447	34 015	**1 389 564**

18. ACCOUNTS PAYABLE

As of 31 December 2017 and 2016 this caption was composed of current accounts with suppliers, which end at short-term.

19. OTHER CREDITORS

As of December 31, 2017 and 2016 the detail of other creditors was as follows:

OTHER CREDITORS	CURRENT	
	DEC/17	DEC/16
Down Payments	295 026	92 758
Public Entities	9 886 665	9 936 592
Shareholders	10 618	12 052
Other Accounts Payable	180 856	93 902
Total	**10 373 165**	**10 135 303**

The caption for Public Entities at December 31, 2017 and 2016 is as follows:

	DEC/17	DEC/16
Income Taxes Withheld	153 509	160 573
Value Added Taxes	7 392 891	8 033 189
Employee's Social Contributions	239 568	250 628
Local Taxes	233 680	230 717
Others	1 867 017	1 261 486
Total	**9 886 665**	**9 936 592**

20. OTHER CURRENT LIABILITIES

As of December 31, 2017 and 2016 the detail of other current liabilities was as follows:

	DEC/17	DEC/16
Creditors for accrued expenses		
Vacations pay and Bonus	1 962 660	2 012 709
Sales Campaigns	4 526 941	3 670 380
Interest	126 409	120 885
Anticipated costs related with sold vehicles	1 209 909	689 185
Insurance	392 790	134 194
Car tax related with disposed vehicles not registered	451 103	743 009
Warranty claims	48 249	53 338
Personnel	599 657	601 136
Publicity	47 701	151 824
Anticipated costs related with other supplies	423 167	583 455
Royalties	69 579	71 284
Amounts payable already passed to Group Companies		667 807
Others	12 000	
	9 870 166	**9 499 205**
Deferrals		
Maintenance Vehicles Contracts	6 128 021	4 969 360
Subsidies	501 360	501 360
Debtors interest	3 715	5 827
Signage to be charged to dealers	37 657	35 301
Intercompany margin deferral	2 776 125	1 713 945
Others	120 798	355 132
	9 567 676	**7 580 925**
Total	**19 437 842**	**17 080 130**

21. 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, 2008, 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 2017, respectively (1%, 0% and 1,6% to 2016).

The variation of the Fund responsibilities of the Company with the Defined benefit plan in 2017 and 2016 can be summarized as follows:

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**
Responsibilities at January 1, 2017	**20 963 414**
Cost of the current services	37 921
Cost of interest	335 415
(Gains) and actuarial losses	217 819
Pension payment	-1 555 367
Transfers	
Others	
Responsibilities at December 31, 2017	**19 999 202**

The allocation during 2017 and 2016 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, 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 de 2016	**16 379 632**	**4 737 972**	**21 117 604**
Fund's Value at January 1, 2017	**16 379 632**	**4 737 972**	**21 117 604**
Contributions	188 200	128 751	316 951
Real recovery of the plan assets	1 203 268	370 141	1 573 409
Pension payment (Benefit payments)	-1 555 367	-9 716	-1 565 083
Transfers between Members		-14 894	-14 894
Used amounts from the CD account (Reserve Account)			0
Fund's Value 31 December de 2017	**16 215 733**	**5 212 254**	**21 427 987**

At 31 December 2017 and 2016, the Pension Fund's portfolio that covers the defined benefit plan was as follows:

PORTFOLIO	DEC/17		DEC/16	
	%	VALUE	%	VALUE
Stocks	9,6%	1 556 710	9,6%	1 572 445
Bonds	38,2%	6 196 032	38,2%	6 258 657
Real Estate	38,2%	6 194 410	38,2%	6 257 019
Cash	11,7%	1 890 754	11,7%	1 909 865
Other Assets	2,3%	376 205	2,3%	381 645
Total	**100,0%**	**16 215 733**	**100,0%**	**16 379 632**

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	DEC/17	DEC/16
Responsibility's Values	19 999 202	20 963 414
Fund Value	16 215 733	16 379 632

The Toyota Caetano Portugal responsibilities shown above was safeguarded through the creation of an accrual of costs for about 5,6 million Euros (5,8 million Euros in 31 December 2016) reflected in the Balance sheet caption of Pension Fund Liabilities.

22. PROVISIONS AND IMPAIRMENTS

During 2017 and 2016, the following movements occurred in impairments:

DEC/17	OPENING BALANCES	INCREASES	DISPOSALS	WRITE-OFFS	FINAL BALANCES
Doubtful Accounts Receivable	5 702 310	38 907	(312 450)	(16 004)	5 412 762

DEC/16	OPENING BALANCES	INCREASES	DISPOSALS	WRITE-OFFS	FINAL BALANCES
Doubtful Accounts Receivable	5 767 873	21 737	(80 816)	(6 484)	5 702 310

23. 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 and comprises an 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.

Toyota Caetano hold these instruments until their maturities that occured in June 2017.

24. SALES AND SERVICES RENDERED BY GEOGRAPHIC MARKETS

Sales and services rendered by geographic markets, in 2017 and 2016, was as follows:

	NATIONAL MARKET		VAR (%)	EXTERNAL MARKET		VAR (%)	TOTAL		VAR (%)
	2017	2016		2017	2016		2017	2016	
Light Vehicles	207 449 592	180 177 699	15%	45 512 562	40 871 133	11%	252 962 154	221 048 831	14%
Heavy Vehicles				593 433	505 885	17%	593 433	505 885	17%
Industrial Vehicles	16 440 743	13 978 593	18%	668 803	95 305	602%	17 109 546	14 073 898	22%
Spare Parts and Accessories	37 829 771	34 413 789	10%	599 767	557 584	8%	38 429 537	34 971 372	10%
Others	4 112 393	3 822 124	8%	3 937	371	962%	4 116 330	3 822 494	8%
	265 832 498	**232 392 204**	**14%**	**47 378 501**	**42 030 277**	**13%**	**313 210 999**	**274 422 481**	**14%**

25. SEGMENTS INFORMATION

For the periods ended December 31, 2017 and 2016, the reporting by segments is as follows:

DEC/17	NATIONAL						EXTERNAL					TOTAL
	VEHICLES		INDUSTRIAL EQUIPMENT			OTHERS	VEHICLES		INDUSTRIAL EQUIPMENT			
	INDUSTRY	COMMERCIAL	COMMERCIAL	SERVICES	RENTAL		INDUSTRY	COMMERCIAL	COMMERCIAL	SERVICES	RENTAL	
PROFITS												
External sales	20 231	244 668 661	16 440 742	4 702 864			39 348 115	7 333 207	668 804	28 375		313 210 999
Suplementary income					12 216 763						9 980	12 226 743
INCOME												
Operational income	3 471	5 302 783	1 121 037	2 757 623	996 694		1 036 192	86 229	8 518	7 562	4 109	11 324 219
Financial income	63	1 742 497	38 515	16 965	44 121		133 482	25 275	2 175	104	38	2 003 235
Gains in subsidiaries						2 330 890						2 330 890
Net income	2 561	2 677 394	813 677	2 060 012	716 001	2 330 890	678 521	45 816	4 768	5 606	3 060	9 338 305
OTHER INFORMATION												
Total assets	31 457 616	168 619 552	9 918 159	1 752 076	25 403 933	40 836 444						277 987 779
Total liabilities	7 736 010	110 451 028	2 043 834	313 210	26 731 462							147 275 544
Investments in subsidiaries [1]						40 589 226						40 589 226
Capital Expenditur[2]	194 884	1 054 479		117 514	6 999 186							8 366 063
Depreciation[3]	1 218 162	1 949 324	72 020	69 214	4 993 731							8 302 452

DEC/16	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 Expenditur[2]	41 492	1 931 288		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

[1] By equity method
[2] Capital expenditur: (Net tangible, intagible and investiments properties variation)+(year depretiation)
[3] From the year

26. SUPPLIES

At 31 December 2017 and 2016, supply expenses were as follows:

	DEC/17	DEC/16
Subcontracts	**71 077**	**63 177**
Specialized Services	**27 342 318**	**21 955 306**
Professional Services	3 318 486	3 192 095
Advertising	18 901 545	14 035 925
Vigilance and Security	391 617	293 076
Professional Fees	708 036	663 951
Comissions	43 943	81 208
Repairs and Maintenance	970 623	822 717
Others	3 008 067	2 866 334
Materials	**11 251 552**	**8 646 302**
Energy and Fluids	**1 020 033**	**955 890**
Travel and Transportation	**2 556 213**	**2 338 275**
Traveling Expenses	1 259 263	1 137 104
Personnel Transportation	92 895	90 386
Transportation of Materials	1 204 055	1 110 784
Other Supplies	**2 499 018**	**2 146 518**
Rent	420 398	415 019
Communications	469 332	449 960
Insurance	793 711	571 669
Royalties	420 680	334 109
Notaries	10 671	16 296
Cleaning and Comfort	384 225	359 466
Total	**44 740 211**	**36 105 468**

27. PAYROLL AND AVERAGE NUMBER OF PERSONNEL

At 31 December 2017 and 2016, payroll expenses were as follows:

	DEC/17	DEC/16
Payroll - Management	371 368	357 349
Payroll - Other Personnel	9 133 635	9 524 331
Benefit Plans	797 652	885 001
Termination Indemnities	508 886	118 937
Social Security Contributions	3 020 705	3 130 626
Workmen's Insurance	211 685	288 513
Others	1 570 866	2 042 515
Total	**15 614 797**	**16 347 273**

During the years ended as of December 31, 2017 and 2016, the average number of personnel was as follows:

ITEMS	DEC/17	DEC/16
Employees	364	382
Production Personnel	154	157
Total	**518**	**539**

28. OTHER OPERATING EXPENSES AND OTHER GAINS

As of 31 December, 2017 and 2016, the captions “Other Expenses” and “Other Gains” were as follows:

OTHER GAINS	DEC/17	DEC/16
Lease Equipment	12 226 743	11 894 847
Rents charged	3 338 592	3 400 831
Subsidies	2 006 972	2 503 662
Advertising expenses and sales promotion recovered	2 793 801	2 303 720
Gains on Inventories	107 270	117 893
Gains on Fixed Assets	1 837 961	1 418 693
Obtained Cash Discounts	8 765	15 773
Other	15 049 063	14 546 313
Total	**37 369 167**	**36 201 733**

The caption Other refers provided services and warranties’ recovery.

OTHER EXPENSES	DEC/17	DEC/16
Tax	606 532	709 360
Losses on Inventories	37 372	136 202
Cash Discount Granted	1 677	3 338
Losses on Fixed Assets	43 443	87 449
Donations	10 525	2 050
Other	8 343 343	8 079 168
Total	**9 042 893**	**9 017 567**

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

29. FINANCIAL INCOME AND EXPENSES

As of 31 December, 2017 and 2016, the captions "Financial Income" and "Financial Expenses" were as follows:

INTEREST AND SIMILAR INCOME	DEC/17	DEC/16
Interest	70	889
Losses for fair value	28 425	66 107
Other	281 335	199 292
Total	**309 830**	**266 288**

INTEREST AND SIMILAR EXPENSES	DEC/17	DEC/16
Interest	1 701 186	1 814 985
Other	611 879	643 939
Total	**2 313 065**	**2 458 924**

30. FINANCIAL ASSETS AND LIABILITIES

We present below a summary table of the Company's financial instruments as of December 31, 2017 and 2016:

FINANCIAL ASSETS AND LIABILITIES	NOTE	FINANCIAL ASSETS		FINANCIAL LIABILITIES	
		DEC/17	DEC/16	DEC/17	DEC/16
Derivate Financial Instruments	23				28 425
Other Financial Investments	10	3 492 302	3 492 302		
Accounts Receivable	12	106 694 935	101 960 592		
Other Accounts Receivable	13	2 454 538	1 288 272		
Loans	17			76 511 196	63 337 126
Other Accounts Payable	19			486 500	198 711
Accounts Payable	18			33 491 227	30 179 049
Other Current Liabilities	20			17 475 182	15 067 421
Cash and Cash Equivalents	4	14 225 420	8 654 980		

Financial assets and liabilities at fair value

FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE	NOTE	FINANCIAL ASSETS		FINANCIAL LIABILITIES	
		DEC/17	DEC/16	DEC/17	DEC/16
Derivate Financial Instruments	23				28 425
Other Financial Investments	10	3 492 302	3 492 302		
Total		**3 492 302**	**3 492 302**	**-**	**28 425**

31. RELATED PARTIES

Due and payable balances with Group and Associated companies, which, as of 31 December 2017 and 2016, were recorded in the captions "Accounts receivable", "Accounts payable", "Other financial investments" and " Shareholders", as follows:

	DEC/17	DEC/16
Accounts Receivable	78 169 268	68 016 608
Accounts Payable	-157 033	-1 074 161
Shareholders RETGS's Companies (Note 14)		
Saltano, S.G.P.S., S.A.	145 081	146.343
Caetano Renting, S.A.	-494 919	-568 117
Caetano Auto, S.A.	2 452 195	1 317 984
	2 102 357	**896 210**
Other Financial Investments (Note 11)		
Saltano, S.G.P.S., S.A.	3 432 799	3 432 799

ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE (NOTES 12 AND 18)

Balances and transactions details between Toyota Caetano Portugal and Related Parties can be summarized as follows:

2017	COMMERCIAL DEBT		PRODUCTS		FIXED ASSETS		SERVICES		OTHERS	
	RECEIVABLE	PAYABLE	SALES	PURCHASES	ACQUISITIONS	DISPOSALS	RENDERED	OBTAINED	EXPENSES	GAINS
CAETANO AUTO, S.A.	63 513 662	-156 926	-138 188 796	505 586	0	-3 248 816		6 813 184	13 565 308	-4 565 839
CAETANO RENTING, S.A.	12 375 241	-107	-16 937 350	11 972 485	0	-89 361		46 524	722 580	-547 503
CAETANO AUTO CV, S.A.	2 280 365	0	-7 540 267	2 000	0	0		0	0	-728 870

2016	COMMERCIAL DEBT		PRODUCTS		FIXED ASSETS		SERVICES		OTHERS	
	RECEIVABLE	PAYABLE	SALES	PURCHASES	ACQUISITIONS	DISPOSALS	RENDERED	OBTAINED	EXPENSES	GAINS
CAETANO AUTO, S.A.	55 817 668	-962 786	-125 233 185	463 821	0	-2 418 481		5 743 719	9 900 794	-4 973 180
CAETANO RENTING, S.A.	8 639 773	-111 374	-13 449 962	12 222 486	0			45 474	158 041	-464 217
CAETANO AUTO CV, S.A.	3 559 167	0	-6 961 360		0	0		0	0	-758 202

