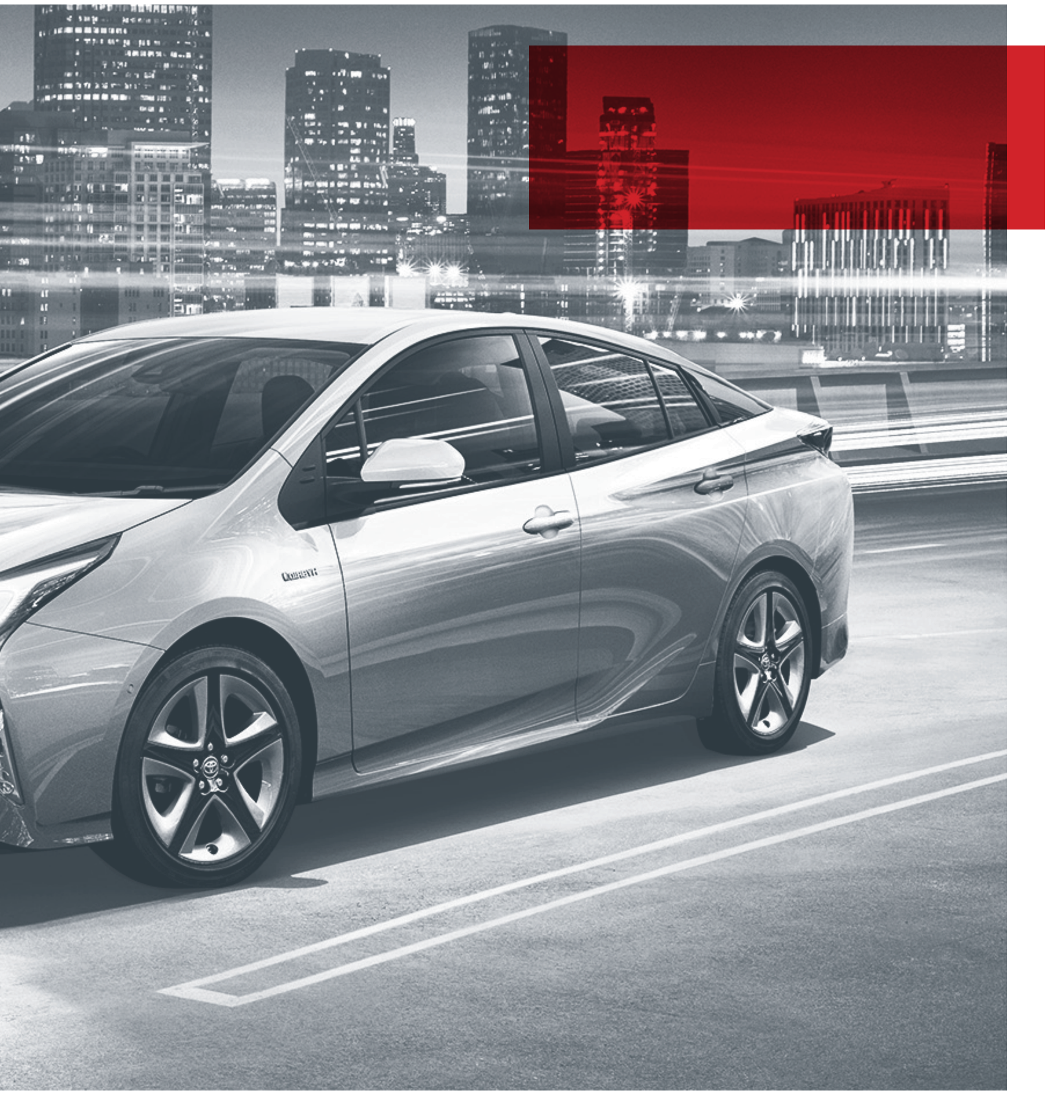
PROGRESS REPORT

Toyota Caetano Portugal, S.A.

INDEX

01 GENERAL



CORPORATE BODIES

GENERAL MEETING BOARD

Chairman
José Lourenço Abreu Teixeira

Vice Chairman
Manuel Fernando Monteiro da Silva

Secretary
Maria Olívia Almeida Madureira

Secretary
Jorge Manuel Coutinho Franco da Quinta

BOARD OF DIRECTORS

Chairman
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

Member
Masaru Shimada

SUPERVISORY BOARD

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Member
Alberto Luis Lema Mandim

Member
Daniel Broekhuizen

Deputy Member
Akito Takami

Deputy Member
Maria Lívia Fernandes Alves

STATUTORY AUDITOR

PricewaterhouseCoopers & Associados - Sociedade de Revisores Oficiais de Contas, Lda.
represented by Hermínio António Paulos Afonso or by José Miguel Dantas Maio Marques

Deputy Member
António Joaquim Brochado Correia

02 MANAGEMENT REPORT

MANAGEMENT REPORT

INTRODUCTION

The following progress report has been prepared in accordance with Article 246(1)(b) of the Portuguese Securities Code. For each of the member Companies within the consolidation scope of Toyota Caetano Portugal, it contains all the main events during the period under analysis, as well as their impact upon the financial statements.

At the same time, the main expectations for the 2nd half of the current year are also presented, albeit in a summarised way.

Toyota Caetano Portugal, S.A.

INDUSTRIAL ACTIVITY

Ovar Manufacturing Unit

In the first half of 2018 the Ovar Manufacturing Unit produced a total of 1,145 vehicles, representing a reduction of 11% over the same period last year. This reduction reflected a slight drop in vehicle sales in the South African market, however, at the end of the year, the volume is expected to be slightly higher than in the previous year.

In the vehicle transformation and preparation activity (PPO/PDI) works were carried out in 2,055 units, a figure lower than the one recorded in the same period of the previous year.

PRODUCTION	2018 (JAN-JUN)	2017 (JAN-JUN)	2017	2016	2015	2014
Toyota Physical Units	1.145	1.288	1.913	1.823	1.629	1.664
Transformed/Prepared Physical Units	2.055	2.414	3.469	3.773	4.353	3.271
Total Employees	180	182	177	186	192	170

In the first semester, in the activity related to vehicle assembly, there was a change in the logistic method used for receiving CKD, with the introduction of returnable racks.

The process for the creation of the Toyota Ovar HUB was also launched. The HUB will centralise and unify the management of the PPO/PDI, Park and Used Vehicles activities in the Ovar Manufacturing Plant, and this change will allow increasing efficiency and reducing costs.

We also highlight the following events, which occurred in the semester under analysis:

- A new Time Bank system agreed upon between Employees and the Company, making labour hours more flexible in order to meet market needs and fluctuations.

- Audit conducted by APCER as part of the Quality Management System – ISO 14001 (renewal) – and Quality – ISO 9001 (follow-up) –, from 25 to 28 June.

- Open Day at the facilities of the Ovar Manufacturing Unit organised in partnership with Produtech/Mobinov, with the primary objective of promoting the company's contact with several domestic suppliers.

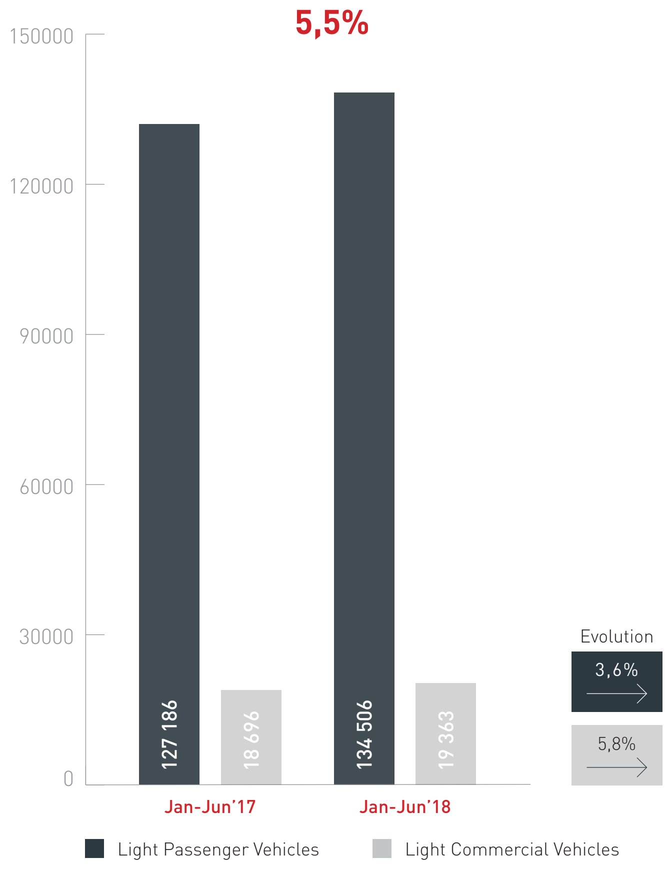
COMMERCIAL ACTIVITY

VEHICLES

Total Automotive Market

In the 1st semester of 2018, the rising trend of the last few years remained unchanged, with the overall market growing by almost 6%.

This recovery was a result of the positive development of both passenger vehicles and light commercial vehicles, which have increased by 5.8% and 3.6%, respectively.

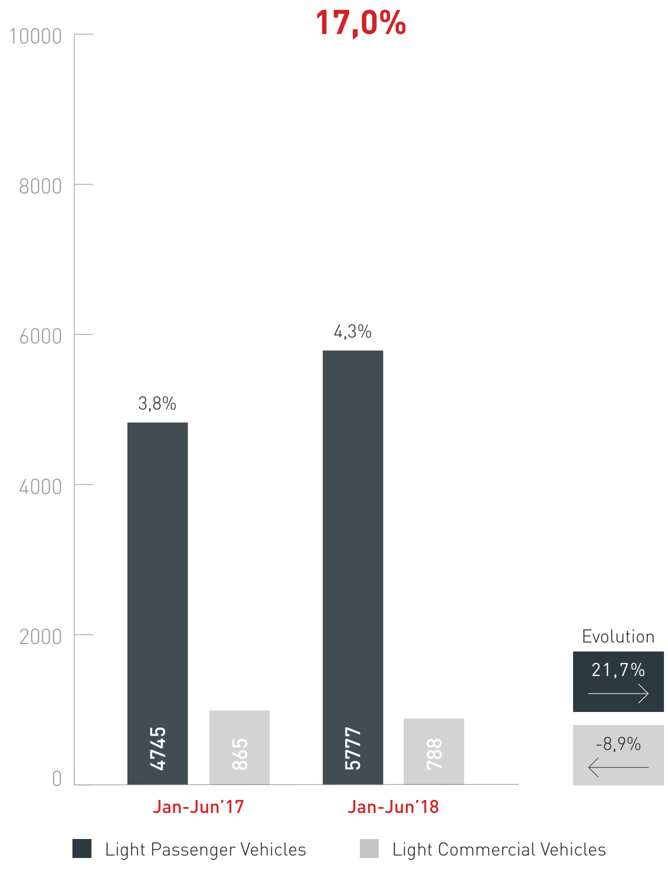


Source: ACAP (Portuguese Automobile Trade Association)

TOYOTA

In the first half of the year, the Toyota brand achieved a total sales figure of 6,565 units, translating into a 17% increase, compared to the same period last year.

This results in a total market share of 4.3% in the first half of the year (+0.5 p.p. compared to 2017).



Source: ACAP (Portuguese Automobile Trade Association)

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

- In Light Passenger Vehicles, Toyota witnessed a strong growth of 21.7%, higher than the market growth, with a share of 4.3% (+0.6 p.p. compared to 2017).

This recovery is due to the good performance of hybrid vehicles (+ 70% vs. 2017), mostly driven by the C-HR Hybrid, integrated into one of the fastest growing market segments - Crossovers.

- As far as Light Commercial Vehicles are concerned, Toyota showed a decrease of 8.9%, with a market share of 4.1%.

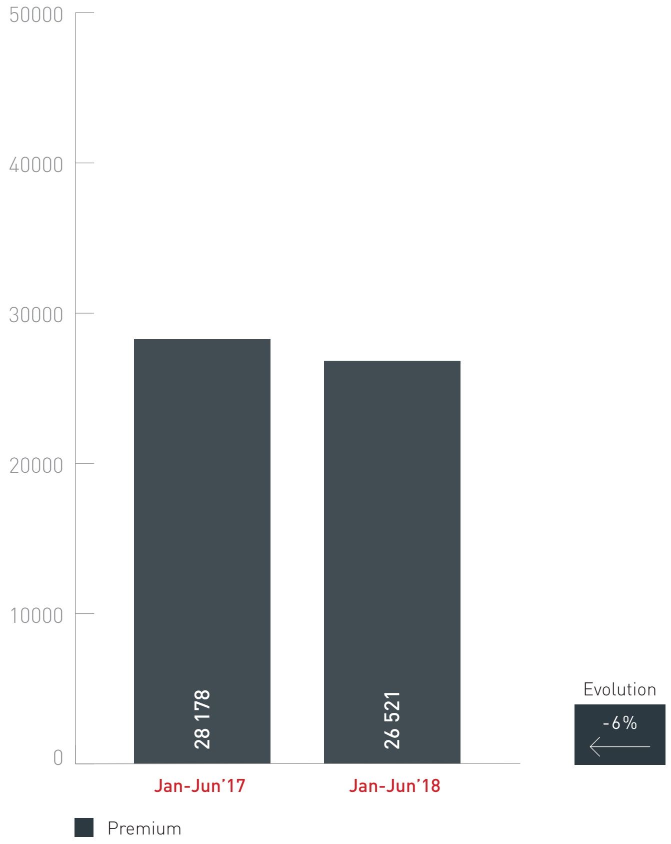
This decrease does not entirely reflect the overall performance of the brand in commercial vehicles, which remains stable, since ACAP's statistics were changed in January 2018, as regards the classification of vehicle categories.

With this change, the Proace Verso model, a 9-seater van which was previously part of the commercial vehicle statistics, was included in the passenger vehicle statistics, according to the classification used by the IMT, skewing the comparison with the same period of the previous year.

The prospects for the second half of the year are favourable, as the brand is expected to maintain a good overall performance, while continuing to invest in hybrid vehicles.

Premium Market

Contrary to the trend of recent years, in the first half of 2018 the premium market dropped by 6%.

