

***Progress Report
June 2017***

- Consolidated Accounts -

Corporate Bodies

Board of the General Assembly

José Lourenço Abreu Teixeira – Chairman
Manuel Fernando Monteiro da Silva – Deputy Chairman
Jorge Manuel Coutinho Franco da Quinta – 1st Secretary
Maria Olívia Almeida Madureira – 2nd Secretary

Board of Directors

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

Supervisory Board

José Domingos da Silva Fernandes - Chairman
Alberto Luis Lema Mandim – Member
Daniel Broekhuizen – Member
Maria Lívia Fernandes Alves – Alternate Member
Kenichiro Makino – Alternate Member

Statutory Auditor

José Miguel Dantas Maio Marques, representing Pricewaterhouse
Coopers & Associados - Sociedade de
Revisores Oficiais de Contas, Lda. [Statutory Auditors Firm]
António Joaquim Brochado Correia - Alternate Member

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 Companies included in the consolidation scope of Toyota Caetano Portugal, it contains all the main events occurred during the period under analysis, as well as their impact on 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 semester of 2017, the Ovar Manufacturing Unit produced a total of 1,288 vehicles. This figure is slightly above the expectations for this period (1,180 vehicles).

The PPO/PDI activity converted/prepared 2,414 units, a result that is higher than the one achieved in the same period of the previous year.

PRODUCTION	2017 (JAN-JUN)	2016	2015	2014	2013
Toyota Physical Units	1,288	1,823	1,629	1,664	1,111
Conversions	2,414	3,773	4,353	3,271	2,339
Total number of Employees	182	186	192	170	181

Throughout this first semester, TCAP – Ovar Manufacturing Unit worked in close cooperation with TMC (Toyota Motor Corporation), in order to minimise the impact of the *Minor Change* in the production volume, planned for the second semester. However, we should highlight that we are now able to ensure a significant increase in the number of units assembled in 2017, compared with the volumes achieved in 2016. On the other hand, the actual production costs are perfectly in line with the budgeted figures.

Until the end of 2017, there are plans for a greater emphasis on reducing overall costs at the Ovar Manufacturing Unit.

We also highlight the following events:

- A new time bank signed between Employees and the Company, making labour more flexible in order to meet market needs and fluctuations.
- Audit conducted by APCER as part of the Quality Management System, under ISO 14001 and Quality ISO 9001 (both follow-ups), on 15, 16 and 17 May.
- In response to the results of an Organisational Climate Study, the Ovar Manufacturing Unit has been investing in the implementation of various activities and measures aimed at increasing its employees' satisfaction and motivation levels.

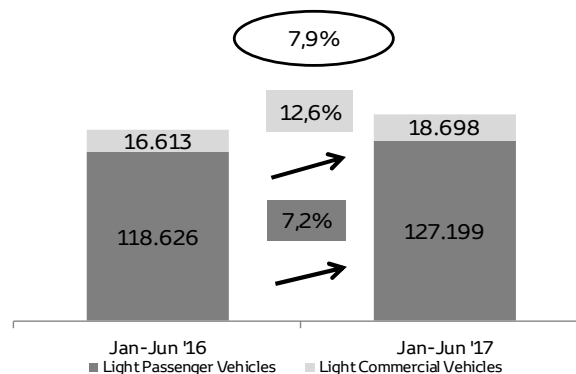
COMMERCIAL ACTIVITY

VEHICLES

TOTAL AUTOMOTIVE MARKET

In the 1st semester of 2017, the rising trend observed over the last few years remained unchanged, with the overall market growing some 8%.

This recovery is based on positive developments in both passenger vehicles and light commercial vehicles, which have grown by 7.2% and 12.6%, respectively.