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

OTHER RELATED COMPANIES	COMMERCIAL DEBT		PRODUCTS		FIXED ASSETS		SERVICES		OTHERS	
	RECEIVABLE	PAYABLE	SALES	PURCHASES	ACQUISITIONS	DISPOSALS	RENDERED	OBTAINED	EXPENSES	GAINS
Amorim, Brito & Sardinha, Lda	530	0	0	0	0	0	0	0	0	-2 103
Atlântica - Companhia Portuguesa de Pesca, S.A.	5 152	0	0	0	0	0	0	0	0	-17
Caetano Active, S.A.	251	0	-616	0	0	0	0	0	0	-879
Caetano Aeronautic, S.A.	200 711	0	-796	0	0	0	0	134 145	84 713	-427 328
Caetano Baviera - Comércio Automóveis, S.A.	547 053	-10 768	-3 392 120	4 085	0	0	0	129 176	273 727	-512 325
Caetano City E Active (Norte), S.A.	397 421	-185	-3 149 778	1 756	0	-57 284	0	98 275	199 117	-21 120
Caetano Drive, Sport E Urban, S.A.	4 042	0	-3 379	0	0	0	0	0	0	-8 750
Caetano Energy, S.A.	276	0	-182	0	0	0	0	0	0	-7 713
Caetano Equipamentos, S.A.	135	0	0	0	0	0	0	0	0	-135
Caetano Fórmula, S.A.	1 836	0	-1 694	0	0	0	0	451	0	-9 658
Caetano Motors, S.A.	2 869	0	-3 993	0	0	0	0	0	0	-3 299
Caetano Move África, S.A.	10	0	0	0	0	0	0	0	0	-51
Caetano Parts, Lda.	1 023	-266	-2 910	54	0	0	0	1 149	0	-4 825
Caetano Power, S.A.	1 336	0	-3 388	0	0	0	0	0	0	-3 466
Caetano Technik, S.A.	-1 749	0	-1 331	0	0	0	0	0	0	-4 272
Caetano Formula East África, S.A.	10	0	0	0	0	0	0	0	0	-9
Caetano Fórmula Moçambique S.A	942	0	0	0	0	0	0	0	0	-942
Caetanolyrsa, S.A.	26	0	0	0	0	0	0	0	0	-21
Caetano Retail, S.G.P.S., S.A.	101 965	0	0	0	0	0	0	0	0	-144 701
Caetano Squadra África, S.A.	0	0	0	0	0	0	0	0	0	-42
Caetano Star, S.A.	1 342	-117	-1 183	0	0	0	0	95	0	-12 792
CaetanoBus - Fabricação de Carroçarias, S.A.	5 648 827	-15 420	-31 228	0	0	0	0	51 229	4 053	-2 506 055
Caetsu Publicidade, S.A.	7 515	-889 160	0	340	0	0	0	2 985 379	0	-7 165
Carplus - Comércio de Automóveis, S.A.	1 063	0	-1 254	0	0	0	0	0	0	-17 039
Choice Car, S.A.	234	0	0	0	0	0	0	340	3 792	-7 552
COCIGA - Construções Civis de Gaia, S.A.	292	-200 218	0	0	33 033	0	0	98 400	0	-2 945
Covim - Soc. Agrícola, Silvícola E Imobiliária, S.A.	34	0	0	0	0	0	0	6 424	0	-28
Finlog - Aluguer e Comércio de Automóveis, S.A.	1 980	-40 367	-306 044	3 004	0	0	0	473 674	475 011	-29 918
Fundação Salvador Caetano	0	0	0	0	0		0	0	0	103
Globalwatt, (S.G.P.S.,), S.A.	0	0	0	0	0	0	0	0	0	-9
Grupo Salvador Caetano, (S.G.P.S.,), S.A.	42	0	0	0	0	0	0	0	0	-217
Guérin - Rent-a-Car (Dois), Lda.	31 756	-64 356	-32 148	64 790	0	0	0	0	0	-13 595
Hyundai Portugal, S.A.	2 733	0	0	0	0	0	0	0	0	-23 278
Ibericar - Sociedad Iberica del Automovil, S.A.	54 031	0	0	0	0	0	0	0	0	-45 093
Ibericar Barcelona Premium, S.L.	0	0	0	0	0	0	0	0	0	583
Ibericar Formula Campo de Gibraltar, S.L.	0	0	0	0	0	0	0	0	0	-264
Ibericar Gestoso, S.L.	0	0	0	0	0	0	0	0	0	583
Ibericar Motors Cádiz, S.L.	0	0	0	0	0	0	0	0	0	-648

OTHER RELATED COMPANIES	COMMERCIAL DEBT		PRODUCTS		FIXED ASSETS		SERVICES		OTHERS	
	RECEIVABLE	PAYABLE	SALES	PURCHASES	ACQUISITIONS	DISPOSALS	RENDERED	OBTAINED	EXPENSES	GAINS
Ibericar Movil, S.L.	0	0	0	0	0	0	0	0	0	-1009
Ibericar Reicomsa, S.A.	0	0	0	0	0	0	0	0	0	-644
Lidera Soluciones, S.L.	2 841	0	0	0	0	0	0	2 379	0	-2 310
Lusilectra - Veiculos e Equipamentos, S.A.	8 880	-24 986	-94 489	14 373	12 320	0	0	168 441	5 025	-68 552
MDS Auto - Mediação de Seguros, S.A.	3 216	0	450	0	0	0	0	0	-6 243	-8 650
Movicargo - Movimentação Industrial, Lda.	1 847	-451 933	0	704 367	0	0	0	40 501	8 273	-3 227
P.O.A.L. - Pavimentações e Obras Acessórias, S.A.	17 806	0	0	0	0	0	0	0	0	0
Portianga - Comércio Internacional e Participações, S.A.	0	-205 026	-3 372	0	0	0	0	207 615	192 560	-76 662
PV Loiral- Produção de Energia, Lda.	0	0	0	0	0	0	0	0	0	-21
RARCON - Arquitectura e Consultadoria, S.A.	0	-14 722	0	0	0	0	0	75 890	0	-47
Rigor - Consultoria e Gestão, S.A.	53 361	-567 236	-20 216	0	73 126	0	0	2 511 496	8 010	-289 114
Robert Hudson, LTD	1 530	0	-1 482	0	0	0	0	0	0	-404
Salvador Caetano Auto África, (S.G.P.S.,), S.A.	26	0	0	0	0	0	0	0	83	-47
Salvador Caetano Auto, S.G.P.S., S.A.	0	0	0	0	0	0	0	0	0	-403
Salvador Caetano Capital, S.G.P.S., S.A.	0	0	0	0	0	0	0	0	0	-9
Salvador Caetano Indústria (S.G.P.S.,), S.A.	26	0	0	0	0	0	0	0	0	-21
SIMOGA - Sociedade Imobiliária de Gaia, S.A.	1 374	0	0	0	0	0	0	0	0	-337
Sol Green Watt, S.L.	812	0	0	0	0	0	0	0	0	-660
Sózó Portugal, S.A.	3 491	0	0	0	0	0	0	0	0	-5 270
Toyota Motor Corporation	0	-6 099 966	0	38 725 038	0	0	0	77 293	330 865	-100 857
Toyota Motor Europe, NV/SA	3 006 093	-16 590 254	-39 052 013	188 177 973	0	0	0	447 511	37 989	-7 957 573
Turispaiva - Sociedade Turística Paivense, S.A.	271	0	0	0	0	0	0	0	0	-1 210
VAS África (S.G.P.S.,), S.A.	0	0	0	0	0	0	0	0	0	-153

32. CONTINGENT ASSETS AND LIABILITIES

As of 31 December, 2017 and 2016, Toyota Caetano had assumed the following financial commitments::

RESPONSABILITIES	DEC/17	DEC/16
Commitments assumed by guaranties		1 500 000
Security guarantee	4 000 000	4 000 000
Other guaranties	1 394 118	1 168 684
	5 394 118	**6 668 684**

The financial commitments classified Security Guarantee 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 2017.

33. EARNINGS PER SHARE

The earnings per share for the year ended as of December 31, 2017 and 2016 were computed based on the following amounts:

	DEC/17	DEC/16
Net income	9 338 305	5 950 756
Number of shares	35 000 000	35 000 000
Earnings per share (basic and diluted)	0,27	0,17
Comprehensive income	9 338 305	3 620 475
Number of shares	35 000 000	35 000 000
Comprehensive income (basic and diluted)	0,27	0,10

34. REMUNERATION OF BOARD MEMBERS

The remuneration of the board members in Toyota Caetano Portugal, S.A. during the years 2017 and 2016, was as follows:

BOARD MEMBERS	DEC/17	DEC/16
Board of Directors	352 608	347 183
Board of Auditors	8 400	8 400

35. REMUNERATION OF STATUTORY AUDITOR

The remuneration of the Statutory Auditor, PricewatherhouseCoopers & Associados – S.R.O.C., Lda. for 2017 and 2016, was as follows:

TOTAL FEES	DEC/17	DEC/16
Total fees related statutory audit	28 000	29 500
Total fees for other services of fiability assurance	1.000	3 500
TOTAL	**29 000**	**33 000**

36. SUBSEQUENT EVENTS

Since the end of 2017 to the present date, and in terms of relevant facts, no significant events occurred.

37. FINANCIAL STATEMENTS APPROVAL

The financial statements were approved by the Board of Directors on 21st March 2018.

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

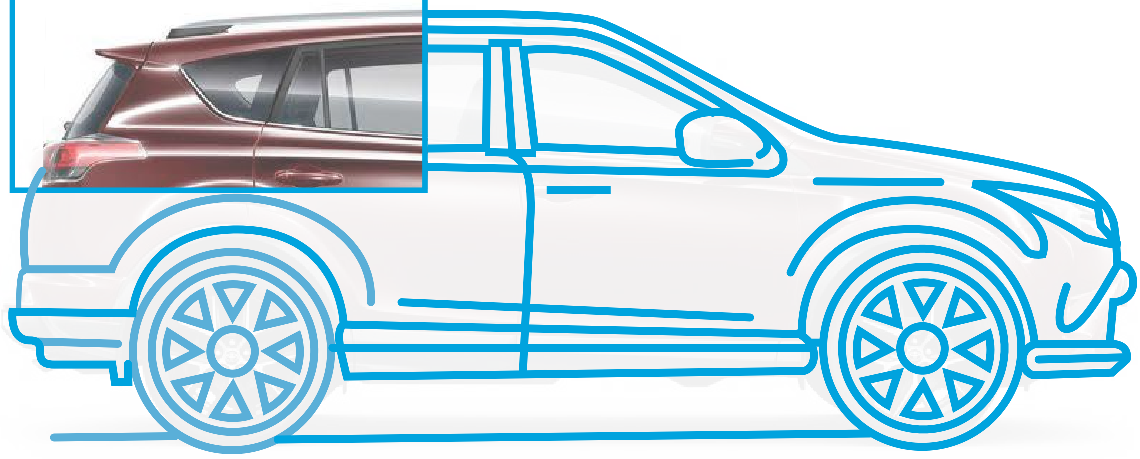
Alexandra Maria Pacheco Gama Junqueira

BOARD OF DIRECTORS

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

4

CONSOLIDATED ACCOUNTS



CONSOLIDATED FINANCIAL HIGHLIGHTS

(Amounts expressed in euro)

	DEC/17	DEC/16	DEC/15
TURNOVER	390 034 712	336 956 422	319 307 542
CASH FLOW	31 139 333	22 814 263	20 569 096
INTEREST AND OTHERS	2 575 406	2 296 755	2 105 152
PERSONNEL EXPENSES	38 634 544	39 365 006	38 673 292
NET INVESTMENT	28 213 296	19 090 702	22 915 693
NUMBER OF EMPLOYEES	1 530	1 505	1 567
NET INCOME WITH MINORITY INTEREST	9 431 461	6 003 186	6 166 789
NET INCOME WITHOUT MINORITY INTEREST	9 338 305	5 950 756	6 134 247
DEGREE OF AUTONOMY	44,26%	46,29%	48,76%

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2017 AND 2016

(Amounts expressed in euro)

ASSETS	NOTES	DEC/17	DEC/16
NON-CURRENT ASSETS			
Goodwill	8	611 997	611 997
Intangible Assets	5	412 847	1 077 832
Tangible Fixed Assets	6	97 821 610	86 264 400
Investment properties	7	16 363 198	17 903 011
Available for sale Financial Assets	9	3 732 500	3 483 128
Deferred tax Assets	14	2 313 378	2 194 438
Accounts Receivable	11	169 252	26 048
TOTAL NON-CURRENT ASSETS		**121 424 782**	**111 560 854**
CURRENT ASSETS			
Inventories	10	96 002 214	82 791 897
Accounts Receivable	11	52 022 943	57 894 408
Other Debtors	12	6 541 709	4 151 819
Income Tax Payable	21	-	99 372
Other Current Assets	13	5 221 453	4 723 329
Cash and cash equivalents	15	17 267 570	14 556 190
TOTAL CURRENT ASSETS		**177 055 889**	**164 217 015**
TOTAL ASSETS		**298 480 671**	**275 777 869**

SHAREHOLDERS' EQUITY & LIABILITIES	NOTES	DEC/17	DEC/16
EQUITY			
Share capital		35 000 000	35 000 000
Legal Reserve		7 498 903	7 498 903
Revaluation reserves		6 195 184	6 195 184
Translation reserves		(1 695 238)	(1 695 238)
Fair value reserves – Available for sale Financial Assets		651 818	402 446
Other Reserves		73 723 263	73 024 661
NET INCOME		**9 338 305**	**5 950 756**
	16	**130 712 235**	**126 376 712**
Non-controlling Interests	17	**1 387 418**	**1 294 261**
TOTAL EQUITY		**132 099 653**	**127 670 973**
LIABILITIES			
NON-CURRENT LIABILITIES			
Loans		26 914 001	32 894 408
Defined Benefit Plan Liabilities	23	8 981 000	8 434 420
Provisions		514 525	407 105
Deferred tax liabilities	14	1 635 144	1 717 275
TOTAL NON-CURRENT LIABILITIES		**38 044 670**	**43 453 208**
CURRENT LIABILITIES			
Loans		53 024 793	36 326 297
Accounts Payable	19	40 256 759	35 509 231
Other Creditors	20	13 207 610	11 417 744
Income Tax Receivable	21	1 716 581	-
Other current liabilities	22	20 130 605	20 680 411
Defined Benefit Plan Liabilities	23	-	691 580
Derivative financial instruments	25	-	28 425
TOTAL CURRENT LIABILITIES		**128 336 348**	**104 653 688**
TOTAL LIABILITIES		**166 381 018**	**148 106 896**
TOTAL LIABILITIES AND SHAREHOLDER' EQUITY		**298 480 671**	**275 777 869**

The annex integrates the Balance sheet at 31 December 2017

Chartered Accountant: Alexandra Maria Pacheco Gama Junqueira.