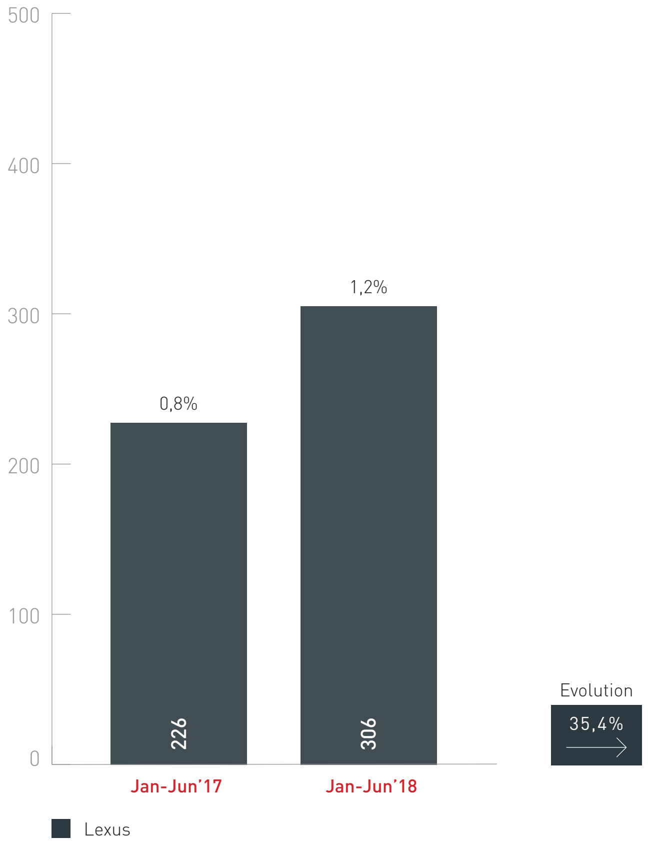


Source: ACAP (Portuguese Automobile Trade Association)

LEXUS

Lexus, on the other hand, has once again showed a strong growth compared to the previous year, this time above 35%. This resulted in an increase in market share in the premium segment of 0.4 p.p.

The favourable developments in Lexus sales are expected to continue in the second half of the year, as a result of the recent expansion of the brand's dealership network, with new points of sale and service, as well as of a strong market demand for hybrid models.



Source: ACAP (Portuguese Automobile Trade Association)

INDUSTRIAL MACHINES

Toyota Industrial Equipment

	TOTAL MARKET			TOYOTA + BT SALES				
	1ST SEMESTER '17	1ST SEMESTER '18	VARIATION	1ST SEMESTER'17		1ST SEMESTER'18		VARIATION
			%	QTY	SHARE	QTY	SHARE	%
Counterbalanced Forklift Trucks	815	973	19%	174	21,3%	173	17,8%	-0,6%
Warehouse Equipment	1343	1345	0%	477	35,5%	254	18,9%	-46,8%
TOTAL MMC	2158	2318	7%	651	30,2%	427	18,4%	-34,4%

Source: Wits

Market

In the first half of 2018, the Cargo Handling Machines market grew by approximately 7% compared to the same period of the previous year.

With regard to Toyota, 427 orders were placed in 2018, which, in a total market of 2,318 units, corresponds to a market share of 18.4%.

Toyota Sales Performance by Segment

With regard to the Counterbalanced Forklift Trucks segment, the number of units ordered remained in line with that of the previous year, with the market share standing at 17.8%.

On the other hand, in the Warehouse Equipment segment, there was a decrease of 46.8%, with the market share standing at 18.9%.

This decrease is justified by the fact that, in March 2017, a large fleet deal (around 300 units) was signed by our brand, influencing both the market and our share in that period.

Prospects for the end of the year

Taking into account that it is a holiday period, as usual, in July and August we expect a slowdown in activity.

However, the activity is expected to resume its usual pace in September and may even pick up speed in the last months of the year.

With regard to our initial forecasts and in terms of marketing volumes, we expect our targets to be fully met, taking into account the degree of performance achieved until June'18.

AFTER-SALES

In the first half of 2018, the overall turnover of the After-Sales Division totalled more than 19.5 million euros. This figure includes the "Extension of Guarantee" and "Total Assistance" services, whose billing in this period amounted to about 1 million Euros.

The commercial parts activity (genuine & national incorporation), which excludes accessories, guarantees and services, amounted to approximately 14.3 million Euros. This amount represents a growth of 2.2% compared to the first half of 2017.

In turn, the billing of accessories (which includes merchandising) totalled 1.8 million euros in the first half of 2018. These sales exceeded the figures obtained in the previous year by 11.4%.

During the first half of 2018, Toyota Caetano Portugal continued to pursue a customer-oriented strategy (360º strategy) in order to counteract the effects of Toyota's decreasing and ageing rolling stock.

Our priority is to meet all customer needs, providing top-notch service.

We highlight some of our initiatives:

- New edition of the annual VCI (Value Chain Index) challenge for the year 2018. This initiative encourages every Toyota dealer to achieve good performance in indicators seen as strategic for the after-sales business.
- New edition of the Toyota Hybrid Service Program, with a new communication plan and marketing actions reinforcing the innovative choice, confidence in the professionals and low maintenance costs.
- Relaunch of the Toyota On-The-Spot Check-Up Service adjusted to new premises that improve the convenience of this service.
- Launch of new Genuine Toyota parts (HB3 xenon lamps, new cabin filters,...).
- New Merchandising products, with the launch of new collections such as Toyota Olympics, Toyota Gazoo Racing WRC and the Hilux and Land Cruiser lines.
- New Tire Campaigns aimed at renewing interest in this product.

The After-Sales Division intends to maintain the growth levels it has already achieved by the second half of 2018, keeping a strong focus on the aforementioned strategy (360º strategy).

CAETANO AUTO, S.A.

While keeping the trend recorded in the last half of 2017, the year 2018 began with signs of strong activity improvement, following the growth of the automotive market in Portugal.

Thus, the turnover of Caetano Auto in the 1st half of 2018 surpassed 125 million euros, against the 102 million reached in the previous year, thus recording a growth of about 23% (vehicle sales and after-sales operations).

By type of operation, new vehicles grew by 586 units over the same period last year by accumulating 2,882 units; used cars also rose 633 units, recording an accumulated amount of 3,222 units sold in June 2018.

With regard to after sales, revenue for this semester exceeded 27 million euros, showing an improvement compared to the previous year, especially in mechanics, where, due to the continued implementation of the cellular model, significant gains were achieved while maintaining the existing structure (11% more in revenues, 15% increase in the productivity rate, 20% more hours billed).

In terms of expenses and as a result of a careful management, the previous levels remained unchanged, despite the increase in costs with staff and external supplies and services, resulting from the variable component arising from the increase in sales itself.

In the first half of 2018, Caetano Auto sold its facilities in Óbidos, generating a capital gain of around 0.6 million euros. Furthermore, in March 2018 Caetano Auto transferred the ownership of the facilities that supported the business developed in Leiria, in order to continue concentrating its business in large urban areas.

In view of the above, in the first half of 2018, Caetano Auto recorded results that showed a growth of more than 60% over the same period of 2017, which makes us believe that the 2018 financial year will end with results that are clearly higher than those achieved in recent years.

CAETANO AUTO CABO VERDE, S.A.

Economic Climate Indicator *

Although the data released by the National Institute of Statistics of Cape Verde (INECV) concern the first quarter of this year, the consumer confidence indicator maintained the upward trend of the last quarter, registering the highest figure of the last 12 consecutive quarters. This result was due to the fact that families made a positive assessment of the financial situation of their household and the economic situation of the country for the next 12 months.

However, we should note that the intentions to purchase new vehicles over the next 2 years are relatively low and may indicate a drop in the retail market.

*Source (Economic survey INE CV 1st Q 2018)

Commercial Activity

Vehicles

SEGMENT	BRAND	2017	2018	VARIATION QTY.	VARIATION %
Light-Duty Passenger Vehicles	Toyota	30	35	+5	+16,6%
Light Commercial Vehicles	Toyota	140	156	+16	+11,4%
Heavy Commercial Vehicles	Toyota	9	16	+7	+77,7%
		179	207	+28	+15,6%

In the first half of 2018, when compared to the same period last year, Caetano Auto CV, S.A. sold 28 more units, a result equivalent to a 15.6% growth in new vehicles.

As shown in the table above, all segments grew; we should highlight the percentage growth of the heavy-duty commercial vehicles segment, with a major contribution by the Dyna model. In terms of passenger vehicles, the increase in the sales of Land Cruiser and Avensis units offset the drop in Rav 4, Yaris and Fortuner models. The increase in light passenger commercial vehicles was focused on the Hilux model, to the detriment of the Hiace model.

We should note that the drop in Hiace sales was due to a legislative amendment regarding the circulation of these vehicles, primarily used for taxi services.

After-Sales

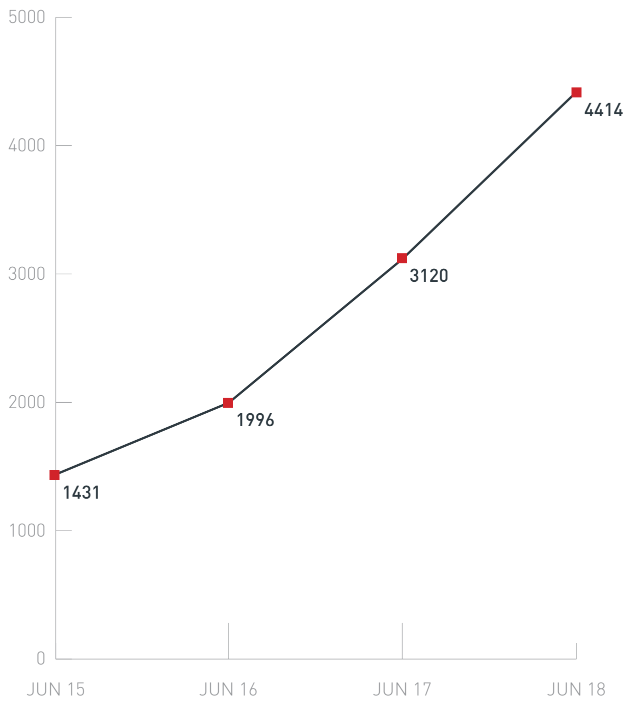
SALES	2017	2018	VARIATION VALUE	VARIATION %
Parts/Accessories	71,5	82,6	11,1	+15,6%
Workshop (Labour)	14,8	17,6	2,8	+19%
	86,3	100,3	13,9	+16,2%

(Amounts in Million CVE)

With regard to After Sales, it is possible to notice an increase in the amounts marketed compared to the same period of the previous year. The increase in the sale of parts and accessories corresponded to an increase in the services rendered mainly in the sale of labour in cases of collision.

CAETANO RENTING, S.A.

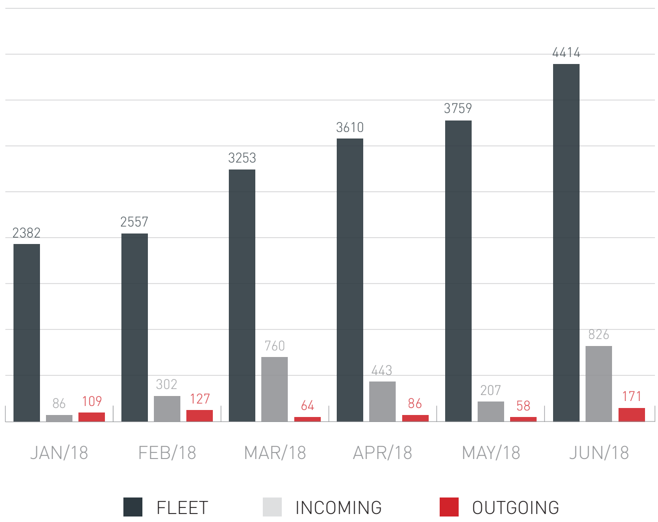
There has been a substantial increase in the Caetano Renting fleet over the last four years - from 1431 units to 4414 units in the period under analysis.



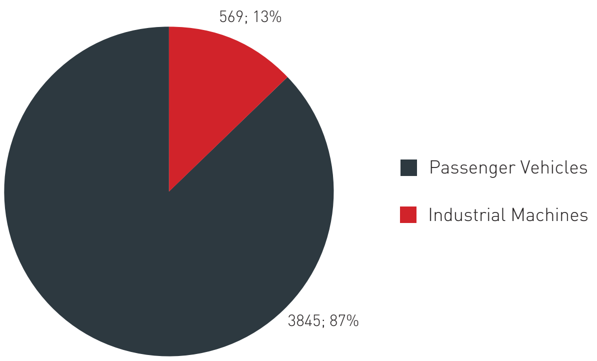
Compared with the same period of the previous year, there was an increase of 43.78%.

This increase is mainly related to the supply of vehicles for the Rent-A-Car business, with a substantial increase in the number of units acquired in March and June 2018.

However, in the second half of the year, we expect a reduction in the fleet in operation due to the end of a number of contracts in progress, which will naturally lead to the sale of the vehicles in question.



In addition to the rental of Passenger Vehicles, we continue with the rental of Industrial Machines, which represent 13% of the total fleet.



In view of the above, there was also a consequent increase in Turnover.

Taking into account the normal development of the company's activity, we expect a positive contribution to the Group's consolidated results in the second half of the year.

PERSONNEL MANAGEMENT AND DEVELOPMENT

Throughout 2018, Toyota Caetano Portugal has continued to implement its Integrated People Management strategy with the goal of continuously improving the quality and efficiency of its development processes and policies, attracting, developing and retaining the best talent, promoting the "Ser Caetano" (Being Caetano) culture and recognising behaviours that are consistent with its values and business goals.

In terms of structuring projects with an impact on people management policies and instruments, we should highlight:

- The consolidation of the Performance and Development Management System across the Organisation, with a stronger emphasis on communication and feedback.
- The reinforcement of a leadership training programme based on the acquisition of the necessary competencies, so that "Ser Caetano" leaders are able to address the new challenges of the market, stimulating an exponential culture, while seeking to create more collaborative and multidisciplinary environments.
- The implementation of the "Being Kaizen" Programme across the Corporate People, Brand and Communication Department, contributing to increasing process efficiency and enhance team spirit.
- The reinforcement of the "Geração Ser Caetano" (Being Caetano Generation) Programme, designed to prepare future employees of Toyota Caetano Portugal, through a custom-made training plan and creating conditions for their personal and professional growth.
- The improvement of the leisure areas and the creation of new facilities for the well-being of Employees.
- The promotion of the "Being Caetano Values in Everyday Life" Study, in order to survey and analyse the main concerns of Employees with regard to the Organisation, which will result in an action plan in line with any opportunities for improvement identified.
- The reconciliation of professional and personal life, as Toyota Caetano Portugal focuses on a people-centred management and a socially responsible leadership.
- The development of an Employer Branding Portal that aggregates the Company's value proposition, communicating it in a more appealing manner and in line with the language and expectations of the current work generations.