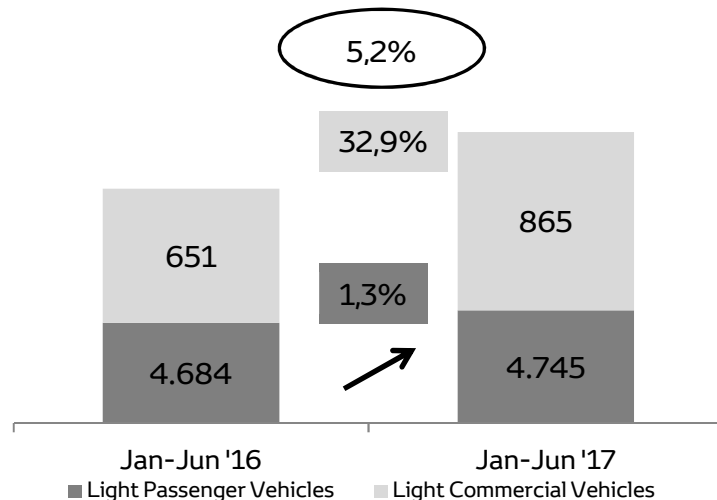
Source: ACAP (Portuguese Automobile Trade Association)

TOYOTA

In the first half of the year, Toyota achieved a total of 5,610 units sold, translating into a 5.2% increase, as compared to the same period last year.

This results in a total market share of 3.8% in the first half of the year.

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



Source: ACAP (Portuguese Automobile Trade Association)

- In Light Passenger Vehicles, Toyota grew by around 1.3%, with a market share of 3.7%.

This performance, weaker than the market developments observed in the 1st semester, is mainly a result of the fact that the model with the highest sales volume - Yaris - witnessed the arrival of a new generation which only began to be sold in June; until then, the sales were based on the "clearance" of the previous model, with an obvious impact in terms of sales volume.

On a positive note, we highlight the increase in the sales of hybrid vehicles (+73% compared to 2016), boosted by the new hybrid model C-HR, of one of the fastest-growing segments – Crossovers.

- As far as Light Commercial Vehicles, are concerned, **Toyota shows a quite strong growth of 33%,** with a market share of 4.6% (+0.7 percentage points compared to 2016).

This result is associated with the good performance of the Hilux and Proace models, recently launched in the market.

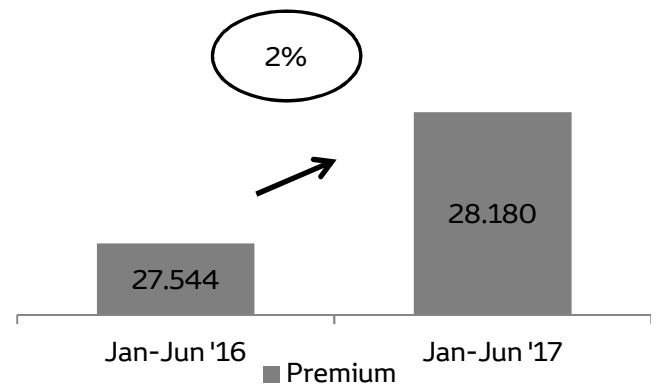
Prospects are favourable for the second semester of the year.

In terms of Light Passenger Vehicles, we expect the good performance of the brand to improve, thanks to the investment in hybrid vehicles and to the renewed Yaris model, launched at the end of the 1st semester.

With regard to the Commercial Vehicles market, the Hilux and Proace models are expected to continue to show a good performance.

PREMIUM MARKET

The evolution of the premium market in the 1st half of 2017 was also positive. This market segment witnessed a slight growth of 2%, a figure lower than the one reached in the total passenger vehicle market.

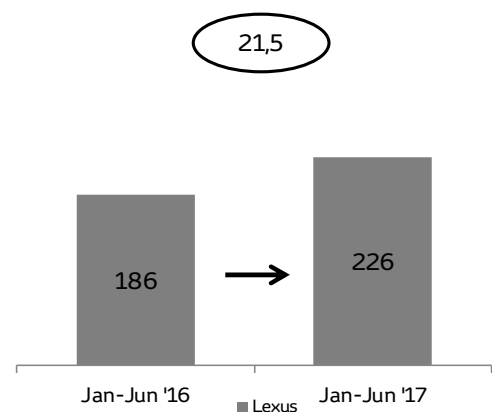


Source: ACAP (Portuguese Automobile Trade Association)

LEXUS

Lexus showed a growth of approximately 22% over the previous year, a figure higher than that of the overall market. This fact resulted from an increase of 0.1 p.p. in the market share of the premium segment.

The favourable developments in sales are expected to continue throughout the 2nd semester, thanks to the growing appetite of the market for hybrid models, the renovation of the CT 200h and NX 300h models, and the launch of the new high-performance hybrid coupe LC 500h.