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.

CONSOLIDATED INCOME STATEMENT AT 31 DECEMBER 2017 AND 2016

(Amounts expressed in euro)

	NOTES	DEC/17	DEC/16
OPERATING INCOME:			
Sales	29	365 763 558	316 199 986
Services Rendered	29	24 271 153	20 756 436
Other Operating Income	32	46 543 561	43 214 520
Variation of Products	10	3 164 485	(340 128)
TOTAL OPERATIONAL GAINS		**439 742 757**	**379 830 814**
OPERATING EXPENSES:			
Cost of sales	10	(321 111 526)	(274 923 739)
External Supplies and Services	30	(43 229 565)	(37 106 246)
Payroll Expenses	31	(38 634 544)	(39 365 006)
Depreciations and Amortizations	5, 6 and 7	(18 611 512)	(15 540 732)
Provisions	24	(212 991)	(257 706)
Impairment losses	24	27 128	(113 831)
Other Operating expenses	32	(2 541 205)	(2 958 588)
TOTAL OPERATIONAL EXPENSES		**(424 314 215)**	**(370 265 848)**
OPERATING RESULTS		**15 428 542**	**9 564 966**
Expense and financial losses	33	(2 608 769)	(2 643 285)
Income and financial gains	33	33 363	346 531
PROFIT BEFORE TAX		**12 853 136**	**7 268 212**
Income tax for the year	26	(3 421 674)	(1 265 026)
NET PROFIT FOR THE PERIOD		**9 431 462**	**6 003 186**
NET PROFIT FOR THE PERIOD ATTRIBUTABLE TO:			
Equity holders of the parent		9 338 305	5 950 756
Non-controlling Interests		93 157	52 430
		9 431 462	**6 003 186**
EARNINGS PER SHARE:			
from continuing operations	27	0,267	0,170
Basic		0,267	0,170
from continuing operations	27	0,267	0,170
Diluted		0,267	0,170

The annex integrates the Income Statement at 31 December 2017.

Chartered Accountant: Alexandra Maria Pacheco Gama Junqueira.

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.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY AT 31 DECEMBER 2017 AND 2016

(Amounts expressed in euro)

	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 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:											
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**
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**
Changes in the period:									0		
Application of the Consolidated Net Income 2016	-	-	-	-	-	5 950 756	5 950 756	(5 950 756)	-	-	-
Others – Distributed dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-
Available for sale Financial Investments fair value changes	-	-	-	-	249 372	-	249 372	-	249 372	-	249 372
Remeasurement (Actuarial losses)	-	-	-	-	-	(2 154)	(2 154)	-	(2 154)	-	(2 154)
	-	**-**	**-**	**-**	**249 372**	**5 948 602**	**6 197 974**	**(5 950 756)**	**247 218**	**-**	**247 218**
Consolidated net profit for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**9 338 305**	**9 338 305**	**93 157**	**9 431 462**
Total comprehensive income for the year	-	-	-	-	249 372	-	249 372	9 338 305	9 587 677	93 157	9 680 834
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 2017	**35 000 000**	**7 498 903**	**6 195 184**	**(1 695 238)**	**651 818**	**73 723 263**	**86 373 930**	**9 338 305**	**130 712 235**	**1 387 418**	**132 099 653**

The annex integrates this Statement at 31 December 2017.

Chartered Accountant: Alexandra Maria Pacheco Gama Junqueira.

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.

CONSOLIDATED STATEMENT OF THE COMPREHENSIVE INCOME AT 31 DECEMBER 2017 AND 2016

(Amounts expressed in euro)

	DEC/17	DEC/16
Consolidated net profit for the period, including non-controlling interests	9 431 462	6 003 186
Components of other consolidated comprehensive income, that could be recycled by profit and loss:		
Available for sale Financial Assets fair value changes (Note 9)	249 372	19 679
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)
Deferred tax of actuarial losses (Note 14)	-	354 245
Consolidated comprehensive income	**9 680 834**	**3 672 905**
Attributable to:		
Equity holders of the parent company	9 587 677	3 620 475
Non-controlling interests	93 157	52 430

The annex integrates this Statement at 31 December 2017.

Chartered Accountant: Alexandra Maria Pacheco Gama Junqueira.

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.

CONSOLIDATED CASH FLOWS STATEMENT

(Amounts expressed in euro)

OPERATING ACTIVITIES	DEC/17		DEC/16	
Collections from Customers	396 385 262		335 629 628	
Payments to Suppliers	(373 591 503)		(311 678 339)	
Payments to Employees	(30 393 187)		(30 916 744)	
Operating Flow		**(7 599 428)**		**(6 965 455)**
Payments of Income Tax		(1 732 358)		225 691
Other Collections/Payments Related to Operating Activities		5 327 277		29 538 422
Cash Flow from Operating Activities		**(4 004 509)**		**22 798 658**
INVESTING ACTIVITIES				
COLLECTIONS FROM:				
Investments Properties	935 000		-	
Tangible Fixed Assets	1 792 530		5 158 890	
Interest and Other income	-	2 727 530	397 242	5 556 132
PAYMENTS TO:				
Investments	(2 154)		(234)	
Investments Properties	(8 095)		-	
Tangible Fixed Assets	(3 095 119)		(14 064 333)	
Intangible Assets	(61 875)	(3 167 243)	(284 726)	(14 349 293)
Cash Flow from Investment Activities		**(439 713)**		**(8 793 161)**
FINANCING ACTIVITIES				
COLLECTIONS FROM:				
Loans	50 029 851		26 298 944	
Financial Lease	7 650 092	57 679 943	-	26 298 944
PAYMENTS TO:				
Loans	(42 042 299)		(25 110 526)	
Lease Down Payments	(611 981)		(3 752 429)	
Interest and Other costs	(2 593 981)		(2 612 560)	
Dividends	(5 276 080)	(50 524 341)	(5 637 690)	(37 113 205)
Cash Flow from Financing Activities		**7 155 602**		**(10 814 261)**
CASH				
Cash and Cash Equivalents at Beginning of Period (Note 15)		14 556 190		11 364 954
Cash and Cash Equivalents at End of Period (Note 15)		17 267 570		14 556 190
Net Flow in Cash Equivalents		**2 711 380**		**3 191 236**

The annex integrates this Statement at 31 December 2017.

Chartered Accountant: Alexandra Maria Pacheco Gama Junqueira.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2017

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 Grupo Salvador Caetano 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 of 2016.
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, 2017.

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, 2017, were adopted by the first time in the fiscal year ended at December 31, 2017:

a) Changes to accounting standards that became effective as of January 1, 2017:

(i) Standards:

- IAS 7 (amendment), 'Cashflow statement – Disclosure initiative' (effective for annual periods beginning on or after 1 January 2017). 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. This amendment did have insignificant impact in the Group financial statements (Note 18).

- 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 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. This amendment did not have any 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, 2018 and were already endorsed by the European Union and the entity decide not to adopt in advance:

(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 standard 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 standard on the Group financial statements.

- IFRS 16 (new), 'Leases' (effective for annual periods beginning on or after 1 January 2019). This new standard replaces the IAS 17 with a significant impact on the accounting by lessees that are now required to recognise 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". It is expected impact of future adoption of this standard 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 allows companies that issue insurance contracts the option to recognise 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. It is not expected significant impact of future adoption of this amendment on the Group financial statements.

- Amendments to IFRS 15 'Revenue from contracts with customers' (effective for annual periods beginning on or after 1 January 2018). 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.

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:

- Annual Improvements 2014 - 2016, (generally effective for annual periods beginning on or after 1 January 2017). The 2014-2016 annual improvements impacts: IFRS 1, IFRS 12 and IAS 28. It is not expected significant impact of future adoption of this improvement 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 9 (amendment), 'Prepayment features with negative compensation' (effective for annual periods beginning on or after 1 January 2019). This amendment is still subject to endorsement by the European Union. The amendment introduces the possibility to classify certain financial assets with negative compensation features at amortized cost, provided that specific conditions are fulfilled, instead of being classified at fair value through profit or loss. It is not expected impact of future adoption of this amendment on the Group financial statements.

- IAS 28 (amendment), 'Long-term interests in Associates and Joint Ventures' (effective for annual periods beginning on or after 1 January 2019). This amendment is still subject to endorsement by the European Union. The amendment clarifies that long-term investments in associates and joint ventures (components of an entity's investments in associates and joint ventures), that are not being measured through the equity method, are to be measured in accordance with IFRS 9, being subject to impairment expected credit loss model, prior to any impairment test of the investment as a whole". This amendment is not applicable at the financial statements of the Group.

- Annual Improvement 2015 - 2017 (generally effective for annual periods beginning on or after 1 January 2019). These improvements are still subject to endorsement by the European Union. The 2015-2017 annual improvements impact: IAS 23, IAS 12, IFRS 3 and IFRS 11. It is not expected significant impact of future adoption of this amendment on the Group financial statements.

- IFRS 17 (new), 'Insurance contracts' (effective for annual periods beginning on or after 1 January 2021). This standard is still subject to endorsement by European Union. This new standard replaces IFRS 4 and applies to all entities issuing insurance contracts, reinsurance contracts and investment contracts with discretionary participation characteristics. IFRS 17 is based on the current measurement of technical liabilities at each reporting date. The current measurement can be based on a complete "building block approach" or "premium allocation approach". The recognition of the technical margin is different depending on whether it is positive or negative. IFRS 17 is of retrospective application. This standard It is not applicable 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 of 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. It is not expected significant impact of future adoption of this interpretation on the Group financial statements.

- IFRIC 23 (new), 'Uncertainty over income tax treatment' (effective for annual periods beginning on or after 1 January 2019). This interpretation is still subject to endorsement by European Union. This is an interpretation of IAS 12 - 'Income tax', referring to the measurement and recognition requirements to be applied when there is uncertainty as to the acceptance of an income tax treatment by the tax authorities. In the event of uncertainty as to the position of the tax authority on a specific transaction, the entity shall make its best estimate and record the income tax assets or liabilities under IAS 12, and not under IAS 37 - "Provisions, contingent liabilities and contingent assets", based on the expected value or the most probable value. The application of IFRIC 23 may be retrospective or retrospective modified. It is not expected significant impact of future adoption of this interpretation on 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, in proportion to the percentage held.

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) 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 2017 and 2016 in the translation into Euros of foreign subsidiaries were as follows:

2017	CURRENCY	FINAL EXCHANGE RATE FOR 2017	AVERAGE EXCHANGE RATE FOR 2017	EXCHANGE RATE AT THE DATE OF INCORPORATION	FINAL EXCHANGE RATE FOR 2016
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

2016	CURRENCY	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

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

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 fulfil the conditions for their concession.

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) resulting from a past event, whenever it is probable that, for the resolution of that obligation, there will be an outflow of resources and the amount of the obligation may be reasonably estimated. Provisions are reviewed at the date of each statement of financial position and are adjusted to reflect the best estimate of their fair value at that date (Note 24).

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.

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, 2017 and 2016, 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.

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

- the counterparty presents significant financial difficulties;
- there is a 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) 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, favourable and unfavourable, resulting from differences between applicable exchange rates as of the date of the transactions and those applicable as of the date of cash collection, payments or as of statement of financial position date, were recorded as gains and losses in the consolidated income statement.

r) Earnings per share policy

Basic:
The basic earnings per share is calculated by dividing the taxable income of the shareholders by the weighted average number of common shares issued during the period, excluding the common shares acquired by the company and held as treasury shares.

Diluted:
Diluted earnings per share are calculated by dividing the profit attributable to shareholders, adjusted for the dividends of convertible preferred shares, convertible debt interest and gains and expenses resulting from the conversion, by the weighted average number of common shares issued during the period plus the average number of shares common shares issued in converting potential dilutive common shares.

s) 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.

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.

The Group foreign currency risk management hedge policies are decided casuistically, considering the foreign currency and country specific circumstances (as of December 31, 2017 and 2016, this situation is not applicable to any of the Group Subsidiaries).

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

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

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

	ASSETS		LIABILITIES	
	DEC/17	DEC/16	DEC/17	DEC/16
Cape Verde Escudo (CVE)	7 581 776	10 416 262	3 275 834	6 383 793
Great Britain Pounds (GBP)	-	-	31	-
Japanese Yen (JPY)	-	-	617 636	408 216
Angolan Kwanza (AOA)	-	-	-	778

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

	VARIATION	DEC/17		DEC/16	
		PROFIT OR LOSS	EQUITY	PROFIT OR LOSS	EQUITY
Cape Verde Escudo (CVE)	5%	17 793	215 297	6 615	197 505
Japanese Yen (JPY)	5%	(30 882)	-	(20 411)	-
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 2017 and 2016, the Group has been exposed to the risk of variation of available for sale financial assets' prices. At December 31, 2017 and 2016, 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)):

	VARIATION	DEC/17		DEC/16	
		PROFIT OR LOSS	EQUITY	PROFIT OR LOSS	EQUITY
CIMÓVEL FUND	10%	-	366 576	-	341 639
CIMÓVEL FUND	-10%	-	(366 576)	-	(341 639)

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)):

	VARIATION	DEC/17		DEC/16	
		NET INCOME	EQUITY	NET INCOME	EQUITY
Mutual Loans	0,5 p.p.	35 000	-	21 053	-
Guaranteed Account	0,5 p.p.	25 000	-	10 000	-
Bank Credits	0,5 p.p.	2 649	-	5 006	-
Commercial Paper	0,5 p.p.	172 000	-	64 000	-
Long-term Bank Loan	0,5 p.p.	50 000	-	95 000	-
Confirming	0,5 p.p.	-	-	49 653	-
Total		**284 649**		**244 712**	
Mutual Loans	(0,5 p.p.)	(35 000)	-	(21 053)	-
Guaranteed Account	(0,5 p.p.)	(25 000)	-	(10 000)	-
Bank Credits	(0,5 p.p.)	(2 649)	-	(5 006)	-
Commercial Paper	(0,5 p.p.)	(172 000)	-	(64 000)	-
Long-term Bank Loan	(0,5 p.p.)	(50 000)	-	(95 000)	-
Confirming	(0,5 p.p.)	-	-	(49 653)	-
Total		**(284 649)**		**(244 712)**	

The 2016 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):

2017	LESS THAN 1 YEAR	BETWEEN 1 AND 2 YEARS	BETWEEN 2 AND 4 YEARS	MORE THAN 4 YEARS	TOTAL
Loans	53 024 793	5 773 821	8 111 293	13 028 887	79 938 794
Accounts Payable	40 256 759	-	-	-	40 256 759
Other Creditors	13 207 611	-	-	-	13 207 611
	106 489 163	5 773 821	8 111 293	13 028 887	133 403 164
2016					
Loans	36 326 297	11 340 707	8 039 008	13 514 693	69 220 705
Accounts Payable	35 509 231	-	-	-	35 509 231
Other Creditors	11 417 744	-	-	-	11 417 744
Total	83 253 272	11 340 707	8 039 008	13 514 693	116 147 680

At December 31, 2017 and 2016, the Group presents a net debt of 62.671.224 Euros and 54.664.515 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 monitored through the financial leverage ratio (defined as net debt/ (net debt + equity)).