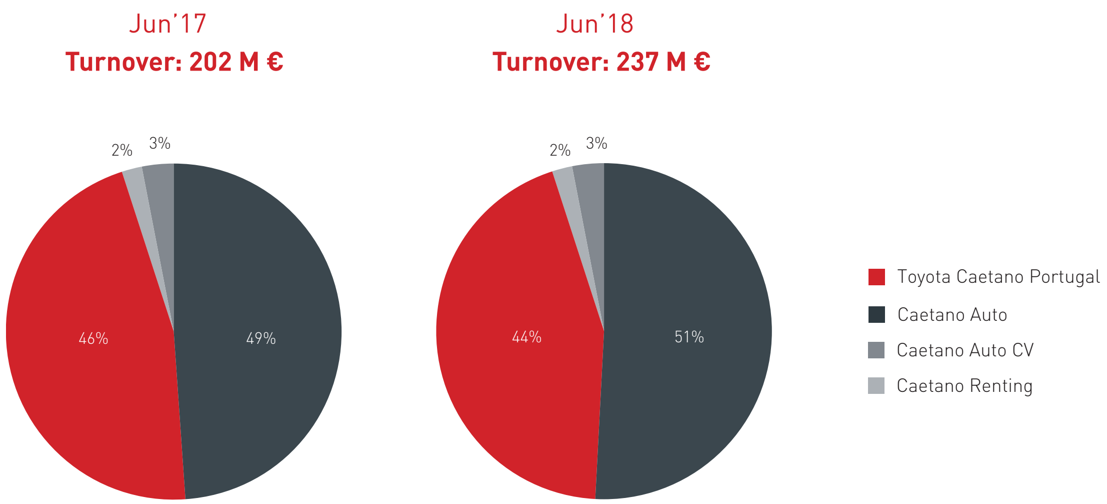
All these practices are based on principles that bring together the "Ser Caetano" Values and Culture and the Toyota Way, engaging Employees in the business goals, thus reinforcing and enhancing human capital. With this, Toyota Caetano Portugal aims at addressing the current challenges of the labour market, enhancing its role as an employer and promoter of world-class People Management policies.

FINANCIAL ACTIVITY

Consolidated analysis

In the first half of 2018, the Toyota Caetano Group had a turnover of 237 million euros, up by approximately 35 million euros (+17.4%) compared to the same period of 2017.

This performance was very much influenced by the growth in hybrid vehicles, namely the Yaris, Auris, CHR and RAV4 models, which are already accounting for more than half of the Toyota sales in Portugal.



In order to summarise that performance, a table with comparative indicators for the same period of the previous year is shown below, using thousand Euros as monetary unit.

	JUN'17	JUN'18	VARIATION
Turnover	201.868	237.032	17,4%
Gross Profit	37.367	42.205	12,9%
% (f) sales	18,5%	17,8%	
External supplies and services	20.216	21.659	7,1%
% (f) sales	10,0%	9,1%	
Staff expenses	19.295	20.700	7,3%
% (f) sales	9,6%	8,7%	
E.B.I.T.D.A.	17.003	21.654	27,4%
% (f) sales	8,4%	9,1%	
Operating income	8.275	10.727	29,6%
% (f) sales	4,1%	4,5%	
Net financial income	-1.141	-869	23,8%
% (f) sales	-0,6%	-0,4%	
Consolidated net profit for the year	5.125	7.163	39,8%
% (f) sales	2,5%	3,0%	
Net Bank Credit	62.783	75.132	19,7%
Level of financial autonomy	46,0%	43,0%	

As can be seen in the table above, the growth in turnover led to a slight decrease in the percentage of gross margin achieved, largely due to the different growth mix of the various products that are being marketed, but also partly due to the new strategies that were outlined which, involving a forcing in marketing volumes, entailed a reduction in the margins of these businesses.

Therefore, and thanks to a balanced management of the various areas of expenditure (External supplies and services; Staff Costs,...) the EBITDA reached 21.7 MEuros which contrast with the 17 MEuros obtained in the same period of 2017, thus presenting a growth of around 27.4%.

As for financial costs, the fact that there was a reduction of 23.8% shows the good negotiating capacity vis-à-vis the financing entities, obviously supported by solid balance sheet structure with no risk.

The degree of financial autonomy, which stood at 43%, reflects precisely the above.

We should note that the increase in net bank financing, which, as we have seen, did not lead to an increase in financial costs, resulted mainly from the growth of activity and was intended to support a higher average level of stocks, thus adjusting them to that growing activity.

Although the industry estimates point to slower growth for the rest of 2018, we expect the Toyota Caetano Portugal Group to continue following a growth trend higher than that of the market, particularly in the Hybrid segment, which will allow strengthening its sustainability.

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 products originating from various parts of the Globe, the exchange rate risk results essentially from commercial transactions in currencies other than the functional currency of each business.

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.

SUBSEQUENT EVENTS

Since the end of the six-month period under analysis, to date, there were no relevant facts worthy of note except the one occurred on August 9, 2018 with the issuance and subscription of a bond loan, denominated "Toyota 2018/2023", amounting to 12,5 million Euros. These securities were admitted to trading on Euronext Access Lisbon on August 10, 2018.

TO WHOM IT MAY CONCERN

We hereby declare, under the terms and for the purposes set forth in Article 246(1)(c) of the Securities Code (CVM), that, to the best of our knowledge, the consolidated financial statements of Toyota Caetano Portugal for the first half of 2018 were prepared in accordance with the applicable accounting standards, giving a true and fair view of the assets and liabilities, financial position and results of the company and that the interim management report faithfully sets out the information required under Article 246(2) of the CVM.

Vila Nova de Gaia, 28 August 2018

The 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

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

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

In compliance with the provisions of article 447 of the Portuguese Commercial Companies Code, it is hereby declared that, in the first half of 2018, the members of the Company's management and supervisory boards did not hold any of its shares or bonds.

Furthermore, it is hereby stated that the members of the Company's management and supervisory boards were not engaged, during the first semester of 2018, in any acquisitions, encumbering or disposals involving the Company's shares or bonds.

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

- the shareholder Salvador Caetano Auto, SGPS, S.A. (of which **Eng. Salvador Acácio Martins Caetano** is the Chairman of the Board of Directors, **Dr. Maria Angelina Martins Caetano Ramos** is the Vice-Chairwoman of the Board of Directors, **Eng. José Reis da Silva Ramos** is a Member of the Board of Directors and **Eng. Miguel Pedro Caetano Ramos** is a Member of the Board of Directors), acquired: on 02 January 2018, 330 shares at €2.651 each; on 04 January 2018, 6,700 shares at €2.757 each; on 08 January 2018, 5,000 shares at €2.760 each; on 25 January 2018, 2,800 shares at €2.700 each; on 08 February 2018, 6,800 shares at €2.640 each; on 13 February 2018, 2,000 shares at €2.640 each; on 14 February 2018, 10,030 shares at €2.620 each; on 20 February 2018, 4,957 shares at €2.599 each; on 21 February 2018, 498 shares at €2.50 each; on 01 March 2018, 665 shares at €2.50 each; on 13 March 2018, 5,700 shares at €2.720 each; on 14 March 2018, 4,000 shares at €2.74 each; on 6 April 2018, 5,900 shares at €2.70 each; on 31 May 2018, 4,350 shares at €2.74 each; on 07 June 2018, 7,000 shares at €2.740 each; on 18 June 2018, 11,700 shares at €2.88 each; on 19 June 2018, 20,971 shares at €2.87 each; on 25 June 2018, 1,350 shares at €2.80 each; thus, on 30 June 2018, it held 22,877,992 shares with a nominal value of 1 euro each.

- the shareholder FUNDAÇÃO SALVADOR CAETANO (of which **Eng. José Reis da Silva Ramos** is the Chairman of the Board of Directors, **Dr. Maria Angelina Martins Caetano Ramos** is the spouse of the Chairman of the Board of Directors and **Eng. Salvador Acácio Martins Caetano** and **Dr. Rui Manuel Machado de Noronha Mendes** are Members of the Board of Directors) performed no transactions and thus, on 30 June 2018, held 138,832 shares, with a nominal value of 1 euro each.

- shareholder COVIM – Sociedade Agrícola, Silvícola e Imobiliária, S.A. (of which **Dr. Maria Angelina Martins Caetano Ramos** is the Chairwoman of the Board of Directors and **Eng. José Reis da Silva Ramos** is the spouse of the Chairman of the Board of Directors) performed no transactions and thus, on 30 June, 2018, held 393,252 shares, with a nominal value of 1 euro each.

- shareholder COCIGA - Construções Civis de Gaia, S.A. (of which **Dr. Maria Angelina Martins Caetano Ramos** is the Chairwoman of the Board of Directors, **Eng. José Reis da Silva Ramos** is the spouse of the Chairwoman of the Board of Directors and **Eng. Salvador Acácio Martins Caetano** is a Member of the Board of Directors) performed no transactions and thus, on 30 June, 2018, 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:

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

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

  [1]This percentage includes shares held by the spouse
- **Eng. Salvador Acácio Martins Caetano**, Member of the Board of Directors, holds:
  - 39.49%[1] of the share capital of Grupo Salvador Caetano, SGPS, S.A., a company in a control relationship with this Company;

  [1]This percentage includes shares held by the spouse
- **Eng. Miguel Pedro Caetano Ramos**, Member of the Board of Directions, holds:
  - 0.00223% of the share capital of Grupo Salvador Caetano, SGPS, S.A., a company in a control relationship with this Company.

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

The list of shareholders who, on 30 June 2018, held at least 10%, 33% or 50% of the share capital of this company, as well as shareholders who no longer held the aforementioned percentages of share capital is presented below:

SHAREHOLDERS HOLDERS OF AT LEAST 10%	SHARES			
	HELD[1] 31.12.2017	PURCHASED 2018	SOLD 2018	HELD[2] 30.06.2018
TOYOTA MOTOR EUROPE NV/SA	9.450.000	-	-	9.450.000

[1] Share capital on 31.12.2017: € 35,000,000.00, represented by 35,000,000 shares with a nominal value of € 1.00 each.
[2] Share capital on 30.06.2018: € 35,000,000.00, represented by 35,000,000 shares with a nominal value of € 1.00 each.

SHAREHOLDERS HOLDERS OF AT LEAST 50%	SHARES			
	HELD[1] 31.12.2017	PURCHASED 2018	SOLD 2018	HELD[2] 30.06.2018
Salvador Caetano – Auto, S.G.P.S., S.A.	22.777.241	100.751	-	22.877.992

[1] Share capital on 31.12.2017: € 35,000,000.00, represented by 35,000,000 shares with a nominal value of € 1.00 each.
[2] Share capital on 30.06.2018: € 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 30 June, 2018, the shareholders with qualified shareholdings in the company's share capital are as follows:

SHAREHOLDER	SHARES	% OF VOTING RIGHTS
Salvador Caetano - Auto - S.G.P.S., S.A.	22.877.992	65,365
Toyota Motor Europe NV/SA	9.450.000	27,000

03 CONSOLIDATED ACCOUNTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2018 AND 31 DECEMBER 2017

(Amounts in Euros)

ASSETS	NOTES	30/06/2018	31/12/2017
NON-CURRENT ASSETS:			
Goodwill	7	611.997	611.997
Intangible assets	8	357.275	412.847
Tangible fixed assets	5	117.928.433	97.821.610
Investment properties	6	14.914.345	16.363.198
Instruments at fair value through capital	9	3.856.490	3.732.500
Deferred tax assets	14	2.223.827	2.313.378
Accounts receivable	11	561.939	169.252
Total non-current assets		140.454.306	121.424.782
CURRENT ASSETS:			
Inventories	10	87.792.478	96.002.214
Accounts receivable	11	60.945.097	52.022.943
Other debtors	12	9.650.001	6.541.709
Other current assets	13	3.159.272	5.221.453
Cash and cash equivalents	4	5.941.327	17.267.570
Total current assets		167.488.175	177.055.889
Total assets		**307.942.481**	**298.480.671**
SHAREHOLDERS' EQUITY & LIABILITIES			
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 - Instruments at fair value through capital		775.808	651.818
Other reserves		76.061.568	73.723.263
Net income		7.090.430	9.338.305
	15	130.926.655	130.712.235
Non-controlling interests	16	1.460.183	1.387.418
Total equity		132.386.838	132.099.653
LIABILITIES: NON-CURRENT LIABILITIES:			
Loans	17	29.878.673	26.914.001
Defined benefit obligations	22	9.732.672	8.981.000
Provisions	23	623.859	514.525
Deferred tax liabilities	14	1.635.144	1.635.144
Total non-current liabilities		41.870.348	38.044.670
CURRENT LIABILITIES:			
Loans	17	51.194.742	53.024.793
Accounts payable	18	38.666.258	40.256.759
Other creditors	19	18.881.977	13.207.610
Income Tax Payable	20	1.787.661	1.716.581
Other current liabilities	21	23.154.657	20.130.605
Total current liabilities		133.685.295	128.336.348
Total liabilities		175.555.643	166.381.018
Total liabilities and shareholder' equity		**307.942.481**	**298.480.671**

The notes to the financial statements integrate this statement for the period ending at 30 June 2018.

Chartered Accountant: Alexandra Maria Pacheco Gama Junqueira
Board of Directors: José Reis da Silva Ramos - President; Maria Angelina Martins Caetano Ramos; Salvador Acácio Martins Caetano; Miguel Pedro Caetano Ramos; Nobuaki Fujii; Matthew Peter Harrison; Rui Manuel Machado de Noronha Mendes

CONSOLIDATED INCOME STATEMENT AT 30 JUNE 2018 AND 2017

(Amounts in Euros)

	NOTES	30/06/2018	30/06/2017
Operating Income:			
Sales	25	223.284.186	190.303.467
Services rendered	25	13.748.275	11.564.096
Other operating income	28	24.656.444	20.567.657
Variation of products	10	(2.062.477)	(1.194.186)
		259.626.428	221.241.034
Operating expenses:			
Cost of sales	10	(192.764.860)	(163.306.573)
External supplies and services	26	(21.658.619)	(20.216.211)
Payroll expenses	27	(20.699.974)	(19.294.651)
Depreciations and amortizations	5, 6 and 8	(10.927.172)	(8.728.827)
Provisions	23	(175.543)	(94.828)
Impairment losses	23	(338.579)	92.732
Other operating expenses	28	(2.334.394)	(1.418.139)
		(248.899.141)	(212.966.497)
Operational Income		10.727.287	8.274.537
Expense and financial losses	29	(874.000)	(1.171.317)
Income and financial gains	29	4.891	30.697
Profit before taxation		9.858.178	7.133.917
Income tax for the year	24	(2.694.983)	(2.008.441)
Net profit for the period		7.163.195	5.125.476
Net profit for the period from continuing operations attributable to:			
Equity holders of the parent		7.090.430	5.059.897
Non-controlling interests		72.765	65.579
		7.163.195	5.125.476
Net profit for the period attributable to:			
Equity holders of the parent		7.090.430	5.059.897
Non-controlling interests		72.765	65.579
		7.163.195	5.125.476
Earnings per share:			
from continuing operations	37	0,205	0,146
from discontinued operations		-	-
Basic		0,205	0,146
from continuing operations	37	0,205	0,146
from discontinued operations		-	-
Diluted		0,205	0,146

The notes to the financial statements integrate this statement for the period ending at 30 June 2018.