Source: ACAP (Portuguese Automobile Trade Association)

INDUSTRIAL MACHINERY

Toyota Industrial Equipment

	TOTAL MARKET			TOYOTA + BT SALES				
	1 st semester		Variation	1 st semester '16		1 st semester '17		Variation
	'16	'17	%	Qty.	Share	Qty.	Share	%
Forklift Trucks	581	596	2.6%	195	33.6%	159	26.7%	-18.5%
Warehouse Equipment	773	677	-12.4%	300	38.8%	156	23.0%	-48.0%
Total	1354	1273	-6.0%	495	36.6%	315	24.7%	-36.4%

Source: ACAP (Portuguese Automobile Trade Association)

Market

In the 1st semester of 2017, the domestic market for cargo handling machines (CHM) decreased by approximately 6%, compared to the same period of 2016.

This variation resulted in a 2.6% growth in the forklift trucks segment and a 12.4% decrease in the warehouse equipment segment.

The downturn in the Warehouse Equipment market is influenced by the lack of significant fleet deals in the 1st half of the year.

Toyota + BT Sales

Overall Toyota / BT sales decreased 36.4%.

This decrease is primarily justified by the lack of relevant fleet deals in the first semester.

Upon performing the corresponding analysis by segment, we noticed the following:

With regard to Toyota Forklift Trucks 155 units were sold in the first 6 months, representing a 18.5% drop in sales and an accumulated share quota of 26.7%.

In relation to BT warehouse equipment 156 units were sold in the first 6 months, representing a 48% drop in sales and an accumulated share quota of 23%. This is the segment on which the lack of fleet deals has a greater impact.

Overall, Toyota sales represented an accumulated market share of 24.7%.

Year-end outlook

There will be a slight slowdown in activity in July and August, due to the summer holidays. However, as usual, our activity is expected to resume a regular pace, or even speed up, between September and the end of the year.

We should also note that, in the meantime, we have concluded a considerable fleet deal (approximately 290 units), which will have an impact on the 2nd semester.

With regard to the budget, in terms of number of units, we expect to meet it, as its degree of implementation by June'17 amounts to 45% of the annual budget.

AFTER-SALES

In the first half of 2017, the overall turnover of the After-Sales Division totalled 18.5 million euros. This figure includes the "Guarantee + Extension" and "Total Assistance" services, whose turnover in this period corresponds to just over 0.5 million Euros.

The commercial spare parts activity (original & domestic incorporation), which excludes warranty services and "other services" mentioned above, amounted to 14,028,257€. This amount represents a growth of 10.1% over the same period of 2016.

Sales of Spare Parts 1 st Semester 2016	Sales of Spare Parts 1 st Semester 2017	Growth % 2017/2016
12,746 M€	14,028 M€	10.1%

The turnover in accessories (including merchandising) totalled 1,7M€ in the first semester of 2017. These sales were 16.6% higher than the figures achieved in the previous year, and translated into a growth in the incorporation per new vehicle sold.

Sales of Accessories 1 st Semester 2016	Sales of Accessories 1 st Semester 2017	Growth % 2017/2016
1,445 M€	1,685 M€	16.6%

Notes:

The fact that the existing Toyota fleet is shrinking and ageing is mainly the result of the sharp market drop occurred during the recent crisis, a circumstance that we continue to witness this year. However, TCAP remains committed to implementing a customer-oriented strategy (360° strategy), focused on meeting all the customer's needs and providing an excellent service. As a result of this strategy, we were able to increase customer retention, promote the sale of original Toyota spare parts and accessories and, last but not least, increase the customer satisfaction/recommendation indexes.

The most important initiatives are described below:

- New edition of the annual VCI (Value Chain Index) challenge for the year 2017. This initiative encourages every Toyota dealer to achieve good performances in some of the indicators seen as strategic for the After-Sales business. These indicators include: proactive customer warning programs, the active reception process, customer retention services (insurance, maintenance contracts, ...), the promotion of the sale of accessories and the implementation of specialised services for hybrid vehicles, in addition to the control of all technical activities.

Toyota Caetano Portugal, S.A.