	DEC/17	DEC/16
Debt	79 938 794	69 220 705
Cash and cash equivalents	(17 267 570)	(14 556 190)
Net Debt	62 671 224	54 664 515
Equity	132 099 652	127 670 973
Leverage ratio	32,18%	29,98%

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, 2017 were of, approximately, 8.020.667 Euros (8.020.667 as of December 31, 2016), 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, 2017 and 2016 are stated in Note 24.

At December 31, 2017 and 2016, 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 related to the 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, 2017, the credit quality of bank deposits:

DEPOSITS LONG TERM RATING	RATING AGENCY	VALUE
A1	Moody's	86 851
A3	Moody's	105 394
B1	Moody's	10 088 591
B3	Moody's	171 762
Ba1	Moody's	136 859
Ba3	Moody's	545 101
Baa1	Moody's	156 589
Baa3	Moody's	4 215 962
Caa1	Moody's	489 776
Others without rating assigned	Others without rating assigned	1 147 700
Total		**17 144 585**

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, 2017, 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, 2017 and 2016, are as follows:

COMPANIES	EFFECTIVE PERCENTAGE HELD	
	DEC/17	DEC/16
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, 2017 and 2016 there was not occurred any change in the composition of the consolidation perimeter.

5. INTANGIBLE ASSETS

During the year ended as December 31, 2017 and 2016, the movement in intangible assets, as well as in the respective accumulated amortization and accumulated impairment losses, was as follows:

DEC/17	RESEARCH AND DEVELOPMENT EXPENSES	INDUSTRIAL PROPERTY	GOODWILL	COMPUTER PROGRAMS	INTANGIBLE ASSETS IN PROGRESS	TOTAL
Gross Assets:						
Opening Balances	1 477 217	312 774	81 485	2 139 437	160 840	4 171 753
Additions	-	61 875	-	22 395	-	84 270
Disposals and Write-offs	-	(136 111)	-	(11 662)	-	(147 773)
Transfers	-	160 840	-	-	(160 840)	-
Ending Balances	**1 477 217**	**399 378**	**81 485**	**2 150 170**	**-**	**4 108 250**
Accumulated Amortization and Impairment losses:						
Opening Balances	957 375	184 337	81 485	1 870 724	-	3 093 921
Amortizations	492 406	28 332	-	220 743	-	741 481
Disposals and Write-offs	-	(136 111)	-	(3 888)	-	(139 999)
Ending Balances	**1 449 781**	**76 558**	**81 485**	**2 087 579**	**-**	**3 695 403**
Net Intangible Assets	**27 436**	**322 820**	**-**	**62 591**	**-**	**412 847**

DEC/16	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**

6. TANGIBLE FIXED ASSETS

During the years ended as of December 31, 2017 and 2016, the movement in tangible fixed assets, as well as in the respective accumulated depreciation and accumulated impairment losses, was as follows:

DEC/17	LAND	BUILDINGS AND OTHER CONSTRUCTIONS	MACHINERY AND EQUIPMENT	TRANSPORT EQUIPMENT	ADMINISTRATIVE EQUIPMENT	OTHER FIXED ASSETS	TANGIBLE ASSETS IN PROGRESS	TOTAL
Gross Assets:								
Opening Balances	16 471 765	91 068 416	60 432 512	64 700 926	8 124 372	4 370 111	9 400	**245 177 502**
Additions	387 033	1 817 873	711 139	49 425 531	285 336	81 322	328 696	**53 036 930**
Disposals and Write-offs	(414 993)	(3 218 492)	(5 238)	(33 451 100)	-	-	-	**(37 089 823)**
Transfers	-	17 959	18 800	-	-	-	(46 354)	**(9 595)**
Ending Balances	**16 443 805**	**89 685 756**	**61 157 213**	**80 675 537**	**8 409 708**	**4 451 433**	**291 742**	**261 115 014**
Accumulated Depreciation and Impairment losses:								
Opening Balances	-	61 185 509	55 591 865	30 504 452	7 512 127	4 119 149	-	**158 913 102**
Depreciations	-	2 129 483	1 045 563	13 822 988	166 205	64 073	-	**17 228 312**
Disposals and Write-offs	-	(2 116 654)	(4 685)	(10 725 583)	-	-	-	**(12 846 923)**
Transfers	-	(1 088)	(578)	-	71	507	-	**(1 088)**
Ending Balances	-	**61 197 250**	**56 632 165**	**33 601 857**	**7 678 403**	**4 183 729**	-	**163 293 404**
Net Tangible Assets	**16 443 805**	**28 488 506**	**4 525 048**	**47 073 500**	**731 305**	**267 704**	**291 742**	**97 821 610**

DEC/16	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**

In 2017, the increase recorded in “Land” and “Buildings and Other Constructions” are related to Santa Maria da Feira and Caldas da Rainha Stands.

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, 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, 2017, and 2016, the assets acquired through financial leases are presented as follows:

DEC/17	GROSS ASSETS	ACCUMULATED DEPRECIATION	NET VALUE
Fixed Tangible Assets	38 347 047	15 416 229	22 930 819

DEC/16	GROSS ASSETS	ACCUMULATED DEPRECIATION	NET VALUE
Fixed Tangible Assets	32 586 491	10 939 539	21 646 952

7. INVESTMENT PROPERTIES

As of December 31, 2017, and 2016, the caption "Investment properties" refers to real estate's assets held to obtain gains through its rental or for capital gain purposes. These real estate assets are recorded at acquisition cost.

Rentals related to "Investment properties" amounted to 3.550.376 Euros in the year ended as of December 31, 2017 (4.010.010 Euros 31, December 2016).

Additionally, in accordance with appraisals with reference to 2017, the fair value of those investment properties amounts to, approximately, 49 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, 2017 and 2016 are made up as follows:

LOCATION	DEC/17			DEC/16		
	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	84 202	1 192 400	internal
Braga - Av. da Liberdade	201	1 355 000	internal	406	1 355 000	internal
Porto - Rua do Campo Alegre	818 315	2 984 000	external	887 680	2 877 000	internal
Viseu - Teivas	813 132	896 000	internal	846 876	896 000	external
Óbidos - Casal do Lameiro	57 867	1 400 000	internal	58 712	1 400 000	internal
Castro Daire - Av. João Rodrigues Cabrilho	25 512	58 000	internal	26 610	58 000	internal
Caldas da Rainha - Rua Dr. Miguel Bombarda	17 531	85 000	internal	17 531	85 000	internal
Viseu - Quinta do Cano	1 726 300	1 625 750	internal/external	1 742 162	2 461 740	internal/external
Amadora - Rua Elias Garcia	181 017	149 000	internal	184 476	149 000	internal
Portalegre - Zona Industrial	183 816	173 000	internal	188 958	173 000	internal
Portimão - Cabeço do Mocho	424 781	550 000	external	424 781	550 000	external
Vila Real de Santo António - Rua de Angola	23 911	83 000	internal	24 628	83 000	internal
Rio Maior	107 000	107 000	internal	107 000	107 000	internal
S João de Lourosa - Viseu	456 272	487 030	internal	460 072	487 030	internal
Vila Nova de Gaia - Av. Vasco da Gama (buildings A and B)	3 019 591	8 692 000	internal	3 236 940	8 692 000	external
Vila Nova de Gaia - Av. Vasco da Gama (building G)	841 109	6 077 000	internal	942 873	6 077 000	external
Carregado - Quinta da Boa Água / Quinta do Peixoto	5 038 392	19 218 000	internal	5 086 939	19 218 000	external
Lisboa - Av. Infante Santo	1 141 201	1 300 000	internal	1 170 590	1 247 000	internal
Vila Nova de Gaia - Rua das Pereiras	249 386	788 000	internal	261 219	788 000	internal
Leiria - Azóia	355 125	797 000	internal	355 125	797 000	internal
Castelo Branco - Repair Shop	798 537	1 450 000	internal	839 678	1 450 000	internal
Viana do Castelo - Stand and Repair Shop	-	-	internal	955 553	975 000	internal
Total	**16 363 198**	**49 467 180**		**17 903 011**	**51 118 170**	

The investment properties fair value disclosed in December 31, 2017 and December 31, 2016 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 2017, the absence of relevant claims in 2017 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 2017, 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, 2017 and 2016 was as follows:

GROSS ASSETS	DEC/17		
	LAND	BUILDINGS	TOTAL
Opening Balances	10 268 017	39 133 728	49 401 745
Increases	-	8 095	8 095
Disposals and Write-offs	(132 053)	(2 224 976)	(2 357 029)
Transfers	-	9 595	9 595
Ending Balances	10 135 964	36 926 442	47 062 406

ACCUMULATED DEPRECIATION	DEC/17		
	LAND	BUILDINGS	TOTAL
Opening Balances	-	31 498 734	31 498 734
Increases	-	641 719	641 719
Disposals and Write-offs	-	(1 442 333)	(1 442 333)
Transfers	-	1 088	1 088
Ending Balances	-	30 699 208	30 699 208
Net Value	10 135 964	6 227 234	16 363 198

GROSS ASSETS:	DEC/16		
	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	DEC/16		
	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**

In 2017, the disposals and write-offs mainly refer to Land of Buildings in Viana de Castelo.

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 accumulated impairment losses recorded in 2017 and 2016 amounts to 2.628.814 Euros.

8. *GOODWILL*

At December 31, 2017 and 2016 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, 2017, 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)	8,68%

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

The Management, supported by the estimated discounted cash flows discounted, concluded that on December 31, 2017, the net book value of assets, including goodwill (0,6 millions Euros), does not exceed its recoverable amount (18 millions Euros).

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

9. AVAILABLE FOR SALE FINANCIAL ASSETS

As of December 31, 2017, and 2016 the movements in item "available for sale financial assets" were as follows:

	DEC/17	DEC/16
Fair value at January 1	3 483 128	3 463 450
Increase/(decrease) in fair value	249 372	19 678
Ending Balances	3 732 500	3 483 128

As of December 31, 2017, "Available for sale financial assets" include the amount of 3.665.764 Euros (3.416.391 Euros December 31, 2016) 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 651.817 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 2017 and 2016 from recording "Available for sale financial assets" at fair value can be summarized as follows:

	DEC/17	DEC/16
Variation in fair value	249 372	19 678
Equity effect	249 372	19 678

10. INVENTORIES

As of December 31, 2017 and 2016, this caption breakdown is as follows:

	DEC/17	DEC/16
Raw and Subsidiary Materials	10 413 228	9 307 008
Production in Process	1 135 391	937 645
Finished and Semi-Finished Products	4 432 510	1 466 863
Merchandise	81 473 495	72 612 904
	97 454 624	84 324 420
Accumulated impairment losses in inventories (Note 24)	(1 452 410)	(1 532 523)
TOTAL	**96 002 214**	**82 791 897**

During the years ended as of December 31, 2017 and 2016, cost of sales was as follows:

	DEC/17			DEC/16		
	MERCHANDISE	RAW AND SUBSIDIARY MATERIALS	TOTAL	MERCHANDISE	RAW AND SUBSIDIARY MATERIALS	TOTAL
Opening Balances	72 612 904	9 307 008	81 919 912	70 642 162	10 080 953	80 723 115
Net Purchases	294 478 045	36 600 292	331 078 337	245 920 555	30 199 981	276 120 536
Ending Balances	(81 473 495)	(10 413 228)	(91 886 723)	(72 612 904)	(9 307 008)	(81 919 912)
Total	**285 617 454**	**35 494 072**	**321 111 526**	**243 949 813**	**30 973 926**	**274 923 739**

During the years ended as of December 31, 2017 and 2016, the variation in production was computed as follows:

	FINISHED AND SEMI-FINISHED PRODUCTS	
	DEC/17	DEC/16
Ending Balances	5 567 901	2 404 508
Inventories Adjustments	1 092	7 229
Opening Balances	(2 404 508)	(2 751 865)
Total	**3 164 485**	**(340 128)**

11. ACCOUNTS RECEIVABLE

As of December 31, 2017 and 2016, the detail of this caption was as follows:

	CURRENT ASSETS		NON-CURRENT ASSETS	
	DEC/17	DEC/16	DEC/17	DEC/16
Customers, current accounts	51 998 006	57 872 820	169 252	26 048
Doubtful Accounts Receivable	9 209 269	9 465 385	-	-
	61 207 275	**67 338 205**	**169 252**	**26 048**
Accumulated impairment losses in accounts Receivable (Note 24)	(9 184 332)	(9 443 797)	-	-
	52 022 943	**57 894 408**	**169 252**	**26 048**

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

DEC/17	- 60 DAYS	60-90 DAYS	90-120 DAYS	+ 120 DAYS	TOTAL
Accounts receivable	32 869 819	2 953 707	934 365	8 414 656	45 172 547
Employees	123 793	7 277	2 449	422 541	556 060
Independent Dealers	6 318 241	77 652	-	42 758	6 438 651
Total	39 311 853	3 038 636	936 814	8 879 955	52 167 258

DEC/16	- 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

ACCOUNTS RECEIVABLE AGEING CONSIDERING IMPAIRMENT LOSSES

DEC/17	- 60 DAYS	60-90 DAYS	90-120 DAYS	+ 120 DAYS	TOTAL
Doubtful Accounts Receivable	14 610	6 337	3 607	9 184 715	9 209 269
Total	14 610	6 337	3 607	9 184 715	9 209 269

DEC/16	- 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

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

DEC/17	- 60 DAYS	60-90 DAYS	90-120 DAYS	+ 120 DAYS	TOTAL
Doubtful Accounts Receivable	24 921 627	3 164 621	893 172	7 925 693	36 905 113
Total	24 921 627	3 164 621	893 172	7 925 693	36 905 113

DEC/16	- 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

12. OTHER CREDITS

As of December 31, 2017 and 2016, the detail of this caption was as follows:

CURRENT ASSETS	DEC/17	DEC/16
Down Payments to Suppliers	352 475	441 391
Public entities (VAT)	3 364 036	1 151 938
Other debtors	2 825 198	2 558 490
Total	**6 541 709**	**4 151 819**

The caption “Other credits” includes, as of December 31, 2017, 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, 2016).