Chartered Accountant: Alexandra Maria Pacheco Gama Junqueira
Board of Directors: José Reis da Silva Ramos - President; Maria Angelina Martins Caetano Ramos; Salvador Acácio Martins Caetano; Miguel Pedro Caetano Ramos; Nobuaki Fujii; Matthew Peter Harrison; Rui Manuel Machado de Noronha Mendes

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY AT 30 JUNE 2018 AND 2017

(Amounts in Euros)

	EQUITY ATTRIBUTABLE TO THE PARENT COMPANY										
	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 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:											
Application of the consolidated net income 2016	-	-	-	-	-	5.950.756	5.950.756	(5.950.756)	-	-	-
Instruments at fair value through capital changes	-	-	-	-	102.570	-	102.570	-	102.570	-	102.570
	-	-	-	-	102.570	5.950.756	6.053.326	(5.950.756)	102.570	-	102.570
Consolidated net profit for the period	-	-	-	-	-	-	-	5.059.897	5.059.897	65.579	5.125.476
Consolidated comprehensive income	-	-	-	-	102.570	-	102.570	5.059.897	5.162.467	65.579	5.228.046
Transactions with equity holders											
Distributed dividends	-	-	-	-	-	(5.250.000)	(5.250.000)	-	(5.250.000)	-	(5.250.000)
Balances at 30 of June 2017	**35.000.000**	**7.498.903**	**6.195.184**	**(1.695.238)**	**505.016**	**73.725.417**	**86.229.282**	**5.059.897**	**126.289.179**	1.359.840	**127.649.019**
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**
Changes in the period:											
Application of the consolidated net income 2017	-	-	-	-	-	9.338.305	9.338.305	(9.338.305)	-	-	-
Instruments at fair value through capital changes	-	-	-	-	123.990	-	123.990	-	123.990	-	123.990
	-	-	-	-	123.990	9.338.305	9.462.295	(9.338.305)	123.990	-	123.990
Consolidated net profit for the period	-	-	-	-	-	-	-	7.090.430	7.090.430	72.765	7.163.195
Total comprehensive income for the year	-	-	-	-	123.990	-	123.990	7.090.430	7.214.420	72.765	7.287.185
Transactions with equity holders											
Distributed dividends	-	-	-	-	-	(7.000.000)	(7.000.000)	-	(7.000.000)	-	(7.000.000)
Balances at 30 of June 2018	**35.000.000**	**7.498.903**	**6.195.184**	**(1.695.238)**	**775.808**	**76.061.568**	**88.836.225**	**7.090.430**	**130.926.655**	**1.460.183**	**132.386.838**

The notes to the financial statements integrate this statement for the period ending at 30 June 2018.
Chartered Accountant: Alexandra Maria Pacheco Gama Junqueira
Board of Directors: José Reis da Silva Ramos - President; Maria Angelina Martins Caetano Ramos; Salvador Acácio Martins Caetano; Miguel Pedro Caetano Ramos; Nobuaki Fujii; Matthew Peter Harrison; Rui Manuel Machado de Noronha Mendes

CONSOLIDATED STATEMENT OF THE COMPREHENSIVE INCOME AT 30 JUNE 2018 AND 2017

(Amounts in Euros)

	30/06/2018	30/06/2017
Consolidated net profit for the period, including non-controlling interests	7.163.195	5.125.476
Components of other consolidated comprehensive income, net of tax, that could not be recycled by profit and loss:		
Instruments at fair value through capital changes (Note 9)	123.990	102.570
Consolidated comprehensive income	7.287.185	5.228.046
Attributable to:		
Equity holders of the parent company	7.214.420	5.162.467
Non-controlling interests	72.765	65.579

The notes to the financial statements integrate this statement for the period ending at 30 June 2018.

Chartered Accountant: Alexandra Maria Pacheco Gama Junqueira
Board of Directors: José Reis da Silva Ramos - President; Maria Angelina Martins Caetano Ramos; Salvador Acácio Martins Caetano; Miguel Pedro Caetano Ramos; Nobuaki Fujii; Matthew Peter Harrison; Rui Manuel Machado de Noronha Mendes

CONSOLIDATED CASH FLOWS STATEMENT AT 30 JUNE 2018 AND 2017

(Amounts in Euros)

OPERATING ACTIVITIES	JUN/18		JUN/17	
Collections from Customers	227.720.566		205.161.581	
Payments to Suppliers	(205.997.681)		(179.084.646)	
Payments to Employees	(14.698.901)		(13.855.387)	
Operating Flow		**7.023.984**		**12.221.548**
Payments of Income Tax		(2.533.214)		(1.040.628)
Other Collections/Payments Related to Operating Activities		(266.051)		(11.518.187)
Cash Flow from Operating Activities		**4.224.719**		**(337.267)**
INVESTING ACTIVITIES				
Collections from:				
Investments Properties	1.730.000		-	
Tangible Fixed Assets	388.220		106.630	
Interest and Other income		2.118.220		106.630
Payments to:				
Investments				
Investments Properties				
Tangible Fixed Assets	(1.323.753)		(996.674)	
Intangible Assets	(38.045)	(1.361.798)	-	(996.674)
Cash Flow from Investment Activities		**756.422**		**(890.044)**
FINANCING ACTIVITIES				
Collections from:				
Loans	20.582.307	20.582.307	9.600.000	9.600.000
Payments to:				
Loans	(25.583.936)		(6.959.127)	
Lease Down Payments	(3.402.365)		(2.200.242)	
Interest and Other costs	(908.479)		(1.153.562)	
Dividends	(6.994.911)	(36.889.691)	(5.262.349)	(15.575.280)
Cash Flow from Financing Activities		**(16.307.384)**		**(5.975.280)**
CASH				
Cash and Cash Equivalents at Beginning of Period (Note 4)		17.267.570		14.556.190
Cash and Cash Equivalents at End of Period (Note 4)		5.941.327		7.353.599
Net Flow in Cash Equivalents		**(11.326.243)**		**(7.202.591)**

Chartered Accountant: Alexandra Maria Pacheco Gama Junqueira
Board of Directors: José Reis da Silva Ramos - President; Maria Angelina Martins Caetano Ramos; Salvador Acácio Martins Caetano; Miguel Pedro Caetano Ramos; Nobuaki Fujii; Matthew Peter Harrison; Rui Manuel Machado de Noronha Mendes

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2018

(Amounts in Euros)

1. INTRODUCTION

Toyota Caetano Portugal, S.A. ("Toyota Caetano" or "Company") was incorporated in 1946, has its headquarters in Vila Nova de Gaia, and is the Parent Company of a Group of companies ("Toyota Caetano Group" or "Group"), which mainly develop economic activities included in the automotive sector, namely the import, assembly and commercialization of vehicles, 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.

As of June 30, 2018, the companies included in Toyota Caetano Group, their headquarters and the abbreviations used, are mentioned in Note 3.

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 2.3.

2. BASIS OF PRESENTATION AND MAIN ACCOUNTING POLICIES

The basis of presentation and 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, 2018.

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, 2018, were adopted by the first time in the fiscal year ended at June 30, 2018:

a) Changes to accounting standards that became effective as of January 1, 2018:

(i) Standards:

- **IFRS 15 (new)**, 'Revenue from contracts with customers'. This new standard applies only to contracts with customers to provide goods or services, and requires an entity to recognise revenue when the contractual obligation to deliver the goods or services is satisfied and by the amount that reflects the consideration the entity is expected to be entitled to, following a five step approach. It had no impact on this standard the Group's financial statements.
- **Amendments to IFRS 15** 'Revenue from contracts with customers'. 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 had no impact on this standard the Group's financial statements.
- **IFRS 9 (new)**, 'Financial instruments'. 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 for recognition and classification. In addition to the reclassification of "available for sale financial assets" to "instruments at fair value through capital", it had no impact on this standard the Group's financial statements.
- **IFRS 4 (amendment)**, 'Insurance contracts (Applying IFRS 4 with IFRS 9)'. 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 arise when IFRS 9 is applied before the new insurance contract standard is issued. Additionally, an optional temporary exemption from applying IFRS 9 until 2021 is granted to companies whose activities are predominantly connected with insurance, not being applicable at the consolidated level. It had no impact on this standard the Group's financial statements.
- **IFRS 2 (amendment)**, 'Classification and measurement of share-based payment transactions'. 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 had no impact on this standard the Group's financial statements.
- **IAS 40 (amendment)**, 'Transfers of Investment property'. This amendment clarifies when assets are transferred to, or from investment properties, evidence of the change in use is required. A change of management intention alone is not enough to support a transfer. It had no impact on this standard the Group's financial statements.
- **Annual Improvements 2014 – 2016** The 2014-2016 annual improvements impacts: IFRS 1, IFRS 12 and IAS 28 It had no impact on this standard the Group's financial statements.
- **IFRIC 22 (new)**, 'Foreign currency transactions and advance consideration'. 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 had no impact on this standard the Group's financial statements.

b) Standards that have been published and are mandatory for the accounting periods beginning on or after January 1, 2019 and were already endorsed by the European Union and the entity decide not to adopt in advance:

(i) Standards:

- **IFRS 16 (new),** 'Leases' (effective for annual periods beginning on or after 1 January 2019). This new standard replaces IAS 17 with a significant impact on the accounting by lessees who 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". The application of IFRS 16 may be retrospective or retrospective modified. It is expected impact of future adoption of this standard on the Group financial statements.

- **IFRS 9 (amendment),** 'Prepayment features with negative compensation' (effective for annual periods beginning on or after 1 January 2019). 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 standard 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, 2019, but are not yet endorsed by the European Union:

(i) Standards:

- **IAS 19 (amendment)**, Plan amendment, Curtailment or Settlement' (effective for annual periods beginning on or after 1 January 2019). This amendment is still subject to endorsement by the European Union. This amendment requires an entity to: i) use updated assumptions to determine the current service cost and net interest for the remaining period after amendment, reduction or settlement of the plan; and ii) recognize in the income statement as part of the cost of past services, or as a gain or loss in the settlement, and in Other comprehensive income, any reduction in the excess of coverage, even if the excess of coverage had not been previously recognized, due to the impact of the asset ceiling. It is not expected significant impact of future adoption of this improvement 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 the expected credit loss impairment model, prior to any impairment test of the investment as a whole. It is not expected significant impact of future adoption of this improvement on the Group 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 improvement on the Group financial statements.
- **Conceptual framework**, 'Amendments to references in other IFRS' (effective for annual periods beginning on or after 1 January 2020). These amendments are still subject to endorsement by the European Union. As a result of the publication of the new Conceptual Framework, the IASB introduced changes to the text of various standards and interpretations, like: IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, SIC 32, in order to clarify the application of the new definitions of asset / liability and expense / income, in addition to some of the characteristics of financial information. These amendments are retrospective, except if impractical. It is not expected significant impact of future adoption of this improvement 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 the 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. It is not expected significant impact of future adoption of this improvement on the Group financial statements.

(ii) Interpretations:

- **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 the 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 AND MAIN MEASUREMENTS METHODS

The accompanying financial statements were prepared in accordance with the accounting policies disclosed in the notes to the consolidated financial statements as of June 30, 2018.

Financial risk management policies

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

The financial risks management is controlled by Toyota Caetano financial department, according to the policies established by the Group Board of Directors. The Board of Directors has established the main principles of global risk management as well as specific policies for some areas, as interest rate risk and credit risk. As mentioned above, these principles and policies are properly described in the notes to the consolidated financial statements as of December 31, 2017.

In this context, we presented below some risk indicators as of June 30, 2018, considered particularly relevant:

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 CV, S.A.), corresponding to the currency of the economic environment and the ones that better represents its cash flows composition. Foreign currency risk arises mainly from future commercial transactions, as a result of purchases and sales of products and services in a different currency than the functional currency used by each Company.

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

The Group foreign currency risk management hedge policies are decided casuistically, considering the foreign currency and country specific circumstances (as at June 30, 2018 and December 31, 2017 and June 30, 2017, 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.

Foreign subsidiaries assets and liabilities are translated into Euros using the exchange rates at statement of financial position date, and gains and losses in the income statement 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 at June 30, 2018 and December 31, 2017 and June 30, 2017 can be summarized as follows:

	ASSETS			LIABILITIES		
	JUN/18	DEC/17	JUN/17	JUN/18	DEC/17	JUN/17
Cape Verde Escudo (CVE)	7.071.535	7.581.776	6.771.197	2.475.350	3.275.834	2.532.613
Great Britain Pounds (GBP)	-	-	-	-	31	-
Japanese Yen (JPY)	126.236	-	-	692.231	617.636	410.151

The sensitivity of the Group to foreign exchange rate changes can be summarized as follows (increases/decreases):

	VARIATION	JUN/18		DEC/17	
		NET INCOME	EQUITY	NET INCOME	EQUITY
Japanese yen (JPY)	5%	(34.612)	-	(30.882)	-

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 2018 and 2017, the Group has been exposed to the risk of variation of 'instruments at fair value through capital" prices. At June 30, 2018 and December 31, 2017 and June 30, 2017, the referred caption is composed only by shares of the closed property investment Fund Cimóvel – Fundo de Investimento Imobiliário Fechado (Real Estate Investment Fund).

The Group's sensitivity to price variations in "instruments at fair value through capital" can be summarized as follows (increases/decreases):

		JUN/18		DEC/17		JUN/17	
	VARIATION	NET INCOME	EQUITY	NET INCOME	EQUITY	NET INCOME	EQUITY
CIMÓVEL FUND	10%	-	378.975	-	366.576	-	351.896
CIMÓVEL FUND	-10%	-	(378.975)	-	(366.576)	-	(351.896)

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, analysing 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):

		JUN/18		DEC/17		JUN/17	
	VARIATION	NET INCOME	EQUITY	NET INCOME	EQUITY	NET INCOME	EQUITY
Loans-Mutual Contract	0,5 p.p.	-	-	35.000	-	-	-
Guaranteed Account	0,5 p.p.	25.000	-	25.000	-		-
Bank Credits	0,5 p.p.	-	-	2.649	-		-
Commercial Paper	0,5 p.p.	154.500	-	172.000	-	112.000	-
Long-term Bank Loan	0,5 p.p.	75.000	-	50.000	-	95.000	-
Confirming	0,5 p.p.	-	-		-	45.910	-
Total		254.500	-	284.649	-	252.910	-
Loans-Mutual Contract	(0,5 p.p.)	-	-	(35.000)	-	-	-
Guaranteed Account	(0,5 p.p.)	(25.000)	-	(25.000)	-	-	-
Bank Credits	(0,5 p.p.)	-	-	(2.649)	-	-	-
Commercial Paper	(0,5 p.p.)	(154.500)	-	(172.000)	-	(112.000)	-
Long-term Bank Loan	(0,5 p.p.)	(75.000)	-	(50.000)	-	(95.000)	-
Confirming	(0,5 p.p.)	-	-	-	-	(45.910)	-
Total		(254.500)	-	(284.649)	-	(252.910)	-

The above analysis does not include the consideration of the hedging (swap) financial instrument agreed by the Group to face the interest rates variation and the figures are presented on an annual basis.

iv) Liquidity risk

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

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

Toyota Caetano Group liquidity risk management has a threefold objective:

(i) Liquidity, which is to ensure permanent access in the most efficient way to sufficient funds to cover current payments on the respective maturity dates, as well as any unexpected requests for funds;

(ii) Safety, which is the minimisation of the probability of default in the repayment of any application in funds; and

(iii) Financial efficiency, which is ensuring that the Companies maximise the value / minimize the opportunity cost of holding excess liquidity in the short-term.