Finally, this caption also includes, as of December 31, 2017, the amount of, approximately, 618.000 Euros to be received from Salvador Caetano Foundation (683.000 Euros at December 31, 2016).

13. OTHER CURRENT ASSETS

As of December 31, 2017 and 2016, the detail of this caption was as follows:

CURRENT ASSETS	DEC/17	DEC/16
Accrued Income		
Fleet programs	1 697 298	1 475 076
Rappel	1 065 782	1 135 857
Commission	544 385	369 029
Warranty claims	317 245	300 251
Fees	67 828	76 017
Staff	31 828	121 742
Others	413 534	483 113
	4 137 900	**3 961 085**
Deferred Expenses		
Insurance	410 233	144 176
Rentals	142 534	20 642
Interest	100 358	75 058
Others	430 428	522 368
	1 083 553	**762 244**
Total	**5 221 453**	**4 723 329**

14. DEFERRED TAXES

The detail of deferred tax assets and liabilities recorded in the accompanying consolidated financial statements as of December 31, 2017 and 2016 is as follows:

DEC/17	2016	OTHER VARIATIONS	PROFIT AND LOSS IMPACT (DEFERRED TAX)	EQUITY IMPACT	2017
Deferred tax assets:					
Provisions not accepted for tax purpose	294 573	-	(82 238)	-	212 335
Tax losses	88 569		(88 569)	-	-
Defined Benefit Plan Liabilities	1 611 745	-	-		1 611 745
Write-off of tangible assets	193 155	-	296 143	-	489 298
Derivative financial instruments valuation	6 396	-	(6 396)	-	-
Corporate Income Tax - RETGS	-	710 552	(710 552)	-	-
	2 194 438	**710 552**	**(591 612)**	**-**	**2 313 378**
Deferred tax liabilities:					
Depreciation as a result of legal and free revaluation of fixed assets	(652 772)	-	33 274	-	(619 498)
Effect of the reinvestments of the surplus in fixed assets sales	(165 771)	-	48 857	-	(116 914)
Fair value of investments fixed assets	(898 732)	-	-	-	(898 732)
	(1 717 275)	-	82 131	-	(1 635 144)
Net effect (Note 25)			**(509 481)**		

DEC/16	2015	OTHER VARIATIONS	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 25)			**(401 511)**		

At December 31, 2017 there was no tax losses, and 2016 the companies of the Group reported the following tax losses, for which tax deferred assets have been recognized:

WITH LATEST DATE OF UTILIZATION	DEC/17		DEC/16		
	TAX LOSSES	DEFERRED TAX ASSETS	TAX LOSSES	DEFERRED TAX ASSETS	EXPIRY DATE
At 2012					
- Consolidated tax Toyota Caetano Portugal	-	-	368 233	77 329	2017
At 2013					
- Consolidated tax Toyota Caetano Portugal	-	-	53 524	11 240	2018
Total	**-**	**-**	**421 757**	**88 569**	

As of December 31, 2017 and 2016 tax rates used to compute current and deferred tax assets and liabilities were as follows:

TAX RATES	DEC/17	DEC/16
Country of origin of affiliate:		
Portugal	22,5% - 21%	22,5% - 21%
Cape Verde	25,5%	25,5%

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

In accordance with the applicable legislation, the income tax returns of Toyota Caetano and other Group companies with headquarters in Portugal are subject to review and correction by the tax authorities for a period of four years. Therefore, the tax declarations since the year of 2014 and 2017 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, 2017, and 2016 cash and cash equivalents detail was the following:

	DEC/17	DEC/16
Cash	122 985	121 286
Bank Deposits	17 144 585	14 434 904
Total	**17 267 570**	**14 556 190**

16. EQUITY

SHARE CAPITAL

As of December 31, 2017 and 2016, 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.	65,08%
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. During 2017, Salvador Caetano - Auto - S.G.P.S., S.A. bought 1.488.960 shares with a nominal value of 1 Euro each, fully subscribed and representing 4,25% of the share capital.

DIVIDENDS

The Board of Directors will propose that a dividend shall be paid in the amount of 7.000.000 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, 2017 and 2016 were as follows:

	DEC/17	DEC/16
Opening Balances as of January, 1	1 294 261	1 647 295
Dividends	-	(375 248)
Others	-	(30 216)
Net profit attributable to Non-controlling Interests	93 157	52 430
	1 387 418	**1 294 261**

As of December 31, 2017 and 2016, the decomposition of the mentioned value by subsidiary company is as follows:

DEC/17	% NCI	NON-CONTROLLING INTEREST	NET PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTEREST
Saltano S.G.P.S.	0,02%	4 035	-
Caetano Auto CV	18,76%	812 252	67 276
Caetano Renting	0,02%	563	(4)
Caetano Auto	1,60%	570 568	25 885
Total		**1 387 418**	**93 157**

DEC/16	% 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
Total		**1 294 261**	**52 430**

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

CAPTION	CAETANO AUTO		CAETANO AUTO CV	
	DEC/17	DEC/16	DEC/17	DEC/16
Non - Current Assets	46 825 112	47 781 219	1 326 277	1 442 626
Current Assets	79 643 872	66 644 229	6 255 499	8 973 636
Total assets	**126 468 984**	**114 425 448**	**7 581 776**	**10 416 262**
Non - Current Liabilities	7 094 168	7 610 873	98 878	82 378
Current Liabilities	83 620 907	74 398 428	3 176 956	6 383 793
Equity	**35 753 909**	**32 416 147**	**4 305 942**	**3 950 091**
Revenues	212 093 511	185 330 101	12 649 730	10 757 825
Operating Results	4 519 938	976 265	548 386	225 194
Financial Results	(11 567)	40 721	(43 973)	(21 979)
Taxes	(1 170 609)	(186 529)	(148 562)	(70 923)
Net Income	**3 337 762**	**830 457**	**355 851**	**132 293**

CAPTION	CAETANO RENTING		SALTANO	
	DEC/17	DEC/16	DEC/17	DEC/16
Non - Current Assets	27 429 048	14 805 645	21 673 269	19 961 574
Current Assets	7 238 681	4 255 748	2 041 338	2 049 100
Total assets	**34 667 729**	**19 061 393**	**23 714 607**	**22 010 674**
Non - Current Liabilities	200 014	200 014	-	-
Current Liabilities	31 425 093	15 789 454	3 579 125	3 580 386
Equity	**3 042 622**	**3 071 925**	**20 135 482**	**18 430 288**
Revenues	7 195 384	4 532 916	-	-
Operating Results	337 232	391 278	1 703 933	671 997
Financial Results	(293 332)	(176 928)	-	-
Taxes	(73 202)	29 962	1 262	1 051
Net Income	**(29 303)**	**244 312**	**1 705 195**	**673 048**

18. BANK LOANS AND LEASINGS

As of December 31, 2017 and 2016 the caption "Loans" was as follows:

	DEC/17			DEC/16		
	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL
Bank Loan	46 400 000	10 000 000	56 400 000	30 941 048	17 000 000	47 941 048
Overdrafts	529 851	-	529 851	1 001 251	-	1 001 251
Leasing	6 094 942	16 914 001	23 008 943	4 383 998	15 894 408	20 278 406
Total	**53 024 793**	**26 914 001**	**79 938 794**	**36 326 297**	**32 894 408**	**69 220 705**

The movements in bank loans, overdrafts, other loans and commercial paper programs during the periods ended December 31, 2017 were as follows:

	OPENING BALANCES	INCREASE	DECREASE	ENDING BALANCE
Bank Loan	23 210 526	-	6 210 526	**17 000 000**
Overdrafts	1 001 251	529 851	1 001 251	**529 851**
Guaranteed Account	1 999 986	5 000 000	1 999 986	**5 000 000**
Confirming	9 930 536	-	9 930 536	**-**
Commercial Paper	12 800 000	44 500 000	22 900 000	**34 400 000**
Leasing	20 278 406	7 650 092	611 981	**27 316 517**
Total	**69 220 705**	**57 679 943**	**42 654 280**	**84 246 368**

As of December 31, 2017 and 2016, the detail of bank loans, overdrafts and Commercial Paper Programs, as well as its conditions, were as follows:

DEC/17				
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
Current				
Guaranteed Account	5 000 000	7 000 000	15/10/2014	4 years
Mutual Loans	7 000 000	7 000 000		
Bank Overdrafts	529 851	5 500 000		
Commercial Paper:				
Toyota Caetano Portugal	16 400 000	16 400 000	27/02/2017(*)	3 years
Toyota Caetano Portugal	10 000 000	10 000 000	18/08/2015	5 years
Toyota Caetano Portugal	4 000 000	4 000 000	17/07/2017	5 years
Toyota Caetano Portugal	4 000 000	4 000 000	24/02/2017	1 year
Toyota Caetano Portugal	-	5 000 000	10/11/2016	5 years
	46 929 851	**58 900 000**		
	56 929 851	**68 900 000**		

(*) with amortization of 2 million euros per year

DEC/16				
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	**10 000 000**		
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 Overdrafts	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	10/11/2016	5 years
	31 942 299	**54 510 526**		
	48 942 299	**71 510 526**		

Then we detail the amount related to loans obtained or contracted credit lines for which real guarantees were granted for mortgages on real estate (Note 37):

- Commercial Paper: 16.400.000

Interests relating to the financial instruments mentioned above are indexed to Euribor (floor zero), plus a spread which varies between 1% and 2%.

The Company and its affiliates have available credit facilities as of December 31, 2017 amounting to approximately 68,9 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:

CONTRACT	LEASING	CURRENT 12M	NON-CURRENT					
			12 - 24 M	24 - 36 M	36 - 48 M	>48 M	TOTAL	TOTAL
2028278	Commercial facilities							
	Capital	97 164	97 895	98 632	119 048	-	315 575	412 739
	Interests	2 762	2 031	1 294	551	-	3 876	6 638
5653	Commercial facilities							
	Capital	24 232	24 610	24 610	24 995	369 530	443 745	467 977
	Interests	7 082	6 704	6 704	6 320	36 802	56 530	63 612
626064	Commercial facilities							
	Capital	166 358	172 274	178 402	184 747	534 557	1 069 980	1 236 338
	Interests	40 018	34 101	27 974	21 629	24 684	108 388	148 406
2032103	Commercial facilities							
	Capital	19 847	20 832	21 930	23 052	67 646	133 460	153 307
	Interests	7 215	6 199	5 132	4 010	927	16 268	23 483
Various	Vehicles							
	Capital	627 386	-	-	-	-	-	627 386
	Interests	11 237	-	-	-	-	-	11 237
Various	Industrial equipment							
	Capital	5 159 955	5 458 210	4 204 281	3 231 596	2 057 154	14 951 241	20 111 196
	Interests	611 976	411 082	225 045	107 447	34 015	777 588	1 389 564
	Total Capital	**6 094 942**	**5 773 821**	**4 527 855**	**3 583 438**	**3 028 887**	**16 914 001**	**23 008 943**
	Total Interests	**680 289**	**460 117**	**266 149**	**139 957**	**96 428**	**962 650**	**1 642 940**

LIABILITIES BY MATURITY

Loans

	12 M	12 - 24 M	24 - 36 M	36 - 48 M	>48 M	TOTAL
Mutual Loans	7 000 000	-			10 000 000	17 000 000
Guaranteed Account	5 000 000					5 000 000
Bank Credits	529 851	-	-	-	-	529 851
Commercial Paper	34 400 000	-	-	-	-	34 400 000
Leasing	6 094 942	5 773 821	4 527 855	3 583 438	3 028 887	23 008 943
Total Loans	**53 024 793**	**5 773 821**	**4 527 855**	**3 583 438**	**13 028 887**	**79 938 794**

	12 M	12 - 24 M	24 - 36 M	36 - 48 M	>48 M	TOTAL
Loan - mutual contract	396 188	220 521	221 125	54 375	-	892 208
Financial Leases	680 289	460 117	266 149	139 957	96 428	1 642 940
Total interests	**1 076 477**	**680 637**	**487 274**	**194 332**	**96 428**	**2 535 148**

19. ACCOUNTS PAYABLE

As of December 31, 2017 and 2016 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, 2017 and 2016 the detail of other creditors was as follows:

CURRENT LIABILITIES	DEC/17	DEC/16
Income Taxes withheld	371 448	349 174
Value Added Taxes	8 367 662	7 826 684
Vehicles Tax	1 863 835	1 084 948
Custom Duties	3 182	181 991
Employee's social contributions	675 338	646 318
Taxes from local authorities	233 680	230 717
Others	4 954	2 077
Subtotal	**11 520 099**	**10 321 909**
Shareholders	10 618	12 052
Advances from Customers	996 238	735 115
Other Creditors	680 655	348 668
Subtotal	**1 687 511**	**1 095 825**
Total	**13 207 610**	**11 417 744**

21. PUBLIC ENTITIES (Statement of financial position)

As of December 31, 2017 and 2016 the caption public entities can be summarized as follows:

CURRENT LIABILITIES	DEC/17	DEC/16
Debt balances		
Income Taxes		
Estimated Tax		99 372
	-	**99 372**
Creditors balances		
Income Taxes		
Estimated Tax	1 716 581	
Total	**1 716 581**	-

Of the aforementioned value, approximately 1.6 million euros are related, to Special Taxation Regimen for Groups of Companies(" RETGS").

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

CURRENT TAXES	DEC/17	DEC/16
Insufficient Tax (Note 26)	8 586	68 834
Tax Refunds (Note 26)	4 552	(756 374)
Current taxes estimation (Note 26)	2 899 055	1 551 055
Deferred income taxes (Note 14)	509 481	401 511
	3 421 674	**1 265 026**

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

22. OTHER CURRENT LIABILITIES

As of December 31, 2017 and 2016 the caption "Other Current Liabilities" was as follows:

	DEC/17	DEC/16
Accrued Cost		
Vacation pay and bonus	5 032 601	4 840 885
Advertising Campaigns	4 526 941	3 670 380
Specialization cost assigned to vehicles sold	1 209 909	689 185
Commission	834 344	662 110
Supply costs	639 876	614 402
Advance External Supplies and Services	544 552	728 634
Accrual for Vehicles Tax	451 103	743 009
Rappel charges attributable to fleet managers	402 399	1 360 601
Insurance	367 337	170 418
Municipal Property Tax	128 970	124 990
Interest	126 409	123 885
Royalties	69 579	71 284
Amounts payable to third parties	-	667 807
Others	1 314 075	1 292 539
	15 648 095	**15 760 129**
Deferred Income		
Vehicle maintenance contracts	3 757 400	3 976 908
Subsidy granted	501 360	501 360
Publicity recuperation	37 657	35 301
Interest Charged to Customers	18 091	5 827
Others	168 002	400 886
	4 482 510	**4 920 282**
Total	**20 130 605**	**20 680 411**

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, 2017, 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 2016, the salary increase rate, pensions increase rate and discount rate were 1%, 0% and 1,6%, respectively.

The movement of the Fund responsibilities of the Company with the Defined benefit plan in 2017 and 2016 can be summarized as follows:

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	**35 367 967**
Liability at 1/1/2017	**35 367 964**
Current services cost	84 381
Interest cost	565 887
Actuarial (gains)/losses	1 505 591
Pension payments	(2 498 993)
Liability at 31/12/2017	**35 024 830**

The allocation of this amount during 2017 and 2016 to both plans (Defined benefit plan and Defined contribution plan) can be summarized as follows:

RUBRICA	DEFINED BENEFIT PLAN	DEFINED CONTRIBUTION PLAN	TOTAL
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**
Contributions	440 756	191 554	**632 310**
Real return of plan assets	2 026 392	888 813	**2 915 505**
Pension payments	(2 498 993)	(52 771)	**(2 551 764)**
Transfers from other associate member account	-	38 520	**38 520**
Transfers to other associate member account	-	(33 969)	**(33 969)**
Use of reserve account	-	-	**-**
Others	-	-	-
Value of the Fund at 31 December 2017	**27 510 086**	**12 745 110**	**40 255 196**

As of December 31, 2017 and 2016, the breakdown of the asset portfolio of the Fund that covers the defined benefit plan was as follows:

ASSET PORTFOLIO	PORTFOLIO WEIGHT	VALUE 31-12-2017	PORTFOLIO WEIGHT	VALUE 31-12-2016
Stocks	11,69%	3 215 929	9,60%	2 643 997
Bonds	35,88%	9 870 620	38,21%	10 523 657
Real Estate	39,43%	10 847 228	38,20%	10 520 903
Cash	10,67%	2 935 326	11,66%	3 211 354
Other Assets	2,33%	640 983	2,33%	641 721
Total	**100%**	**27 510 086**	**100%**	**27 541 632**

At December 31, 2017, 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	39,4%	10 847 228

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	2017	2016	2015	2014	2013	2012	2011
Responsibility Amount	35 024 830	35 367 964	33 997 681	33 574 520	29 059 458	29 650 534	29 686 944
Fund Amount	27 510 086	27 541 632	28 297 093	29 075 997	28 855 219	28 444 454	26 541 223

The net obligations of Toyota Caetano Portugal Group evidenced above is safeguarded through a provision recorded in the amount of 8.981.000 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, 2017 and 2016 were as follows:

	DEC/17				
	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)	9 443 797	70 466	(17 481)	(312 450)	9 184 332
Accumulated impairment losses in inventories (Note 10)	1 532 523	99 504	(179 617)	-	1 452 410
Provisions	407 105	212 991	-	(105 571)	514 525

DEC/16					
	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**

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

25. DERIVATIVE FINANCIAL INSTRUMENTS

The derivative financial instruments used by the group as of June 30, 2017 were as follows:

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. The derivative financial instrument ended on June 22, 2017.

The main characteristics of this contract can be summarized as follows:

DERIVATE FINANCIAL INSTRUMENT	FAIR VALUE 2017	FAIR VALUE 2016	TYPE	RATE SWAP	RATE RECEIVABLE
Interest rate Swap BBVA	-	(28 425)	Negotiation	1,10%	Euribor 3M
Total	**-**	**(28 425)**			

26. INCOME TAXES

The income tax for the year ended as of December 31, 2017 and 2016 was as follows:

	DEC/17	DEC/16
Fiscal Losses (RETGS)	710 552	-
Others	(201 071)	401 151
Deferred income taxes (Note 14)	**509 481**	**401 511**
Income Tax (Note 21	2 912 193	863 515
Total	**3 421 674**	**1 265 026**

The reconciliation of the earnings before taxes of the years ended at December 31, 2017 and 2016 can be summarized as follows:

	DEC/17	DEC/16
Profit before taxation	**12 853 136**	**7 268 212**
Tax on profit	22,50%	22,50%
Theoretical tax charge	**2 891 956**	**1 635 348**
Accounting surplus	(723 463)	(471 532)
Fiscally surplus	327 179	234 989
Fair value adjustments	(52 368)	(4 132)
Fiscally adjustments	(6 730)	(3 610)
Others	145 907	267 455
Fiscal losses	-	(414 053)
Effective Tax	**2 582 481**	**1 244 465**
Additional income tax	316 574	314 358
Excess/Insufficient Tax	8 586	68 834
Tax Refunds	4 552	(756 374)
Others	-	(7 768)
Income Tax	2 912 193	863 515
Deferred income taxes	509 481	401 511
Effective tax charge	**3 421 674**	**1 265 026**

27. EARNINGS PER SHARE

The earnings per share for the year ended as of December 31, 2017 and 2016 were computed based on the following amounts:

EARNINGS	DEC/17	DEC/16
Basic	9 338 305	5 950 756
Diluted	9 338 305	5 950 756
Number of shares	35 000 000	35 000 000
Earnings per share (basic and diluted)	**0,267**	**0,170**

During 2017 and 2016 there were no changes in the number of shares outstanding.

28. SEGMENT INFORMATION

The main information relating to the business segments existing on December, 2017 and 2016, prepared according to the same accounting policies and criteria adopted in the preparation of the consolidated financial statements, is as follows:

DEC/17	NATIONAL								FOREIGN					ELIMINA-TIONS	CONSOLI-DATED
	VEHICLES				INDUSTRIAL EQUIPMENT			OUTROS	VEHICLES		INDUSTRIAL EQUIPMENT				
	INDUSTRY	COMMER-CIAL	SERVICES	RENTAL	MACHINES	SERVICES	RENTAL		INDUSTRY	COMMER-CIAL	MACHINES	SERVICES	RENTAL		
PROFIT															
External Sales	20 232	440 334 110	16 047 231	6 037 408	17 697 317	4 702 864	13 710 647	-	39 348 115	20 363 767	668 804	28 375	9 980	(156 707 396)	402 261 454
INCOME															
Operational income	3 471	9 702 678	359 580	264 376	1 121 037	2 757 623	1 066 709	(4 336)	1 036 192	619 946	8 518	7 562	4 109	(1 518 923)	15 428 542
Financial Income	(63)	(1 983 225)	(19 673)	(229 591)	(38 515)	(16 964)	(105 022)	(70)	(133 482)	(46 482)	(2 175)	(104)	(38)	-	(2 575 406)
Net income with non--controlling interests	2 561	5 507 251	251 648	(23 219)	813 677	2 060 012	709 917	(3 456)	678 521	407 660	4 768	5 606	3 059	(986 544)	9 431 462
Total consolidated assets	34 460 907	316 129 620	9 535 050	30 358 679	10 865 055	1 919 348	32 138 323	22 038 800	-	7 808 861	-	-	-	(166 773 971)	298 480 671
Total consolidated liabilities	7 736 010	193 465 866	6 839 406	25 059 198	2 043 834	313 210	33 297 371	3 603 322	-	3 438 720	-	-	-	(109 415 917)	166 381 019
Capital expenses[1]	194 884	2 836 698	136 590	19 456 039	-	117 514	8 084 301	483	-	47 951	-	-	-	(2 060 303)	28 814 157
Depreciations[2]	1 218 162	3 349 993	151 796	7 247 595	72 020	69 214	5 663 887	537	-	164 662	-	-	-	31 927	17 969 793
DEC/16															
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
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[1]	41 492	1 349 225	(222 660)	7 652 462	-	24 412	8 047 901	(297)	-	107 720	-	-	-	179 028	17 179 283
Depreciations[2]	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

[1] Capital expenditur: (Net tangible, intagible and investiments properties variation)+(year depretiation)

[2] From the year

The line "Turnover" includes Sales, Service Rendered and the amount of about 12.226.743 Euros (11.894.847 Euros as of December 31, 2016) 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.

There is no revenue associated with transactions between the motor vehicle segment and the industrial equipment 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, 2017 and 2016, was as follows:

MARKET	DEC/17		DEC/16	
	AMOUNT	%	AMOUNT	%
National	337 229 617	86,46%	290 818 846	86,31%
Belgium	39 060 407	10,01%	34 807 547	10,33%
African Countries with Official Portuguese Language	12 972 473	3,33%	11 063 775	3,28%
Spain	100 516	0,03%	55 542	0,02%
Germany	5 814	0,00%	10 306	0,00%
United Kingdom	5 283	0,00%	5 705	0,00%
Others	660 602	0,17%	194 701	0,06%
Total	**390 034 711**	**100,00%**	**336 956 422**	**100,00%**

30. EXTERNAL SUPPLIES AND SERVICES

As of December 31, 2017 and 2016, the caption “External supplies and services” was as follows:

	DEC/17	DEC/16
Subcontracts	**1 891 529**	**1 795 240**
Specialized Services	**20 293 999**	**16 601 974**
Professional Services	5 732 349	5 405 855
Advertising	11 039 464	8 196 141
Vigilance and Security	503 179	407 709
Professional Fees	815 716	776 689
Commissions	219 528	169 784
Repairs and Maintenance	1 983 763	1 645 796
Materials	**897 476**	**825 519**
Utilities	**3 038 170**	**2 995 753**
Travel and transportation	**3 035 556**	**2 822 848**
Traveling expenses	1 589 693	1 482 225
Personnel transportation	93 692	91 275
Transportation of materials	1 352 171	1 249 348
Other supplies	**14 072 835**	**12 064 912**
Rent	2 615 226	2 620 551
Communication	757 750	754 456
Insurance	1 306 961	1 067 100
Royalties	420 680	334 109
Notaries	28 307	30 404
Cleaning and comfort	757 706	680 326
Other Services	8 186 205	6 577 966
Total	**43 229 565**	**37 106 246**

31. PAYROLL EXPENSES

Payroll expenses are decomposed as follows:

	DEC/17	DEC/16
Payroll Management	559 153	550 505
Payroll Personnel	25 687 992	25 799 158
Benefits Plan	1 287 735	1 163 199
Termination Indemnities	884 175	843 701
Social Security Contribution	6 896 479	7 021 499
Workmen´s Insurance	321 748	437 571
Others	2 997 262	3 549 373
Total	**38 634 544**	**39 365 006**

During 2017 and 2016, the average number of personnel was as follows:

PERSONNEL	DEC/17	DEC/16
Employees	1 068	1 033
Workers	462	472
Total	**1 530**	**1 505**

32. OTHER OPERATING INCOME AND EXPENSES

As of December 31, 2017 and 2016, the caption "Other operating income" was as follows:

OTHER OPERATING INCOME	DEC/17	DEC/16
Guarantees recovered and other operating expenses	14 861 331	10 999 079
Lease Equipment	12 220 743	11 888 847
Commissions	3 998 119	3 613 056
Rents charged	3 550 376	4 010 010
Work for the Company	2 702 708	3 254 219
Advertising expenses and sales promotion recovered	2 649 639	2 102 453
Subsidies	2 074 972	2 588 603
Expenses recovered	2 042 402	2 722 771
Services provided	1 768 985	1 499 843
Gains in the disposal Tangible Fixed Assets	582 384	452 495
Compensation claims	47 562	50 914
Corrections on the previous exercises	44 340	32 230
Total	**46 543 561**	**43 214 520**

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, 2017 and 2016, the caption “Other operating expenses” was as follows

OTHER OPERATING INCOME	DEC/17	DEC/16
Taxes	1 037 204	1 027 802
Bad debts	41 276	214 491
Losses in inventories	-	59 651
Prompt payment discounts granted	1 158	3 541
Losses in other investments	-	63
Losses in other non-financial investments	36 874	70 212
Corrections to previous years	342 943	98 066
Donations	29 722	257 650
Subscriptions	28 297	23 766
Fines and penalties	40 438	197 735
Others	983 293	1 005 611
Total	**2 541 205**	**2 958 588**

33. FINANCIAL INCOME AND EXPENSES

Consolidated net financial results as of December 31, 2017 and 2016 were as follows:

EXPENSES AND LOSSES	DEC/17	DEC/16
Interest	1 860 607	1 885 467
Other Financial Expenses	748 162	757 818
Total	**2 608 769**	**2 643 285**

INCOME AND GAINS	DEC/17	DEC/16
Interest	4 938	280 424
Other Financial Income	28 425	66 107
Total	**33 363**	**346 531**

As of December 31, 2017, the caption “Other Financial Income” includes derivatives’ fair value changes on the amount of 28.425 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:

	NOTE	FINANCIAL ASSETS		FINANCIAL LIABILITIES	
		DEC/17	DEC/16	DEC/17	DEC/16
Derivate Financial Instruments	25	-	-	-	28 425
Available for sale Financial Assets	9	3 732 500	3 483 128	-	-
Accounts Receivable	11	52 192 195	57 920 456	-	-
Other Debtors – current	12	3 177 673	2 999 881	-	-
Bank Loans	18	-	-	56 400 000	47 941 048
Leasing	18	-	-	23 008 943	20 278 406
Overdrafts	18	-	-	529 851	1 001 251
Other Creditors	20	-	-	1 687 511	1 095 835
Accounts Payable	19	-	-	40 256 759	35 509 231
Other current liabilities	22	-	-	15 098 004	15 839 526
Cash and Cash Equivalents	15	17 267 570	14 556 190	-	-
Total		**76 369 938**	**78 959 655**	**136 981 068**	**121 693 722**

Financial Instruments at Fair Value

	NOTE	FINANCIAL ASSETS		FINANCIAL LIABILITIES	
		DEC/17	DEC/16	DEC/17	DEC/16
Derivate Financial Instruments	25	-	-	-	(28 425)
Available for sale Assets	9	3 732 500	3 483 128	-	-
Total		**3 732 500**	**3 483 128**	**-**	**(28 425)**

Classification and Measurement

	AVAILABLE FOR SALE ASSETS		DERIVATE FINANCIAL INSTRUMENTS		LEVEL
	AT FAIR VALUE	AT COST	CASH FLOW HEDGE ACCOUNTING	NEGOTIATION	
Cimóvel Fund	3 665 764	-	-	-	1)
Others	-	66 736	-	-	3)

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: 3.667.764 Euros (3.416.391 Euros in 2016);

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 in 2016;

c) Level 3 - inputs for the asset or liability that are not based on observable market data.