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

As of June 30, 2018 and December 31, 2017, the Group presents a net debt of 75.132.088 Euros and 62.671.024 Euros, respectively, divided between current and non-current loans (Note 17) and cash and cash equivalents (Note 4), agreed with the different financial institutions.

v) Capital Risk

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

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

	JUN/18	DEC/17	JUN/17
Debt	81.073.415	79.938.794	70.136.895
Cash and cash equivalents	(5.941.327)	(17.267.570)	(7.353.599)
Net Debt	75.132.088	62.671.224	62.783.296
Equity	132.386.838	132.099.653	127.649.019
Leverage Ratio	36,20%	32,18%	32,97%

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", that, as disclosed in the notes to the consolidated financial statements of December 31, 2017, whenever these amounts are exceeded, these customers' supplies are suspended.

The adjustments for accounts receivable are calculated considering (a) the client risk profile, (b) the average time of receipt, (c) the client financial situation. The movements of these adjustments for the periods ending at June 30, 2018 and 2017 are stated in Note 23.

At June 30, 2018, the Group considers that there is no need for additional impairment losses, besides the amounts registered on those dates and stated, briefly, in Note 23.

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

The following table presents, on June 30, 2018, the credit quality of bank deposits:

DEPOSITS LONG TERM RATING	RATING AGENCY	VALUE
A1	Moody's	98.549
A3	Moody's	496.535
B1	Moody's	2.904.835
B3	Moody's	549.581
Ba1	Moody's	33.843
Ba3	Moody's	221.903
Baa1	Moody's	113.038
Baa3	Moody's	440.267
Caa1	Moody's	177.626
Others without rating assigned	Others without rating assigned	785.407
Total		5.821.584

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

2.3 CONVERSION OF FINANCIAL STATEMENTS OF FOREIGN COMPANIES

Exchange rates used in the conversion of foreign affiliated companies, as of June 30, 2018 and December 31, 2017 were as follows:

30-06-2018

	CURRENCY	FINAL EXCHANGE RATE FOR JUN/18	AVERAGE EXCHANGE RATE FOR JUN/18	EXCHANGE RATE AT THE DATE OF INCORPORATION	FINAL EXCHANGE RATE FOR DEC/17
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

31-12-2017

	CURRENCY	FINAL EXCHANGE RATE FOR DEC/17	AVERAGE EXCHANGE RATE FOR DEC/17	EXCHANGE RATE AT THE DATE OF INCORPORATION	FINAL EXCHANGE RATE FOR DEC/16
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

3. GROUP COMPANIES INCLUDED IN CONSOLIDATION

The affiliated companies included in consolidation by the full consolidation method and share of capital held as of June 30, 2018 and December 31, 2017, are as follows:

	EFFECTIVE PERCENTAGE HELD	
COMPANIES	JUN/18	DEC/17
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).

4. CASH AND CASH EQUIVALENTS

As of June 30, 2018, December 31, 2017 and June 30, 2017 cash and cash equivalents detail was the following:

	JUN/18	DEC/17	JUN/17
Cash	119.743	122.985	103.963
Bank Deposits	5.821.584	17.144.585	7.249.636
	5.941.327	17.267.570	7.353.599

The Company and its affiliates have available credit facilities as of June 30, 2018 amounting to approximately 66 Million Euros (of which have been utilized 52 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. This amount is invested in different financial institutions, with no excessive concentration in any of them.

5. TANGIBLE FIXED ASSETS

During the six-month period ended as of June 30, 2018 and 2017, the movement in tangible fixed assets, as well as in the respective accumulated depreciation and impairment losses, was as follows:

30-06-2018	LAND	BUILDINGS AND OTHER CONSTRUCTIONS	MACHINERY AND EQUIPMENT	TRANSPORT EQUIPMENT	ADMINISTRATIVE EQUIPMENT	OTHER FIXED ASSETS	TANGIBLE ASSETS IN PROGRESS	TOTAL
Gross Assets:								
Opening Balances	16.443.805	89.685.756	61.157.213	80.675.357	8.409.708	4.451.433	291.742	261.115.014
Additions	16.709	603.459	433.899	38.376.921	184.101	33.757	23.063	39.671.909
Disposals and Write-offs	(5.344)	(620.587)	(398.891)	(12.380.260)	(243.578)	(10.638)	-	(13.659.298)
Ending Balances	16.455.170	89.668.628	61.192.221	106.672.018	8.350.231	4.474.552	314.805	287.127.625
Accumulated Depreciation and Impairment losses:								
Opening Balances	-	61.197.250	56.632.165	33.601.857	7.678.403	4.183.729	-	163.293.404
Depreciations	-	1.052.710	465.436	8.957.032	82.673	30.903	-	10.588.754
Disposals and Write-offs	-	(431.089)	(363.025)	(3.656.181)	(228.472)	(4.199)	-	(4.682.966)
Ending Balances	-	61.818.871	56.734.576	38.902.708	7.532.604	4.210.433	-	169.199.192
Net Tangible Fixed Assets	**16.455.170**	**27.849.757**	**4.457.645**	**67.769.310**	**817.627**	**264.119**	**314.805**	**117.928.433**

30-06-2017	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	157.500	779.153	322.208	31.843.619	90.308	32.124	59.488	33.284.400
Disposals and Write-offs	-	-	(4.684)	(9.236.711)	-	-	(28.200)	(9.269.595)
Ending Balances	16.629.265	91.847.569	60.750.036	87.307.834	8.214.680	4.402.235	40.688	269.192.307
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	-	1.132.993	509.977	6.275.183	74.792	31.155	-	8.024.100
Disposals and Write-offs	-	-	(4.684)	(3.427.127)	-	-	-	(3.431.811)
Transfer	-	(25)	-	-	-	-	-	(25)
Ending Balances	-	62.318.477	56.097.158	33.352.508	7.586.919	4.150.304	-	163.505.366
Net Tangible Fixed Assets	**16.629.265**	**29.529.092**	**4.652.878**	**53.955.326**	**627.761**	**251.931**	**40.688**	**105.686.941**

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.

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, apart from the loss already registered.

As of June 30, 2018 and December 31, 2017, the assets acquired through financial leases are presented as follows:

	JUN/18		
	GROSS ASSETS	ACCUMULATED DEPRECIATION	NET TANGIBLE ASSETS
Tangible Fixed Assets	47.411.390	18.351.925	29.059.465

	DEC-17		
	GROSS ASSETS	ACCUMULATED DEPRECIATION	NET TANGIBLE ASSETS
Tangible Fixed Assets	38.347.047	15.416.229	22.930.819

6. INVESTMENT PROPERTIES

As of June 30, 2018, December 31, 2017 and June 30, 2017, the caption "Investment Properties" refers to real estate 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" are recorded in the caption "Other Operating Income" and amounted to 1.747.634 Euros as the six-month period ended as of June 30, 2018 (1.815.019 Euros as of June 30, 2017) (Note 29).

Additionally, in according with appraisals reported to December 31, 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 June 30, 2018 and December 31, 2017 is made up as follows:

	JUN/18			DEC/17		
LOCATION	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	101	1.355.000	Internal	201	1.355.000	Internal
Porto - Rua do Campo Alegre	793.566	2.984.000	External	818.315	2.984.000	External
Viseu - Teivas	787.895	896.000	Internal	813.132	896.000	Internal
Óbidos - Casal do Lameiro	-	-	-	57.867	1.400.000	Internal
Castro Daire - Av. João Rodrigues Cabrilho	24.963	58.000	Internal	25.512	58.000	Internal
Caldas da Rainha - Rua Dr. Miguel Bombarda	17.531	85.000	Internal	17.531	85.000	Internal
Viseu - Quinta do Cano	1.718.370	1.625.750	Internal/external	1.726.300	1.625.750	Internal/external
Amadora - Rua Elias Garcia	179.288	149.000	Internal	181.017	149.000	Internal
Portalegre - Zona Industrial	181.245	173.000	Internal	183.816	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	23.911	83.000	Internal
Rio Maior	107.000	107.000	Internal	107.000	107.000	Internal
S João de Lourosa - Viseu	454.370	487.030	Internal	456.272	487.030	Internal
Vila Nova de Gaia - Av. Vasco da Gama (buildings A and B)	2.910.917	8.692.000	Internal	3.019.591	8.692.000	Internal
Vila Nova de Gaia - Av. Vasco da Gama (buildings G)	814.654	6.077.000	Internal	841.109	6.077.000	Internal
Carregado - Quinta da Boa Água / Quinta do Peixoto	5.014.119	19.218.000	Internal	5.038.392	19.218.000	Internal
Lisboa - Av. Infante Santo	-	-	-	1.141.201	1.300.000	Internal
Vila Nova de Gaia - Rua das Pereiras	243.470	788.000	Internal	249.386	788.000	Internal
Leiria - Azóia	355.125	797.000	Internal	355.125	797.000	Internal
Castelo Branco - Repair Shop	778.836	1.450.000	Internal	798.537	1.450.000	Internal
	14.914.345	46.767.180		16.363.198	49.467.180	

The investment properties fair value disclosed in December 31, 2017 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.

As of June 30, 2018 the values of the evaluation will be published at December 31, 2017 on the grounds that, given the generalized inexistence of major works in 2018, the inexistence of relevant claims in 2018 and the inexistence of properties in areas of accelerated degradation there will be no significant change to the fair value of these properties. The Management believes will not have been significant changes to the fair value of these buildings, believing they are still valid and current values of the last external evaluation carried out in 2012, 2013, 2014, 2015, 2016 and 2017.

The movement in the caption "Investment Properties" as of June 30, 2018 and 2017 was as follows:

30-06-2018

GROSS ASSETS:	LAND	BUILDINGS	TOTAL
Opening Balances	10.135.964	36.926.442	47.062.406
Disposals and Write-offs	(459.543)	(1.488.330)	(1.947.873)
Ending Balances	9.676.421	35.438.112	45.114.533
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES:	**LAND**	**BUILDINGS**	**TOTAL**
Opening Balances	-	30.699.208	30.699.208
Additions	-	249.787	249.787
Disposals and Write-offs	-	(748.805)	(748.805)
Ending Balances	-	30.200.190	30.200.190
Net Value	**9.676.421**	**5.237.924**	**14.914.345**

30-06-2017

GROSS ASSETS:	LAND	BUILDINGS	TOTAL
Opening Balances	10.268.017	39.133.728	49.401.745
Additions	-	9.596	9.596
Disposals and Write-offs	(1)	-	(1)
Ending Balances	10.268.016	39.143.324	49.411.340
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES:	**LAND**	**BUILDINGS**	**TOTAL**
Opening Balances	-	31.498.734	31.498.734
Additions	-	326.890	326.890
Transfer	-	25	25
Ending Balances	-	31.825.649	31.825.649
Net Value	**10.268.016**	**7.317.675**	**17.585.691**

7. GOODWILL

At June 30, 2018 and 2017 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. At June 30, 2018 there are no signs of impairment, so it was not necessary to carry out impairment tests.

8. INTANGIBLE ASSETS

During the six-month period ended as of June 30, 2018 and 2017, the movement in intangible assets, as well as in the respective accumulated amortization and accumulated impairment losses, was as follows:

30-06-2018	RESEARCH AND DEVELOPMENT EXPENSES	INDUSTRIAL PROPERTY	GOODWILL	COMPUTER PROGRAMS	INTANGIBLE ASSETS IN PROGRESS	TOTAL
Gross Assets:						
Opening Balances	1.477.217	399.378	81.485	2.150.170	-	4.108.250
Additions	-	38.044	-	-	-	38.044
Disposals and Write-offs	-	(2.048)	-	-	-	(2.048)
Ending Balances	1.477.217	435.374	81.485	2.150.170	-	4.144.246
Accumulated Amortization and Impairment losses:						
Opening Balances	1.449.781	76.558	81.485	2.087.578	-	3.695.402
Amortizations	13.718	51.163	-	27.563	-	92.444
Disposals and Write-offs	-	(875)	-	-	-	(875)
Ending Balances	1.463.499	126.846	81.485	2.115.141	-	3.786.971
Net Intangible Assets	**13.718**	**308.528**	**-**	**35.029**	**-**	**357.275**

30-06-2017	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	-	-	-	750	43.138	43.888
Ending Balances	1.477.217	312.774	81.485	2.140.187	203.978	4.215.641
Accumulated Amortization and Impairment losses:						
Opening Balances	957.375	184.337	81.485	1.870.724	-	3.093.921
Amortizations	246.203	14.166	-	117.468	-	377.837
Ending Balances	1.203.578	198.503	81.485	1.988.192	-	3.471.758
Net Intangible Assets	**273.639**	**114.271**	**-**	**151.995**	**203.978**	**743.883**

9. INSTRUMENTS AT FAIR VALUE THROUGH CAPITAL

During the period ended as of June 30, 2018, and December 31, 2017 and June 30, 2017 the movements in item "Instruments at fair value through capital" were as follows:

	JUN/18	DEC/17	JUN/17
Instruments at fair value through capital			
Fair value at January 1	3.732.500	3.483.128	3.483.128
Increase/(decrease) in fair value	123.990	249.372	102.570
Fair value at June 30	3.856.490	3.732.500	3.585.698

As of June 30, 2018, "Instruments at fair value through capital" include the amount of 3.789.754 Euros (3.665.754 Euros December 31, 2017) 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 775.808 Euros). The remaining "Instruments at fair value through capital" 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 during the six-month period ended as of June 30, 2018 and 2017 from recording "Instruments at fair value through capital" at fair value can be summarized as follows:

	JUN/18	JUN/17
Fair value variation	123.990	102.570
Effect on equity	123.990	102.570

10. INVENTORIES

As of June 30, 2018, December 31, 2017 and June 30, 2017, this caption breakdown is as follows:

	JUN/18	DEC/17	JUN/17
Raw and subsidiary Materials	6.205.159	10.413.228	3.155.925
Production in Process	862.355	1.135.391	1.172.512
Finished and semi-finished Products	2.646.251	4.432.510	38.582
Merchandise	79.869.702	81.473.495	68.866.414
	89.583.467	97.454.624	73.233.433
Accumulated impairment losses in inventories (Note 23)	(1.790.989)	(1.452.410)	(1.439.791)
	87.792.478	96.002.214	71.793.642

During the six-month period ended as of June 30, 2018 and 2017, cost of sales was as follows:

	JUN/18			JUN/17		
	MERCHANDISE	RAW AND SUBSIDIARY MATERIALS	TOTAL	MERCHANDISE	RAW AND SUBSIDIARY MATERIALS	TOTAL
Opening Balances	81.473.495	10.413.228	91.886.723	72.612.904	9.307.008	81.919.912
Net Purchases	170.627.170	16.325.828	186.952.998	135.638.496	17.770.504	153.409.000
Ending Balances	(79.869.702)	(6.205.159)	(86.074.861)	(68.866.414)	(3.155.925)	(72.022.339)
Total	**172.230.963**	**20.533.897**	**192.764.860**	**139.384.986**	**23.921.587**	**163.306.573**

During the six-month period ended as of June 30, 2018 and 2017, the variation in production was computed as follows:

	FINISHED AND SEMI-FINISHED PRODUCTS	
	JUN/18	JUN/17
Ending Balances	3.508.606	1.211.094
Inventories adjustments	(3.182)	(772)
Opening Balances	(5.567.901)	(2.404.508)
Total	**(2.062.477)**	**(1.194.186)**

11. ACCOUNTS RECEIVABLE

As of June 30, 2018, December 31, 2017 and June 30, 2017, the detail of this caption was as follows:

	CURRENT ASSETS			NON-CURRENT ASSETS		
	JUN/18	DEC/17	JUN/17	JUN/18	DEC/17	JUN/17
Customers, current accounts	60.881.427	51.998.006	54.993.992	561.939	169.252	139.159
Doubtful Accounts Receivable	9.248.002	9.209.269	9.465.434	-	-	-
	70.129.429	61.207.275	64.459.426	561.939	169.252	139.159
Accumulated impairment losses in accounts Receivable (Note 23)	(9.184.332)	(9.184.332)	(9.435.702)	-	-	-
	60.945.097	**52.022.943**	**55.023.724**	**561.939**	**169.252**	**139.159**

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

Group exposure to credit risk is mainly related to trade receivables resulting from its operational activity. Before accepting new customers, the Group contacts credit rating agencies and performs internal analysis of credit risk, through specific credit control, collection and legal service departments, and assigns credit limits by customer, based on the gathered information.

Accounts receivable aging

Debt maturity without recognition of losses by impairment

30-06-2018	- 60 DAYS	60-90 DAYS	90-120 DAYS	+ 120 DAYS	TOTAL
Accounts receivable	27.376.279	5.171.141	929.124	21.111.573	54.594.117
Employees	20	2.270	-	18.804	21.094
Independent Dealers	6.703.878	100.256	19.050	4.971	6.828.155
Total	**34.080.177**	**5.279.667**	**948.174**	**21.135.348**	**61.443.366**

31-12-2017	- 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**

Debt maturity with recognition of losses by impairment

30-06-2018	- 60 DAYS	60-90 DAYS	90-120 DAYS	+ 120 DAYS	TOTAL
Doubtful Accounts Receivable	9.460	3.587	5.084	9.229.871	9.248.002
Total	**9.460**	**3.587**	**5.084**	**9.229.871**	**9.248.002**

31-12-2017	- 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**

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

30-06-2018	- 60 DAYS	60-90 DAYS	90-120 DAYS	+ 120 DAYS	TOTAL
Doubtful Accounts Receivable	33.526.008	2.303.461	2.649.359	7.711.302	46.190.131
Total	**33.526.008**	**2.303.461**	**2.649.359**	**7.711.302**	**46.190.131**

31-12-2017	- 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**

12. OTHER DEBTORS

As of June 30, 2018, December 31, 2017 and June 30, 2017, the detail of this caption was as follows:

	CURRENT ASSETS		
	JUN/18	DEC/17	JUN/17
Down Payments to Suppliers	47.106	352.475	373.769
Public entities (VAT)	6.949.449	3.364.036	5.627.359
Other debtors	2.653.446	2.825.198	2.621.188
	9.650.001	6.541.709	8.622.316

Additionally, this caption includes, as of June 30, 2018 and 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, 2017).

It is noted that this amount also includes as of June 30, 2018 an account receivable in the amount of 618.000 Euros from the related party Fundação Salvador Caetano (618.000 Euros as of December 31, 2017).

13. OTHER CURRENT ASSETS

As of June 30, 2018, December 31, 2017 and June 30, 2017, the detail of this caption was as follows:

	JUN/18	DEC/17	JUN/17
Accrued Income			
Commission	431.441	544.385	294.454
Rappel	223.517	1.065.782	152.680
Warranty claims	280.408	317.245	285.412
Fleet programs and Bonus suppliers	166.060	1.697.298	496.302
Assignment of staff	46.168	31.828	30.712
Fee´s	-	67.828	29.658
Others	994.747	413.534	858.633
	2.142.341	4.137.900	2.147.851
Deferred Expenses			
Insurance	339.641	410.233	263.326
Rentals	20.173	142.534	135.523
Interest	56.223	100.358	128.073
Others	600.894	430.428	759.840
	1.016.931	1.083.553	1.286.762
Total	**3.159.272**	**5.221.453**	**3.434.613**

14. DEFERRED TAXES

The detail of deferred tax assets and liabilities recorded in the accompanying consolidated financial statements as of June 30, 2018 and 2017 is as follows:

30-06-2018	DEC/17	PROFIT AND LOSS IMPACT	JUN/18
Deferred tax assets:			
Provisions not accepted for tax purpose	212.335	-	212.335
Defined Benefit Plan Liabilities	1.611.745	-	1.611.745
Write-off of tangible assets/inventories	489.298	(89.551)	399.747
	2.313.378	(89.551)	2.223.827
Deferred tax liabilities:			
Depreciation as a result of legal and free revaluation of fixed assets	(619.498)	-	(619.497)
Effect of the reinvestments of the surplus in fixed assets sales	(116.914)	-	(116.915)
Fair value of fixed assets	(898.732)	-	(898.732)
	(1.635.144)	-	(1.635.144)
Net effect (Note 24)		**(89.551)**	

30-06-2017	DEC/16	PROFIT AND LOSS IMPACT	JUN/17
Deferred tax assets:			
Provisions not accepted for tax purpose	294.573	-	294.573
Tax losses	88.569	(88.569)	-
Defined Benefit Plan Liabilities	1.611.745	-	1.611.745
Write-off of tangible assets/inventories	193.155	(21.570)	171.405
Derivative financial instruments valuation	6.396	(6.396)	-
	2.194.438	(116.715)	2.077.723
Deferred tax liabilities:			
Depreciation as a result of legal and free revaluation of fixed assets	(652.771)	14.360	(638.411)
Effect of the reinvestments of the surplus in fixed assets sales	(165.772)	-	(165.772)
Fair value of fixed assets	(898.732)	-	(898.732)
	(1.717.275)	14.360	(1.702.915)
Net effect (Note 25)		**(102.355)**	

As of June 30, 2018 and 2017 tax rates used to compute current and deferred tax assets and liabilities were as follows:

	TAX RATES	
	JUN/18	JUN/17
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 4-year period. Therefore, the tax declarations since the year of 2015 and 2018 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. EQUITY

Share Capital

As of June 30, 2018, 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.	65,37%
- Toyota Motor Europe NV/SA	27,00%

Dividends

According to the General shareholders meeting deliberation, as of April 20, 2018, was paid to shareholders a dividend of 0,20 Euros per share (7.000.000 Euros).

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 Instruments through capital and cannot be distributed or used to absorb losses.

Other Reserves

Referring to reserves with free reserves, making them distributable according to the commercial legislation in force.

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 International Financial Reporting Standard (IFRS).

16. NON-CONTROLLING INTERESTS

Movements in this caption during the period ended as of June 30, 2018, December 31, 2017 and June 30, 2017 were as follows:

	JUN/18	DEC/17	JUN/17
Opening Balances as of January 1	1.387.418	1.294.261	1.294.261
Net profit attributable to non-controlling interests	72.765	93.157	65.579
	1.460.183	**1.387.418**	**1.359.840**

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

SUBSIDIARY	% NCI	NON-CONTROLLING INTERESTS	NET PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS
Saltano S.G.P.S.	0,02%	4.032	-
Caetano Auto CV	18,76%	855.322	43.071
Caetano Renting	0,02%	426	(155)
Caetano Auto	1,60%	600.403	29.849
		1.460.183	**72.765**

The resume of financial information at June 30, 2018 related to each subsidiary that is consolidated is presented below:

CAPTION	CAETANO AUTO	CAETANO RENTING	SALTANO	CAETANO AUTO CV
Non-Current Assets	47.147.207	49.400.872	23.668.461	1.319.849
Current Assets	94.170.669	14.049.266	34.090	5.751.686
Total Assets	141.317.876	63.450.138	23.702.551	7.071.535
Non-Current Liabilities	7.158.883	4.471.455	-	98.878
Current Liabilities	96.229.564	56.584.702	3.578.510	2.376.472
Equity	37.929.429	2.393.981	20.124.041	4.596.184
Revenues	125.519.357	12.559.849	-	7.194.145
Operating Results	2.969.947	(686.394)	(14.763)	394.295
Financial Results	33.311	(150.563)	-	(4.708)
Taxes	(827.738)	188.315	3.322	(99.345)
Net Income	**2.175.520**	**(648.641)**	**(11.442)**	**290.243**

17. LOANS

As of June 30, 2018, December 31, 2017 and June 30, 2017 the caption "Loans" was as follows:

	JUN/18			DEC/17			JUN/17		
	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL
Bank Loan	40.900.000	10.000.000	50.900.000	46.400.000	10.000.000	56.400.000	33.581.922	17.000.000	50.581.922
Bank Overdrafts	1.028.222	-	1.028.222	529.851	-	529.851	-	-	-
Finance Leases	9.266.520	19.878.673	29.145.193	6.094.942	16.914.001	23.008.943	4.646.362	14.908.611	19.554.973
	51.194.742	**29.878.673**	**81.073.415**	**53.024.793**	**26.914.001**	**79.938.794**	**38.228.284**	**31.908.611**	**70.136.895**

As of June 30, 2018 and December 31, 2017, the detail of bank loans, overdrafts, other loans and Commercial Paper Programs, as well as its conditions, were as follows:

30/06/2018 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
	10.000.000	10.000.000		
Current				
Guaranteed account	5.000.000	8.000.000		
Mutual Loans	5.000.000	5.000.000	15/10/2014	4 years
Bank Overdrafts	1.028.222	5.500.000		
Confirming	-	10.000.000	24/05/2016	
Commercial Paper:				
Toyota Caetano Portugal	15.400.000	15.400.000	27/02/2017	3 years
Toyota Caetano Portugal	5.000.000	5.000.000	18/08/2015	5 years
Toyota Caetano Portugal	4.000.000	4.000.000	17/07/2017	5 years
Toyota Caetano Portugal	6.500.000	6.500.000	17/07/2017	5 years
Toyota Caetano Portugal	-	5.000.000	10/11/2016	5 years
	41.928.222	64.400.000		
	51.928.222	**74.400.000**		

31-12-2017 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
	10.000.000	10.000.000		
Current				
Guaranteed account	5.000.000	7.000.000		
Mutual Loans	7.000.000	7.000.000	15/10/2014	4 years
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

Next, we present below the debt amount outstanding, for which there have been granted mortgages (Note 34):

- Commercial Paper: 16.400.000

Interests relating to the above mentioned bank loans are indexed to Euribor interest rates, increased with a spread that varies from 1,00 to 3,00 bps.

The item "Financial Lease" (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:

		SHORT-TERM	MEDIUM-AND LONG-TERM					
CONTRACT	LEASINGS	12M	12-24M	24-36M	36-48M	>48M	TOTAL	TOTAL
2028278	Commercial facilities							
	Capital	97.529	98.263	99.002	69.453		266.719	364.248
	Interests	2.397	1.663	924	182		2.769	5.166
5653	Commercial facilities							
	Capital	24.421	24.802	25.189	25.582	355.915	431.488	455.908
	Interests	6.894	6.512	6.125	5.732	34.759	53.129	60.023
626064	Commercial facilities							
	Capital	169.290	175.311	181.547	188.004	439.734	984.596	1.153.886
	Interests	37.086	31.064	24.829	18.372	16.319	90.585	127.670
2032103	Commercial facilities							
	Capital	20.318	21.389	22.484	45.645		89.518	109.836
	Interests	6.713	5.672	4.578	2.788		13.038	19.751
30000343	Industrial Equipment							
	Capital	41.209	42.009	42.807	43.722	413.337	541.875	583.084
	Interests	11.286	10.454	9.607	8.741	36.260	65.062	76.348
Various	Industrial Equipment							
	Capital	3.286.319	4.271.441	-	-	-	4.271.441	7.557.760
	Interests	95.103	17.141	-	-	-	17.141	112.245
Various	Industrial Equipment							
	Capital	5.627.434	5.407.110	3.299.783	2.815.843	1.770.301	13.293.037	18.920.471
	Interests	545.344	348.655	176.380	77.508	24.934	627.476	1.172.819
	Total Capital	**9.266.520**	**10.040.325**	**3.670.811**	**3.188.249**	**2.979.288**	**19.878.673**	**29.145.193**
	Total Interests	**704.822**	**421.162**	**222.443**	**113.323**	**112.272**	**869.200**	**1.574.022**

Debt Maturity

The maturities of existing loans at June 30, 2018 and 2017 can be summarized as follows:

30-06-2018	12M	12-24M	24-36M	36-48M	>48M	TOTAL
Loan – mutual contract	5.000.000		10.000.000	-	-	15.000.000
Guaranteed Accounts	5.000.000					5.000.000
Confirming	1.028.222	-	-	-	-	1.028.222
Commercial Paper	30.900.000	-	-	-	-	30.900.000
Finance Leases	9.266.520	10.040.325	3.670.811	3.188.249	2.979.288	29.145.193
Total loans	**51.194.742**	**10.040.325**	**13.670.811**	**3.188.249**	**2.979.288**	**81.073.415**

30-06-2017	12M	12-24M	24-36M	36-48M	>48M	TOTAL
Loan – mutual contract	2.000.000	7.000.000	-	10.000.000	-	19.000.000
Confirming	9.181.922	-	-	-	-	9.181.922
Commercial Paper	22.400.000	-	-	-	-	22.400.000
Finance Leases	4.646.362	4.876.148	4.620.283	2.457.866	2.954.314	19.554.973
Total loans	**38.228.284**	**11.876.148**	**4.620.283**	**12.457.866**	**2.954.314**	**70.136.895**

Interests

	12M	12-24M	24-36M	36-48M	>48M	TOTAL
Loan - mutual contract	69.333	220.521	275.500	-	-	565.354
Financial Leases	704.822	421.162	222.443	113.323	112.272	1.574.022
Total interests	**774.155**	**641.683**	**497.943**	**113.323**	**112.272**	**2.139.376**

18. ACCOUNTS PAYABLE

As of June 30, 2018, December 31, 2017 and June 30, 2017 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.