Impact on the Income Statement and Other Comprehensive Income

	IMPACT ON EQUITY		IMPACT ON INCOME	
	DEC/17	DEC/16	DEC/17	DEC/16
Derivate Financial Instruments	-	-	(28 425)	66 107
Available for sale Financial Assets	249 372	19 678	-	-
Total	**249 372**	**19 678**	**(28 425)**	**66 107**

35. OPERATIONAL LEASE

During the period of 2017, the minimum payments for operational leases amounted to approximately 5,2 million Euros (5,7 million Euros in 2016). Of that amount, 2 million relate to payments with maturity of one year, 3 million relate to payments to occur in the period between two to five years and 141 thousand Euros relate to payments of maturity of more than five years.

MINIMUM PAYMENTS OF OPERATIONAL LEASE	DEC/17	DEC/16
Not more than one year	1 976 856	2 149 610
More than one year and no more than five	3 045 611	3 409 638
More than five years	141 425	118 370
Total	**5 163 892**	**5 677 618**

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.	530	-	-	-	-	-	-	-	-	1 182
Atlântica - Companhia Portuguesa de Pesca, S.A.	5 152	-	-	-	-	-	-	-	-	17
Auto Partner Imobiliária, S.A.	-	13 788	-	-	-	-	-	122 016	-	-
Cabo Verde Rent-a-Car, Lda.	-	23 730	56 029	-	-	-	163	194 065	-	-
Caetano Active, S.A.	2 223	1 985	(2 171)	-	-	-	1 661	6 252	-	879
Caetano Aeronautic, S.A.	207 006	-	796	-	-	-	24 603	134 145	84 713	428 108
Caetano Baviera - Comércio de Automóveis, S.A.	595 628	135 295	3 404 146	459 247	-	-	10 922	229 053	273 727	590 277
Caetano City e Active (Norte), S.A.	398 033	(3 783)	3 149 808	2 731	-	57 284	85	95 389	199 117	39 233
Caetano Drive ,Sport e Urban, S.A.	1 950	52 809	12 752	1 933	-	81 463	68 560	304 273	-	215 441
Caetano Energy, S.A.	34 514	10 028	5 523	4 604	-	-	5 560	2 277	-	136 277
Caetano Equipamentos, S.A.	135	-	-	-	-	-	-	-	-	135
Caetano Fórmula , S.A.	33 464	158 009	13 291	787 733	-	38 528	28 017	(23 622)	-	143 003
Caetano Formula East África, S.A.	10	-	-	-	-	-	-	-	-	9
Caetano Fórmula Moçambique S.A.	942	-	-	-	-	-	-	-	-	942
Caetano Lyrsa, S.A.	26	-	-	-	-	-	-	-	-	21
Caetano Motors, S.A.	143 704	65 219	(22 252)	35	-	-	(17 776)	37 192	-	196 419
Caetano Move África, S.A.	10	-	-	-	-	-	-	-	-	51
Caetano One CV, Lda.	93 856	-	39 683	4 772	-	-	51 112	496	-	36 196
Caetano Parts, Lda.	3 607	1 462 417	1 797 942	5 937 053	-	-	1 645	19 499	-	203 380
Caetano Power, S.A.	214 493	216 731	(22 074)	20 416	23 152	38 892	8 677	(6 785)	-	206 783
Caetano Retail (S.G.P.S.,), S.A.	102 773	3 825	413	-	-	-	244	3 194	-	144 701
Caetano Squadra África, S.A.	-	-	-	-	-	-	-	-	-	42
Caetano Star, S.A.	15 941	703	1 281	1 847	-	-	-	1 406	-	13 244
Caetano Technik, Lda.	19 587	27 118	(20 481)	2 292	22 987	13 944	(8 339)	1	-	(11 538)
CaetanoBus - Fabricação de Carroçarias, S.A.	5 679 318	40 021	35 198	50 918	-	-	3 222	82 610	4 053	2 508 312
Caetsu Publicidade, S.A.	8 201	932 662	62 052	33 790	-	-	7 442	3 108 206	-	7 165
Carplus - Comércio de Automóveis, S.A.	21 027	-	88 909	-	-	-	117 900	267	-	229 237
Choice Car, S.A.	234	-	-	-	-	-	-	340	3 792	7 552
COCIGA - Construções Civis de Gaia, S.A.	4 917	200 218	-	-	448 254	-	1 748	98 400	-	2 945
Finlog - Aluguer e Comércio de Automóveis, S.A.	204 458	110 161	1 143 100	17 851	-	-	324 331	1 225 804	475 183	30 369
Fundação Salvador Caetano	617 686	-	-	-	-	-	-	-	-	(103)
Globalwatt, (S.G.P.S.,), S.A.	-	-	-	-	-	-	-	-	-	9
Grupo Salvador Caetano, (S.G.P.S.,), S.A.	42	-	-	-	-	-	-	-	-	217

COMPANY	COMMERCIAL DEBTS		PRODUCTS		FIXED ASSETS		SERVICES		OTHERS	
	RECEIVABLE	PAYABLE	SALES	PURCHASES	PURCHASES	DISPOSALS	RENDERED	OBTAINED	COSTS	INCOME
Guérin - Rent-a-Car (Dois), Lda.	572 487	262 855	74 033	206 741	-	-	1 491 790	18 002	-	71 584
Hyundai Portugal, S.A.	16 038	-	1 478	-	20 648	-	9 339	-	-	23 278
Ibericar - Sociedad Iberica del Automovil, S.A.	54 031	-	-	-	-	-	-	-	-	45 093
Ibericar Auto Nipon, S.A.	775	-	-	-	-	-	-	-	-	-
Ibericar Barcelona Premium, S.L.	-	-	-	-	-	-	-	-	583	-
Ibericar Formula Campo de Gibraltar, S.L.	-	-	-	-	-	-	-	-	-	264
Ibericar Gestoso, S.L.	-	-	-	-	-	-	-	-	583	-
Ibericar Motors Cádiz, S.L.	-	-	-	-	-	-	-	-	-	648
Ibericar MOVIL, S.L.	-	-	-	-	-	-	-	-	-	1 009
Ibericar Reicomsa, S.A.	-	-	-	-	-	-	-	-	-	644
Lidera Soluciones, S.L.	2 841	-	-	-	-	-	-	107 047	-	2 310
Lusilectra - Veículos e Equipamentos, S.A.	32 437	199 105	105 925	26 947	431 036	-	79 002	446 503	5 025	70 846
MDS Auto - Mediação de Seguros, S.A.	109 355	-	-	-	-	-	308	-	-	2 407
Movicargo - Movimentação Industrial, Lda.	2 514	451 933	330	718 375	-	-	4 945	40 501	8 273	3 227
P.O.A.L. - Pavimentações e Obras Acessórias, S.A.	17 806	-	-	-	-	-		-	-	-
Portianga - Comércio Internacional e Participações, S.A.	26 139	205 026	3 939	60 750	-	-	53 078	291 603	192 560	78 022
PV Loiral- Produção de Energia, Lda.	-	-	-	-	-	-		-	-	21
RARCON - Arquitectura e Consultadoria, S.A.	-	14 722	-	-	-	-		75 890	-	47
Rigor - Consultoria e Gestão, S.A.	89 939	1 004 886	23 117	412	151 455	-	154 169	4 327 420	8 024	229 252
Robert Hudson, LTD.	3 530	263	1 482	-	-	-	-	-	-	404
Salvador Caetano - Auto - (S.G.P.S.,), S.A.	-	-	-	-	-	-	-	-	-	403
Salvador Caetano Auto África, (S.G.P.S.,), S.A.	811 948	-	-	-	-	-	-	-	83	47
Salvador Caetano Capital, (S.G.P.S.,),S.A.	-	-	-	-	-	-	-	-	-	9
Salvador Caetano Indústria (S.G.P.S.,), S.A.	26	-	-	-	-	-	-	-	-	21
SIMOGA - Sociedade Imobiliária de Gaia, S.A.	1 374	-	-	-	-	-	-	-	-	337
Sol Green Watt, S.L.	812	-	-	-	-	-	-	-	-	660
Sózó Portugal, S.A.	3 491	-	-	-	-	-	-	-	-	5 270
Turispaiva - Sociedade Turística Paivense, S.A.	271	-	-	-	-	-	-	-	-	1 210
VAS África (S.G.P.S.,), S.A.	-	-	-	-	-	-	-	-	-	153
Vas Cabo Verde, Sociedade Unipessoal, S.A.	64 845	-	59 321	6 724	-	-	73 819	3 060	-	124 052
Total	**10 220 129**	**5 589 726**	**10 013 570**	**8 345 171**	**1 097 532**	**230 112**	**2 496 226**	**10 944 504**	**1 255 718**	**5 791 720**

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, 2017 and 2016, Toyota Caetano Group had assumed the following financial commitments:

COMMITMENTS	DEC/17	DEC/16
Credits	96 391	105 190
Guarantees of Imports	4 000 000	5 500 000
Total	**4 096 391**	**5 605 190**

At December 31, 2017 and 2016, 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 16 million Euros debt contracting, the Group has granted mortgages to the respective financial institutions, valued at about 23,4 million Euros, at the financing date.

TAXES LIQUIDATION:

TOYOTA CAETANO PORTUGAL, S.A.

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 2017.

38. REMUNERATION OF BOARD MEMBERS

The remuneration of the board members during the years 2017 and 2016, was as follows:

BOARD MEMBERS	DEC/17	DEC/16
Board of Directors		
Fixed remunerations	559 153	550 505

39. REMUNERATION OF STATUTORY AUDITOR

The remuneration of the Statutory Auditor, PricewatherhouseCoopers & Associados – S.R.O.C., Lda. for December 31, 2017 and 2016, was as follows:

	DEC/17	DEC/16
Total fees related statutory audit	59 575	59 670
Total fees related assurance services	1 000	3 500
Total	**60 575**	**63 170**

40. SUBSEQUENT EVENTS

Since the conclusion of the year 2017 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 21, 2018.

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

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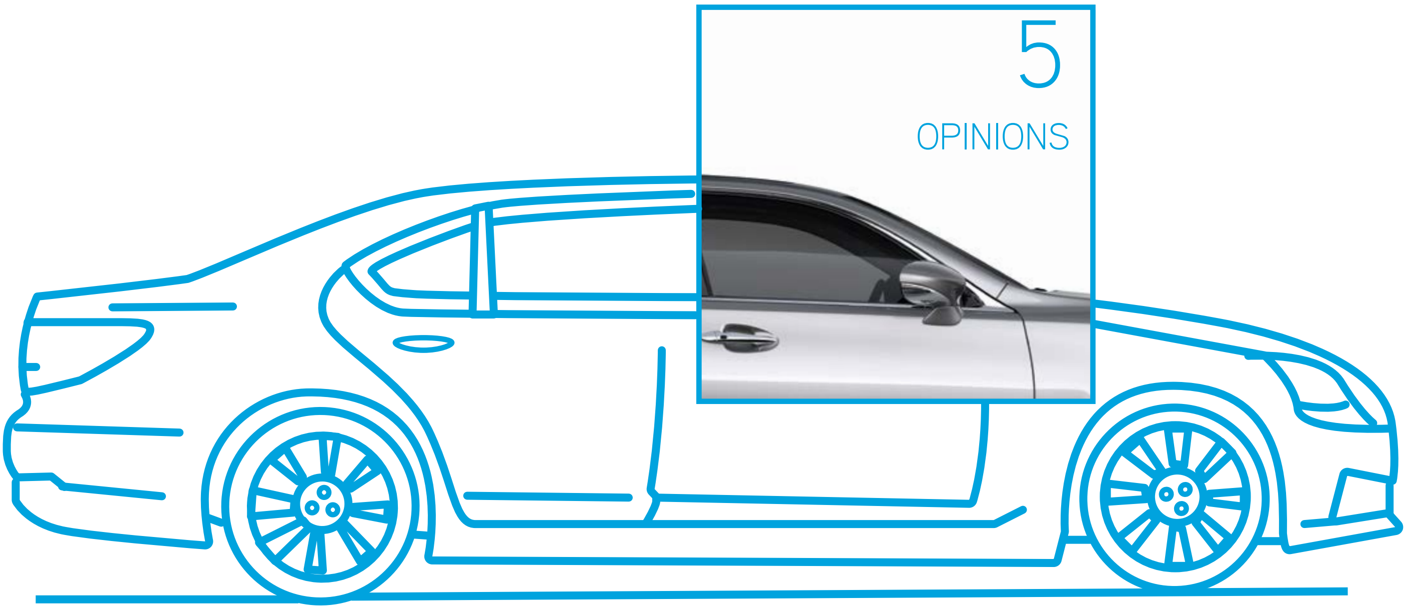
OPINIONS



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, SA, referring to the financial year of 2017, 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 analysed and approved the provision of additional services by PricewaterhouseCoopers & Associados - SROC, Lda. for the year 2017.

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

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

Thus,

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, SA and that the management report clearly shows the business evolution, the performance and the position of the Company and companies included in its perimeter of consolidation, evidencing as well a description of the mains risks and incertitude's to be faced.

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, 2017;

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

Vila Nova de Gaia, 21th March 2018

José Domingos da Silva Fernandes
Alberto Luis Lema Mandim
Daniel Broekhuizen

STATEMENT OF THE FISCAL COUNCIL

All members of the Fiscal Council of TOYOTA CAETANO PORTUGAL, S.A., under the terms of item c) of number 1 of article 245.º of the "Código de Valores Mobiliários", hereby declare that, as far as it is their knowledge, the information provided in item a) of the above referred article, including documents of individual and consolidated accounts, was elaborated according to the accounting rules applicable, evidencing a correct and clear image of the assets and liabilities, of the financial situation and results of TOYOTA CAETANO PORTUGAL, SA and that the management report clearly shows the business evolution, the performance and the position of the Company and companies included in its perimeter of consolidation, evidencing as well a description of the mains risks and incertitude's to be faced.