19. OTHER CREDITORS

As of June 30, 2018, December 31, 2017 and June 30, 2017 the detail of other creditors was as follows:

	CURRENT LIABILITIES		
	JUN/18	DEC/17	JUN/17
Income Taxes withheld	499.264	371.448	445.420
Value Added Taxes	12.730.820	8.367.662	9.878.156
Vehicles Tax	2.415.007	1.863.835	1.526.685
Custom Duties	4.954	3.182	0
Employee´s social contributions	804.550	675.338	806.692
Others	289.638	238.634	279.789
Public Entities: Sub-total	16.744.233	11.520.099	12.936.742
Shareholders	15.707	10.618	10.683
Advances from Customers	731.814	996.238	466.572
Other Creditors	1.390.223	680.655	1.753.742
Other Creditors: Sub-total	2.137.744	1.687.511	2.230.997
	18.881.977	13.207.610	15.167.739

20. PUBLIC ENTITIES (STATEMENT OF FINANCIAL POSITION)

As of June 30, 2018, December 31, 2017 and June 30, 2017 the caption public entities can be summarized as follows:

	CURRENT ASSETS		
	JUN/18	DEC/17	JUN/17
Public Entities:			
Value Added Taxes	-	-	5.627.359
	-	-	5.627.359

	CURRENT LIABILITIES		
	JUN/18	DEC/17	JUN/17
Public Entities:			
Income Tax (estimated tax) (Note 24)	1.787.661	1.716.581	1.020.417
	1.787.661	1.716.581	1.020.417

21. OTHER CURRENT LIABILITIES

As of June 30, 2018, December 31, 2017 and June 30, 2017 the caption "Other Current Liabilities" was as follows:

	JUN/18	DEC/17	JUN/17
Accrued Cost			
Vacation Pay and Bonus	7.337.201	5.032.601	6.448.460
Advertising Campaigns	4.707.054	4.526.941	3.140.634
Specialization Cost Assigned to Vehicles Sold	1.435.113	1.209.909	879.378
Warranty Claims	831.110	-	234.017
Advance External Supplies and Services	776.196	544.552	1.079.620
Commission	742.533	834.344	646.582
Rappel Charges Attributable to Fleet Managers	592.514	402.399	956.428
Accrual for Vehicles Tax	576.660	451.103	1.105.008
Insurance	268.839	367.337	255.282
Municipal Property Tax	155.804	128.970	142.608
Interest	83.423	126.409	142.399
Royalties	77.311	69.579	157.039
Rents	43.737	-	-
Specialized Work	35.443	-	9.466
Supply Costs	17.893	639.876	814.846
Others	513.483	1.314.075	1.155.138
	18.194.314	15.648.095	17.166.905
Deferred Income			
Vehicle Maintenance Contracts	4.121.001	3.757.400	3.797.924
Subsidy Granted	501.360	501.360	501.360
Publicity Recuperation	34.205	37.657	36.991
Interest Charged to Customers	26.598	18.091	5.066
Others	277.179	168.002	585.371
	4.960.343	4.482.510	4.926.712
Total	**23.154.657**	**20.130.605**	**22.093.617**

22. 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 June 30, 2018, 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 Fundo de Pensões.), 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 at 2017 by the fund manager include the "Current Unit Credit" calculation method, 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. To this date were used the assumptions as December 31, 2017.

At December 31, 2017 the Group's responsibilities to 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 liability of Toyota Caetano Portugal Group evidenced above is guaranteed by a provision recorded in the amount of about 9.732.672 euros, reflected in the balance sheet under "Defined Benefit Obligations".

23. PROVISIONS AND ACCUMULATED IMPAIRMENT LOSSES

Movements in provisions and accumulated impairment losses over the six-month period ended as of June 30, 2018, and June 30, 2017 were as follows:

30-06-2018 ITEM	OPENING BALANCES	INCREASES	OTHER REGULARIZATIONS	ENDING BALANCES
Accumulated impairment losses in investments	2.780.809	-	-	2.780.809
Accumulated impairment losses in accounts receivable (Note 11)	9.184.332	-	-	9.184.332
Accumulated impairment losses in inventories (Note 10)	1.452.410	338.579	-	1.790.989
Provisions	514.525	175.543	(66.209)	623.859

30-06-2017 ITEM	OPENING BALANCES	INCREASES	OTHER REGULARIZATIONS	ENDING BALANCES
Accumulated impairment losses in investments	2.780.809	-	-	2.780.809
Accumulated impairment losses in accounts receivable (Note 11)	9.443.797		(8.095)	9.435.702
Accumulated impairment losses in inventories (Note 10)	1.532.523	(92.732)	-	1.439.791
Provisions	407.105	94.828	(69.674)	432.259

As of June 30, 2018 and June 30, 2017, the caption "Provisions" has the following breakdown:

	JUN/18	JUN/17
Warranty provisions	324.967	149.867
Litigations in progress	298.892	282.392
	623.859	432.259

24. INCOME TAXES (INCOME STATEMENT)

The income tax for the six-month period ended as of June 30, 2018 and 2017 was as follows:

TOTAL INCOME TAX	JUN/18	JUN/17
Current taxes estimation	2.605.432	1.906.086
Deferred income taxes (Note 14)	89.551	102.355
	2.694.983	2.008.441

25. SALES AND SERVICES RENDERED BY GEOGRAPHIC MARKETS AND BY ACTIVITIES

The detail of sales and services rendered by geographic markets, during the six-month periods ended as of June 30, 2018 and 2017, was as follows:

	JUN/18		JUN/17	
MARKET	AMOUNT	%	AMOUNT	%
National	202.693.108	85,51%	165.379.476	81,92%
Belgium	25.875.244	10,92%	30.255.433	14,99%
African Countries with Official Portuguese Language	7.087.068	2,99%	6.133.623	3,04%
Spain	25.767	0,01%	22.717	0,01%
Germany	1.137	0,00%	0	0,00%
United Kingdom	13.535	0,01%	0	0,00%
Others	1.336.602	0,56%	76.314	0,04%
	237.032.461	100,00%	201.867.563	100,00%

Additionally, sales and services rendered by activity were as follows:

	JUN/18		JUN/17	
ACTIVITY	AMOUNT	%	AMOUNT	%
Vehicles	198.636.743	83,80%	164.631.528	81,55%
Spare Parts	24.221.355	10,22%	23.853.770	11,82%
Repairs and after sales services	13.748.275	5,80%	9.416.717	4,66%
Others	426.088	0,18%	3.965.548	1,96%
	237.032.461	100,00%	201.867.563	100,00%

26. EXTERNAL SUPPLIES AND SERVICES

The caption "External supplies and services" was as follows:

	JUN/18	JUN/17
Subcontracts	984.795	942.385
Specialized Services	8.424.538	8.626.000
Professional Services	3.046.564	2.568.237
Advertising	3.555.585	4.531.916
Vigilance and Security	230.714	260.876
Professional Fees	452.568	401.571
Commissions	283.069	136.156
Repairs and Maintenance	856.038	727.244
Materials	418.947	429.491
Tools and Utensils	135.879	120.049
Books and Technical Documentation	171.182	162.978
Office Supplies	100.515	133.172
Others	11.371	13.292
Utilities	1.609.313	1.518.586
Electricity	685.341	636.562
Fuel	702.018	673.514
Water	108.068	111.814
Others	113.886	96.696
Travel and Transportation	1.674.677	1.572.776
Traveling Expenses	859.342	782.524
Personnel Transportation	51.818	49.843
Transportation of Materials	763.517	740.409
Other Supplies	8.546.349	7.126.973
Rent	1.697.838	1.671.564
Communication	435.693	331.693
Insurance	698.302	648.587
Royalties	215.192	307.308
Notaries	11.043	11.515
Cleaning and Comfort	407.020	359.373
Other Services	5.081.261	3.796.933
	21.658.619	**20.216.211**

At June 30, 2018, the caption "Other services" includes about 2,8 million euros, relating to guarantees claims (1,9 million: June 30, 2017).

27. PAYROLL EXPENSES

Payroll expenses are decomposed as follows:

	JUN/18	JUN/17
Payroll Management	243.252	238.289
Payroll Personnel	14.231.869	12.959.832
Benefits Plan	1.019.720	1.008.524
Termination Indemnities	62.385	170.600
Social Security Contribution	3.362.031	3.192.962
Workmen´s Insurance	183.235	184.143
Others	1.597.482	1.540.301
	20.699.974	**19.294.651**

REMUNERATION OF BOARD MEMBERS

The remuneration of members of the board of Toyota Caetano Portugal, S.A. in the six-months ended as of June 30, 2018 and 2017 were as follows:

BOARD MEMBERS	JUN/18	JUN/17
Board of Directors		
Fixed remunerations	243.252	238.289

AVERAGE NUMBER OF PERSONNEL

During the six-month period ended as of June 30, 2018 and 2017, the average number of personnel was as follows:

PERSONNEL	JUN/18	JUN/17
Employees	1.097	1.088
Workers	461	473
	1.558	1.561

28. OTHER OPERATING INCOME AND EXPENSES

As of June 30, 2018 and 2017, the caption "Other operating income" and "Other operating expenses" were as follows:

OTHER OPERATING INCOME	JUN/18	JUN/17
Lease Equipment	6.336.374	6.148.122
Guarantees recovered (Toyota)	3.549.059	2.977.603
Commissions	2.450.710	1.671.852
Rents charged	1.747.634	1.815.019
Work for the Company	1.739.322	1.370.033
Subsidies	1.538.044	1.188.232
Advertising expenses and sales promotion recovered	1.727.821	918.681
Rents expenses recovered	765.606	629.812
Services provided	883.576	714.033
Transport expenses recovered	393.018	333.228
Gains in the disposal Assets	1.238.579	264.685
Materials	12.433	23.545
Others	2.274.268	2.512.812
	24.656.444	**20.567.657**

OTHER OPERATING EXPENSES	JUN/18	JUN/17
Taxes	729.153	637.679
Prompt payment discounts granted	353.307	707
Losses in other investments	1.599	-
Losses in other non-financial investments	311.697	12.157
Corrections to previous years	12.924	58.171
Donations	136.055	10.100
Subscriptions	16.032	11.341
Fines and penalties	12.178	27.800
Others	761.449	660.184
	2.334.394	**1.418.139**

29. FINANCIAL INCOME AND EXPENSES

Consolidated net financial results as of June 30, 2018 and 2017 were as follows:

EXPENSES AND LOSSES	JUN/18	JUN/17
Interest	807.357	978.739
Other Financial Expenses	66.643	192.578
	874.000	**1.171.317**

INCOME AND GAINS	JUN/18	JUN/17
Interest	4.891	2.272
Other Financial Income	-	28.425
	4.891	**30.697**

30. FINANCIAL ASSETS AND LIABILITIES

We summarize in the table below a resume of financial instruments of Toyota Caetano Group as of June 30, 2018, December 31, 2017 and June 30, 2017:

		FINANCIAL ASSETS			FINANCIAL LIABILITIES		
	NOTE	JUN/18	DEC/17	JUN/17	JUN/18	DEC/17	JUN/17
Instruments at fair value through capital	9	3.856.490	3.732.500	3.585.698	-	-	-
Accounts Receivable	11	61.507.036	52.192.195	55.162.883	-	-	-
Other Debtors - Current	12	2.700.552	3.177.673	2.994.957	-	-	-
Loans	17	-	-	-	81.073.415	79.408.943	70.136.895
Other Creditors	19	-	-	-	2.137.744	1.687.510	2.230.998
Accounts Payable	18	-	-	-	38.666.258	40.256.759	29.411.995
Other current assets	13	2.142.341	4.137.900	2.147.651	-	-	-
Other current liabilities	21	-	-	-	15.817.456	15.098.004	15.645.157
Cash and Cash Equivalents	4	5.941.327	17.267.570	7.353.599	-	-	-
		76.147.746	**80.507.838**	**71.244.788**	**137.694.873**	**136.451.216**	**117.425.045**

Financial Instruments at Fair Value

		FINANCIAL ASSETS		
	NOTE	JUN/18	DEC/17	JUN/17
Instruments at fair value through capital	9	3.856.490	3.732.500	3.585.698
		3.856.490	**3.732.500**	**3.585.698**

Classification and Measurement

	INSTRUMENTS AT FAIR VALUE THROUGH CAPITAL		DERIVATE FINANCIAL INSTRUMENTS		
	AT FAIR VALUE	AT COST	CASH FLOW HEDGE ACCOUNTING	NEGOTIATION	LEVEL
Cimóvel Fund	3.789.754	-	-	-	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 – instruments at fair value through capital: 3.789.754 Euros (3.665.764 Euros in December 31, 2017);

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 (swaps e forwards).

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

Impact on the Income Statement and Equity

	IMPACT ON EQUITY			IMPACT ON INCOME		
	JUN/18	DEC/17	JUN/17	JUN/18	DEC/17	JUN/17
Derivate Financial Instruments	-	-	-	-	(28.425)	(28.425)
Instruments at fair value through capital	123.990	249.372	102.570	-	-	-
	123.990	**249.372**	**102.570**	**-**	**(28.425)**	**(28.425)**

31. OPERATIONAL LEASE

During the six-month period ended as of June 30, 2018 the minimum payments for operational leases amounted to approximately 3,1 million Euros (4,3 million Euros in June 30,2017). Of that amount, 1,8 million relate to payments with maturity of one year and 1,2 million relate to payments to occur in the period between two to five years.

MINIMUM PAYMENTS OF OPERATIONAL LEASE	JUN/18	JUN/17
Not more than one year	1.818.914	2.089.171
More than one year and no more than five	1.185.063	2.124.774
More than five years	120.342	119.009
	3.124.319	**4.332.955**

32. 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 Toyota Caetano Group and the related parties can be summarized as follows:

	COMMERCIAL DEBT		PRODUCTS		FIXED ASSETS		SERVICES		OTHERS	
OTHER RELATED COMPANIES	RECEIVABLE	PAYABLE	SALES	PURCHASES	ACQUISITIONS	DISPOSALS	RENDERED	OBTAINED	EXPENSES	GAINS
Amorim Brito & Sardinha, Lda.	669	-	-	-	-	-	-	-	-	2.099
Atlântica - Companhia Portuguesa de Pesca, S.A.	5.152	-	-	-	-	-	-	-	-	-
Auto Partner Imobiliária, S.A.	1.605	13.788	-	-	-	-	-	47.277	-	9
Cabo Verde Rent-a-Car, Lda.	5.331	(365)	1.995	-	-	-	-	(194.065)	-	-
Caetano Active, S.A.	4.139	-	889	-	-	-	6.234	107	-	-
Caetano Aeronautic, S.A.	486.406	-	-	-	-	-	11.980	-	-	227.926
Caetano Baviera - Comércio de Automóveis, S.A.	1.071.590	226.075	1.957.212	235.806	-	-	10.079	194.200	101.352	146.827
Caetano City e Active (Norte), S.A.	425.366	43.316	1.623.588	4.286	-	46.525	44	49.366	68.142	(17.906)
Caetano Drive, Sport e Urban, S.A.	53.273	189.557	(26.263)	11.697	-	-	67.142	129.259	-	4.091
Caetano Energy, S.A.	104.989	33.918	7.227	11.873	-	-	29.535	12.988	-	1.160
Caetano Fórmula, S.A.	48.427	231.313	(3.222)	426.649	-	-	9.780	(8.182)	-	4.441
Caetano Formula East África, S.A.	1.535	-	-	-	-	-	-	-	-	1.248
Caetano Motors, S.A.	35.355	261	(4.996)	842	-	-	15.205	9.611	-	2.032
Caetano Move África, S.A.	1.386	-	1.099	-	-	-	-	-	-	27
Caetano One CV, Lda.	24.910	571	29.334	(4.772)	-	-	-	(496)	-	-
Caetano Parts, Lda.	228.560	1.819.867	919.333	2.887.771	-	-	688	7.864	-	2.140
Caetano Power, S.A.	70.417	(106)	414	268	-	-	30.511	(2.914)	(106.605)	1.354
Caetano Retail (S.G.P.S.), S.A.	203.977	(811.923)	408	-	-	-	1.662	1.038	-	152.826
Caetano Squadra África, S.A.	31	-	-	-	-	-	-	-	-	26
Caetano Star, S.A.	21.662	550	2.458	512	-	-	-	2.035	-	14.752
Caetano Technik, Lda.	8.287	25.521	10.188	15.958	-	-	13.886	(3.703)	-	3.161

	COMMERCIAL DEBT		PRODUCTS		FIXED ASSETS		SERVICES		OTHERS	
OTHER RELATED COMPANIES	RECEIVABLE	PAYABLE	SALES	PURCHASES	ACQUISITIONS	DISPOSALS	RENDERED	OBTAINED	EXPENSES	GAINS
CaetanoBus - Fabricação de Carroçarias, S.A.	4.975.647	223.445	40.541	26.486	-	4.930	49.673	148.600	-	1.293.179
Caetsu Publicidade, S.A.	30.129	648.216	59.701	-	-	-	2.524	1.496.632	10.150	2.645
Carplus - Comércio de Automóveis, S.A.	83.822	15.000	21.806	35.732	-	-	42.709	176	-	9.900
Choice Car, S.A.	1.612	-	-	-	-	-	-	58	-	6.719
COCIGA - Construções Civis de Gaia, S.A.	14.332	260.259	-	-	-	-	4.077	121.325	-	8.476
Finlog - Aluguer e Comércio de Automóveis, S.A.	509.097	159.506	947.723	100.911	-	-	191.834	532.207	85.304	19.731
Fundação Salvador Caetano	617.686	-	-	-	-	-	-	-	-	-
Grupo Salvador Caetano, (S.G.P.S.), S.A.	10	-	-	-	-	-	-	-	-	26
Guérin - Rent-a-Car (Dois), Lda.	634.424	98.437	45.528	69.309	-	-	719.232	3.377	-	58.849
Hyundai Portugal, S.A.	10.026	-	4.533	35	-	-	23.015	-	-	16.410
Ibericar - Sociedad Iberica del Automovil, S.A.	6.458	-	-	-	-	-	-	-	-	5.250
Ibericar Motors Cádiz, S.L.	385	-	-	-	-	-	-	-	-	385
Ibericar Reicomsa, S.A.	752	-	-	-	-	-	-	-	-	752
Lidera Soluciones, S.L.	-	-	-	-	-	-	-	54.162	-	-
Lusilectra - Veículos e Equipamentos, S.A.	31.883	271.913	42.697	17.857	5.253	-	33.515	172.922	-	30.105
MDS Auto - Mediação de Seguros, S.A.	208.644	-	-	-	-	-	-	-	-	2.703
P.O.A.L. - Pavimentações e Obras Acessórias, S.A.	17.806	-	-	-	-	-	-	-	-	-
Portianga - Comércio Internacional e Participações, S.A.	142.859	(16.367)	106.791	(60.750)	-	-	24.134	(78.709)	-	19.550
RARCON - Arquitectura e Consultadoria, S.A.	-	14.876	-	-	-	-	-	42.218	-	-
Rigor - Consultoria e Gestão, S.A.	65.432	1.587.698	497	441.326	-	-	82.789	2.242.477	19.710	123.819
Robert Hudson, LTD	5.530	(263)	2.994	-	-	-	-	-	-	1.183
SIMOGA - Sociedade Imobiliária de Gaia, S.A.	1.374	-	-	-	-	-	-	-	-	-
Sózó Portugal, S.A.	3.832	-	-	-	-	-	-	-	-	3.844
Turispaiva - Sociedade Turística Paivense, S.A.	138	-	-	-	-	-	-	-	-	773
Vas Cabo Verde, Sociedade Unipessoal, S.A.	39.739	(3.596)	74.243	(6.724)	-	-	-	(3.060)	-	-
	10.204.687	5.031.466	5.866.717	4.215.072	5.253	51.455	1.370.248	4.976.767	178.054	2.150.511

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

33. SEGMENT INFORMATION

The main information relating to the business segments existing on June 30, 2018 and 2017, is as follows:

	NATIONAL								FOREIGN						
	VEHICLES				INDUSTRIAL EQUIPMENT				VEHICLES		REMOVALS				
30/06/2018	INDUSTRY	COMMERCE	SERVICES	RENTAL	MACHINES	SERVICES	RENTAL	OTHERS	INDUSTRY	COMMERCE	MACHINES	SERVICES	RENTAL	REMOVALS	CONSOLIDATED
PROFIT															
External sales	42.099	266.066.594	8.615.506	18.037.262	7.657.113	2.647.322	874.384	-	25.983.861	12.327.004	107.693	14.111	4.557	(98.988.691)	243.388.815
INCOME															
Operational income	(1.047)	7.237.950	211.590	(1.060.038)	671.497	1.448.769	733.640	(13.988)	892.232	605.392	6.645	6.520	2.018	(13.893)	10.727.287
Financial income	4.656	(581.647)	(6.201)	(148.466)	(18.138)	(6.991)	(17.694)	(23)	(74.697)	(19.554)	(302)	(40)	(11)	-	(869.109)
Net Income with non--controlling interests	2.688	5.237.303	182.795	(1.020.188)	486.677	1.073.958	628.085	(10.772)	608.969	439.217	4.725	4.827	1.494	(476.582)	7.163.195
OTHER INFORMATION															
Total consolidated assets	18.647.563	316.778.719	9.698.521	58.613.060	10.014.308	1.580.965	27.395.705	64.574.511	-	7.979.634	-	-	-	(207.340.506)	307.942.481
Total consolidated liabilities	2.925.557	211.194.592	7.070.573	60.249.627	4.337.604	340.552	27.913.570	3.604.402	-	3.137.388	-	-	-	(145.218.221)	175.555.643
Capital Expenses	84.009	1.129.550	62.781	27.021.134	-	18.833	2.093.924	230	-	81.553	-	-	-	212.691	30.704.706
Depreciation	328.205	823.088	813.871	5.301.306	35.573	25.728	3.081.168	243	-	88.316	-	-	-	179.889	10.677.385

	NATIONAL								FOREIGN						
	VEHICLES				INDUSTRIAL EQUIPMENT				VEHICLES		REMOVALS				
30/06/2017	INDUSTRY	COMMERCE	SERVICES	RENTAL	MACHINES	SERVICES	RENTAL	OTHERS	INDUSTRY	COMMERCE	MACHINES	SERVICES	RENTAL	REMOVALS	CONSOLIDATED
PROFIT															
External sales	16.254	217.634.403	8.022.985	2.383.397	6.518.476	2.330.996	6.853.746	-	30.290.866	9.789.542	46.901	609	7.020	(75.876.710)	208.018.485
INCOME															
Operational income	2.625	3.940.535	154.322	(436.189)	1.273.444	777.174	450.839	(1.880)	2.158.703	380.012	2.712	436	3.736	(431.932)	8.274.537
Financial income	(51)	(807.266)	(8.935)	(99.004)	(23.000)	(3.828)	(54.593)	(28)	(102.648)	(41.134)	(104)	(2)	(27)	-	(1.140.620)
Net Income with non--controlling interests	2.571	2.950.414	138.708	(535.192)	1.249.142	772.539	395.650	(1.928)	2.053.913	268.134	2.605	433	3.705	(2.175.218)	5.125.476
OTHER INFORMATION															
Total consolidated assets	23.019.943	311.646.758	9.672.296	31.935.446	6.495.033	1.912.842	39.360.413	22.037.499	-	6.962.822	-	-	-	(175.568.403)	277.474.649
Total consolidated liabilities	881.570	184.132.787	7.005.696	32.347.392	1.536.063	271.022	34.319.792	3.601.352	-	2.753.787	-	-	-	(117.023.831)	149.825.630
Capital Expenses	49.713	1.933.167	103.887	23.518.546	-	26.843	2.301.751	320	-	43.145	-	-	-	(513.371)	27.464.001
Depreciation	602.463	1.703.149	80.147	2.567.686	34.865	25.839	3.149.860	247	-	81.226	-	-	-	156.456	8.401.938

The line "Turnover" includes Sales, Services Rendered and the amount of about 6.356.354 Euros (6.150.922 Euros as of June 30, 2017) related to equipment rentals accounted in Other Operating Income (Note 28).

The column "Eliminations" mainly includes the elimination of transactions between Group companies included in consolidation, mainly belonging to Vehicles segment.

34. CONTINGENT ASSETS AND LIABILITIES

Financial commitments not included in the consolidated balance sheet

As of June 30, 2018, December 31, 2017 and June 30, 2017, Toyota Caetano Group had assumed the following financial commitments:

COMMITMENTS	JUN/18	DEC/17	JUN/17
Credits	96.391	96.391	105.190
Guarantees of Imports	5.597.416	5.394.118	5.168.684
	5.693.807	5.490.509	5.273.874

The amounts presented classified as "Guarantees for Imports", includes the amount of 4 million Euros related with guarantees on imports provided to Customs Agency.

Following the 16 million Euros debt contracting process occurred in 2012, the Group has granted mortgages to the respective financial institutions, valued at about 23,4 million Euros, at the financing date.

35. 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 the first half of 2018.

36. 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 VLF- the transfer of the liabilities in this process.

37. EARNINGS PER SHARE

The earnings per share for the six-month period ended as of June 30, 2018 and 2017 were computed based on the following amounts:

	JUN/18	JUN/17
Net Income		
Basic	7.163.195	5.125.476
Diluted	7.163.195	5.125.476
Number of shares	35.000.000	35.000.000
Earnings per share (basic and diluted)	0,205	0,146

During the six-month period ended as of June 30, 2018 and June 30, 2017 there were no changes in the number of shares outstanding.

38. SUBSEQUENT EVENTS

On August 9, 2018, occurred the issuance and subscription of a bond loan, denominated "Toyota 2018/2023", amounting to 12,5 million Euros. These securities were admitted to trading on Euronext Access Lisbon on August 10, 2018.

In addition to the mentioned above, no relevant facts that could be declared have been observed.

39. FINANCIAL STATEMENTS APPROVAL

The consolidated financial statements were approved by the Board of Directors on August 28th, 2018.

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

40. EXPLANATION ADDED FOR TRANSLATION

These financial statements are a translation of financial statements originally issued in Portuguese language in accordance with IFRS. In the event of discrepancies, the Portuguese language version prevails.

Chartered Accountant
Alexandra Maria Pacheco Gama Junqueira

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

04 OPINIONS

REPORT AND OPINION OF THE FISCAL COUNCIL

In accordance with the terms of item g) of Article 420.º of the Companies Code and of the Articles of Association, it competes us to appreciate the report of the management performed and proceed to the general appraisal of the documents and statement of consolidated accounts of TOYOTA CAETANO PORTUGAL, SA, referring to the first semester of 2018 and which were presented to us by the Board of Directors.

In accordance with the assignments conferred to us, during this exercise we proceeded to the follow-up of the evolution of the social business with the frequency and to the extend considered advisable, to the general analysis of the financial procedures and the confirmation by sampling of the respective files.

We have no knowledge of any situation which didn´t respect the articles of association and the legal terms applicable.

We analysed the limited revision Report elaborated by the registered auditor in CMVM (Comissão Mercado Valores Mobiliários) under number 9077, with which we agree.

Thus,

All members of the Board of Auditors of the TOYOTA CAETANO PORTUGAL, SA under the terms of item c) of number 1 of Article 246.º of the Exchange Stock Code, hereby confirm, as far as it is our knowledge, that the information provided in item a) of the above referred article was elaborated according to accounting rules applicable, evidencing a correct and clear image of the assets and liabilities, of the financial highlights and results of Group TOYOTA CAETANO PORTUGAL, SA and that the report of the management clearly shows the business evolution, the performance and the position of the Group, evidencing as well a description of the mains risks and incertitude´s to be faced.

In these terms, we believe that the Financial Statements referring to the period ending at 30th June 2018 accurately reflect the result of all operations developed in that same period by the Group Toyota Caetano Portugal, S.A.

Vila Nova de Gaia, 28th August 2018

José Domingos da Silva Fernandes - Chairman

Alberto Luis Lema Mandim – Member

Daniel Broekhuizen – Member

REVIEW REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

(Free translation from the original in Portuguese)

Introduction

We have reviewed the accompanying consolidated financial statements of Toyota Caetano Portugal, S.A. (the Company), which comprise the consolidated statement of financial position as at 30 June 2018 (which shows total assets of Euro 307,942,481 and total shareholder's equity of Euro 132,386,838, including a net profit of 7,090,430), the consolidated statements of income by nature, comprehensive income, changes in equity and cash flows for the six-month period then ended, and the accompanying explanatory notes to these consolidated financial statements.

Management's responsibility

The Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Accounting Standard 34 – Interim Financial Reporting as adopted by the European Union, as well as to create and maintain appropriate systems of internal control to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the accompanying consolidated financial statements. We conducted our review in accordance with ISRE 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity and other technical and ethical standards and recommendations issued by the Institute of Statutory Auditors. Those standards require that we conduct the review in order to conclude whether anything has come to our attention that causes us to believe that the consolidated financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34 – Interim Financial Reporting as adopted by the European Union.

A review of financial statements is a limited assurance engagement. The procedures performed mainly consist of making inquiries and applying analytical procedures, and evaluating the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (ISAs). Accordingly, we do not express an opinion on these consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that accompanying consolidated financial statements of Toyota Caetano Portugal, S.A. as at 30 June 2018 are not prepared, in all material respects, in accordance with International Accounting Standard 34 – Interim Financial Reporting as adopted by the European Union.

28th August 2018

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda
Registered in the Comissão do Mercado de Valores Mobiliários with no. 20161485
represented by:

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

(This is a translation, not to be signed)