Vila Nova de Gaia, 21th March 2018

José Domingos da Silva Fernandes
Alberto Luis Lema Mandim
Daniel Broekhuizen

STATUTORY AUDIT

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 31 December 2017 (which shows total assets of Euro 277.987.779 and total shareholders' equity of Euro 130.712.235 including a net profit of Euro 9.338.305), 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 31 December 2017, 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 judgement, 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 MATTER	SUMMARY OF THE AUDIT APPROCHED
Revenue cut-off Disclosures related with revenue presented in the notes to the consolidated financial statements 2.3.n), 24 and 25. The Company's revenue amounts to Euro 313 million This amount includes Euro 33,3 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 MATTER	SUMMARY OF THE AUDIT APPROCHED
Used cars valuation Disclosures related with inventory presented in the notes to the consolidated financial statements 2.3.e) and 11. The Company presents in the consolidated statement of financial position, inventory amounting to Euro 61 million, representing about 22% of total assets. The mentioned amount includes Euro 45 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 judgement 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, 2017 - 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, 2017 in order to identify situations in that the net realizable amount is lower than the carrying amount as of December 31, 2017.

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.

Non-financial statement set forth in article No. 66-B of the Portuguese Company

In compliance with paragraph 6 of article No. 451 of the Portuguese Company Law, we hereby inform that the entity included in its Director's report the non-financial statement set forth in article No. 66-B of the Portuguese Company Law.

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 23 April 2010 having remained in functions until the current period. Our last appointment was in the Shareholders' General Meeting of 30 April 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 21 March 2018.

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.

21 March 2018

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda.

represented by:
José Miguel Dantas Maio Marques, R.O.C.

STATUTORY AUDIT 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 31 December 2017 (which shows total assets of Euro 298.480.671 and total shareholders' equity of Euro 132.099.653 including a net profit of Euro 9.338.305), 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 31 December 2017, 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 judgement, 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	SUMMARY OF THE AUDIR APPROCHED
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 390 million. This amount includes Euro 37,9 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	SUMMARY OF THE AUDIR APPROCHED
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 96 million representing about 32% of total assets. The mentioned amount includes Euro 81 million related with merchandise, which are measured at the lower of average acquisition cost and net realizable value. The amount of merchandise contains Euro 35,8 million referent to used cars, being the respective cumulative impairment losses of Euro 1,1 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 judgement 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, 2017 - 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, 2017 in order to identify situations in that the net realizable amount is lower than the carrying amount as of December 31, 2017.

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.

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REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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Non-financial statement set forth in article No. 66-B of the Portuguese Company

In compliance with paragraph 6 of article No. 451 of the Portuguese Company Law, we hereby inform that the entity included in its Director's report the non-financial statement set forth in article No. 66-B of the Portuguese Company Law.

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 23 April 2010 having remained in functions until the current period. Our last appointment was in the Shareholders' General Meeting of 30 April 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 21 March 2018.

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.

21 March 2018

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 2017:

Analyzed all accounting data and other records of Toyota Caetano Portugal, this Committee verified that the changes occurred in the remuneration of the Governing Bodies during the year 2017 complied with the proposals of this Committee approved in the General Meeting of Shareholders of April 21, 2017.

b) Policy of Remuneration applicable during the Financial Year 2018:

In view of the current economic climate and given the forecasts of activity and results for the financial year 2018, provided by the Management of the Company, it 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 2018 be updated in a range between 1,5% to 3%.
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 2017, when this remuneration component was attributed, was met the Commission's proposal of not exceeding 2% of the distributable results.

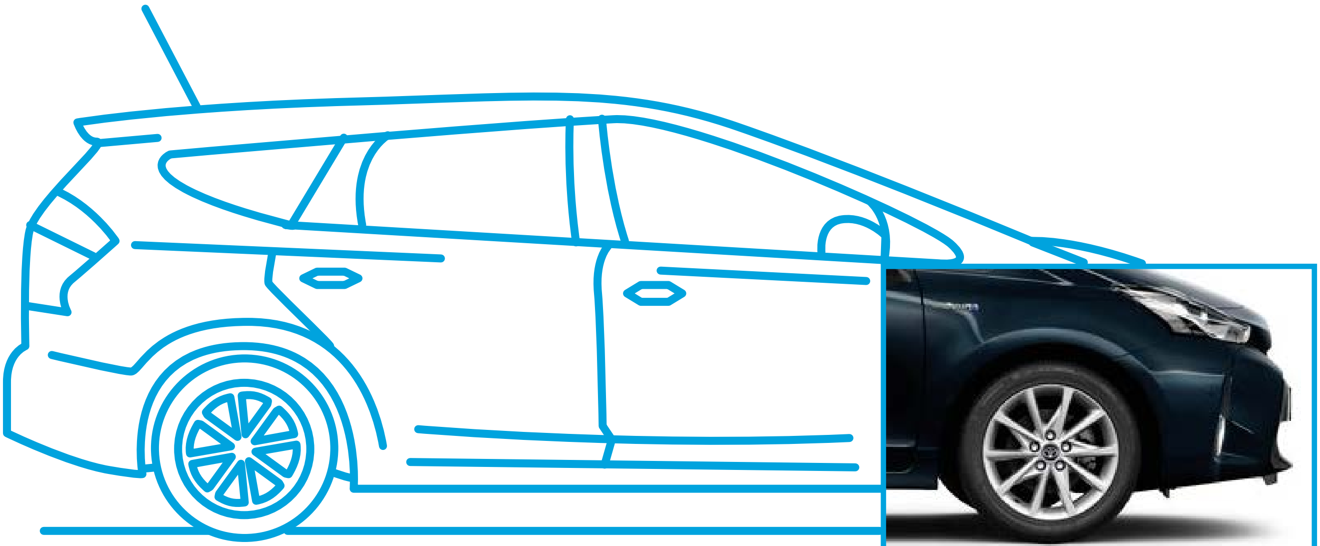
Therefore and referring to paragraph b) of number 3 of article 2 of Law 28/2009 of 19 June, this Remuneration Committee proposes the maintenance of this criteria for 2018, namely that the variable remuneration of the Executive Members of the Board of Directors as a whole does not exceeds 3% of the distributable profits determined in the financial year of 2017.

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



6 CORPORATE GOVERNANCE

GOVERNANCE REPORT

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

A. SHAREHOLDER STRUCTURE

I. CAPITAL STRUCTURE

1. CAPITAL STRUCTURE

As at 31 December 2017, 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.	22 777 241	65,078%
Toyota Motor Europe NV/SA directly	9 450 000	27,000%

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.

	SHARES	BONDS
MEMBER		
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 Noronha Mendes	0	0
Matthew Peter Harrison	0	0
Nobuaki Fujii	0	0
Yoicho Sato	0	0
SUPERVISORY BOARD		
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 2017 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 possibledistribution 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 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 19, 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 DESIGNIATION
José Reis da Silva Ramos	Chairman	Executive	Não	29/01/2010
Maria Angelina Martins Caetano Ramos	Member	Executive	Não	30/03/1989
Salvador Acácio Martins Caetano	Member	Executive	Não	30/03/1989
Miguel Pedro Caetano Ramos	Member	Executive	Não	23/04/2010
Rui Manuel Machado Noronha Mendes	Member	Executive	Não	23/04/2010
Matthew Peter Harrison	Member	Non Executive	Não	27/08/2015
Nobuaki Fujii	Member	Non Executive	Não	01/04/2016
Yoicho Sato	Member	Non Executive	Não	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).

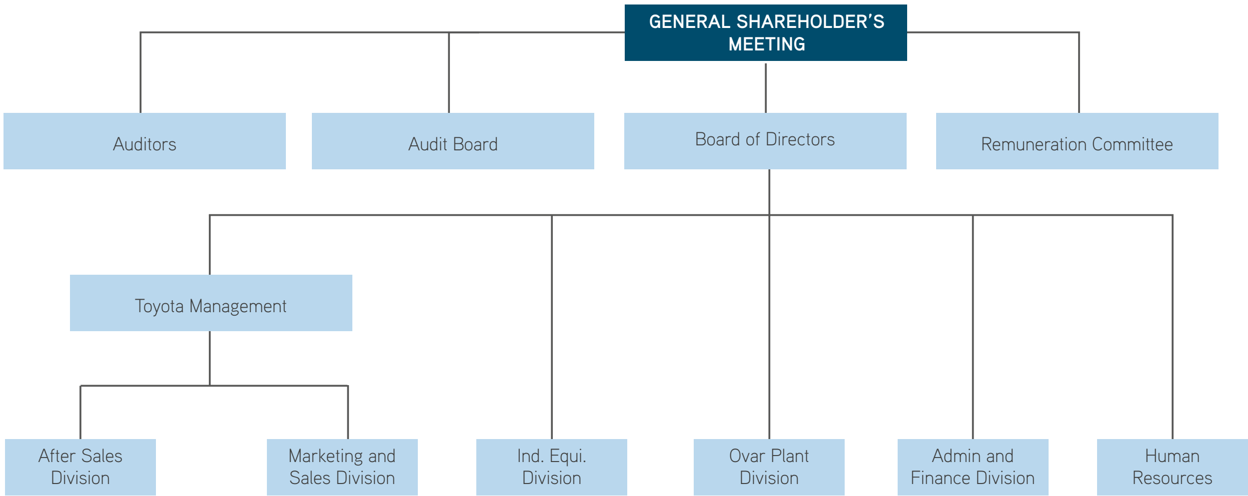
19. PROFESSIONAL QUALIFICATIONS AND OTHER ELEMENTS RELEVANT CURRICULUM FOR EACH OF THE MEMBERS OF THE BOARD OF DIRECTORS

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 2017, the Board of Directors convened seven 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, S.G.P.S., 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 - Comercio Internacional e Participações, S.A.	Chairman Board Directors
	Salvador Caetano - Indústria (S.G.P.S.), S.A.	Chairman Board Directors
	Salvador Caetano Auto África, S.G.P.S., S.A.	Chairman Board Directors
	Grupo Salvador Caetano, S.G.P.S., S.A.	Member Board Directors
	Salvador Caetano Auto, S.G.P.S., S.A.	Member Board Directors
	Atlântica – Comp. Portuguesa de Pesca, 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, S.G.P.S., 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, S.G.P.S., S.A.	Chairman Board Directors
	Salvador Caetano Auto, S.G.P.S., S.A.	Vice-Presidente Board Directors
	Saltano – Invest. e Gestão, S.G.P.S., 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, S.G.P.S., S.A.	Member Board Directors
	Caetano Auto CV, 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, S.G.P.S., S.A.	Chairman Board Directors
	Caetano Retail, S.G.P.S., 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, S.G.P.S., S.A.	Vice-Presidente Board Directors
	Rigor - Consultoria e Gestão, S.A.	Member Board Directors
	Saltano – Invest. e Gestão, S.G.P.S., 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, S.G.P.S., S.A.	Member Board Directors
	Simoga - Sociedade Imobiliária de Gaia, 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, S.G.P.S., S.A.	Chairman Board Directors
	Caetano Fórmula East África, S.A.	Chairman Board Directors
	Salvador Caetano Equipamentos, S.A.	Chairman Board Directors
	Caetanolyrsa, S.A.	Chairman Board Directors
	Drive Angola, S.A.	Chairman Board Directors
	Ibericar, Sociedad Iberica del Automóvil, S.A.	Chairman Board Directors
	Lidera Soluciones, S.L.	Vice-Presidente Board Directors
	Grupo Salvador Caetano, S.G.P.S., 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, S.G.P.S., S.A.	Member Board Directors
	Portianga - Comércio Internacional e Participações, S.A.	Member Board Directors
	Caetano Retail, S.G.P.S., S.A.	Member Board Directors
	Rigor - Consultoria e Gestão, S.A.	Member Board Directors
	Salvador Caetano - Auto, S.G.P.S., S.A.	Member Board Directors
	Salvador Caetano Auto África, S.G.P.S., S.A.	Member Board Directors
	Caetano Aeronautic, S.A.	Member Board Directors
	Auto Partner - Imobiliária, S.A.	Member Board Directors
	Salvador Caetano Indústria, S.G.P.S., 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
	Simba Caetano Fórmula, Limited	Manager
	Caetsu Publicidade - Comércio e Serviços (SU), Lda.	Manager
	Caetano Renting Angola, Lda.	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 Renting, S.A.	Member Board Directors
	Salvador Caetano Indústria, S.G.P.S., 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 three permanent members and two alternate member.
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 Luis 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 five times during the year 2017 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, S.G.P.S., S.A.
ONIRAM – Sociedade Construtora de Máquinas Industriais, Lda.
Alberto Luis Lema Mandim
Member of the Audit Board for the company
Caetano Auto S.A.
President of the Audit Board for the companies
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 Miguel Dantas Maio Marques, 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 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 2016.
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 auditoris the company PricewaterhouseCoopers & Associados - Sociedade de Revisores Oficiais de Contas, Lda. nº 9077 in CMVM.

43. NUMBER OF YEARS IN THE EXTERNAL AUDITOR AUDITOR AND THE RESPECTIVE MEMBER ACCOUNTS OFFICER THAT THE STANDS TO MEET THESE FUNCTIONS 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 60.575 Euro, distributed as follows:

	€	%
Company		
Value of audit services	28 000	45%
Value of other services	1 000	2%
Group companies		
Value of audit services	31 575	52%

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 ORGANISATIONAL 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 unfavourable 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.
For detailed 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.

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
Phone: 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. ADRESS

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 Luis 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 December1988. 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 2017 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	155 013	0	0	0	155 013
Maria Angelina Martins Caetano Ramos	113 941	290 200	0	0	404 141
Salvador Acácio Martins Caetano	0	0	0	0	0
Rui Manuel Machado Noronha Mendes	83 655	0	0	0	83 655
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 Luis 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	**361 009**	**290 200**	**0**	**0**	**651 209**

During the year ended December 31, 2017 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 2017.
In 2017 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 2017 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	REPPORT
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
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
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
II.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	

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 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	Itens 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. EmI.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.

CHARTERED ACCOUNTANT

Alexandra Maria Pacheco Gama Junqueira

BOARD OF DIRECTORS

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

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 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 - Decree 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 entities.
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, S.A. (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 Livia 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 Luis Lema Mandim**

Date and Place of Birth: 5 de julho de 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 da OTOC

1968 - Programation in em 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.

2000 - 2005 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 2016:
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 2017:
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

Toyota Caetano Portugal, S.A.