- Extension of the 5+ Service offer (for customers owning vehicles over 5 years old). This service includes competitive fixed prices (nationwide) for replacing oil and filters, clutch parts, shock absorbers and timing belts. In 2017, the clutch pack was extended to the Auris model.
- Use of new forms of communication in the Toyota Warning Program, namely e-card and SMS. As previously done with postcards, Toyota owners are invited to submit their vehicles to the regular pre-inspection and/or Scheduled Servicing.
- Development of Maintenance Contracts for Yaris 2017 and Prius Plug-in.
- Extension of maintenance contracts for used vehicles. We intend to offer an alternative for vehicles whose initial maintenance contract has expired. The new used-vehicle contracts start at the 90,000 Km service and ensure that customers visit the network workshops over the following 3, 4 or 5 years.
- Integration of the accessory promotion program into the Sales Challenge, which combines vehicle sales results with other indicators (accessories, financing, ...).
- A new line of Toyota merchandising was launched to respond to the enthusiasm and passion of the fans of team Toyota Gazoo Racing,
- Continuous promotion of tyre deals, as part of specific campaigns for the different brands.
- Launch of the new Uniblade & Flatblade windshield wiper range. The new wipers have an innovate design and meet the current market demands. The aim is to increase the sale of this type of spare parts, as well as the levels of detection of sale opportunities during the reception process.
- Launch of the Toyota Optiwhite light bulbs, which, in addition to enhancing the vehicle's external look, improve driving safety in all weather conditions.

CAETANO AUTO, S.A.

- Using the Bank of Portugal's estimate as reference, the Portuguese economy will grow by 2.5% in 2017, a performance that is expected to be primarily underpinned by strong exports, but also by a recovery in domestic demand, namely in terms of investment.
- So, 2017 comes across as a year of recovery of the Portuguese economy and Caetano Auto's activity appears to be following that trend, showing improvements already in the 1st semester, when compared to the same period of the previous year.
- Accordingly, turnover in the 1st semester exceeded 102 million euros, surpassing the 93 million euros achieved in the previous year and reaching a growth of 10%. This growth was supported by a contribution of 11% from vehicles, 7.6 million more than in 2016, and 6% from after-sales, 1.4 million more than in 2016.
- We should highlight that all efforts made by Caetano Auto with regard to continuous improvement within the scope of its various activities has been yielding rather interesting results, both in terms of activity growth and in terms of cost reduction, which justify the strong growth of the company's profitability.

Toyota Caetano Portugal, S.A.

- With regard to expenditure, the careful management of the Company's costs allowed for a decrease in expenses, particularly staff costs, compared to the previous year, despite the growth in sales.
- As for depreciations and amortisations, they continue to represent more than 1 million euros per semester against the assets held, mainly properties, thus having a significant impact on the results obtained by the company.
- With regard to new facilities, we should highlight the opening, in December of last year, of a Caetano Auto unit in Santa Maria da Feira, which became fully operational at the beginning of 2017 (vehicles and after-sales).
- In view of the above, in the year under analysis, it was possible to observe a more than adequate business profitability, which offers prospects for a clearly positive year in terms of results.

CAETANO AUTO CABO VERDE, S.A.

Economic Environment Indicator *

Despite the fact that the indicators provided by INE Cabo Verde refer to the 1st quarter of 2017, we can see that the climate indicator followed the upward trend evidenced in the last few quarters, i.e., the economy continued to grow at a steady pace in the first quarter of 2017. This indicator reached the highest value in the last twenty three (23) consecutive quarters, showing positive developments when compared to the same period of 2016, thus demonstrating that the economic scenario is favorable. This diagnosis results from a synthesis of various assessments provided by businessmen from the areas of construction, retail sales and tourism, as well as from the manufacturing industry, the transport industry and ancillary transport services.

*Source (INE CV Surveys)

COMMERCIAL ACTIVITY

SEGMENT	BRAND	2016	2017	Variation	
				Qty.	%
Light-Duty Passenger Vehicles	Toyota	42	30	-12	-28.6%
Light Commercial Vehicles	Toyota	116	140	+24	+19%
Heavy Commercial Vehicles	Toyota	10	9	-1	-10.00%
		168	179	+11	+6,5%

In the 1st semester of 2017, and compared to the same period of the previous year, Caetano Auto CV, SA sold an additional 11 physical units, which corresponds to a growth of 6.5% in new vehicles.

Toyota Caetano Portugal, S.A.

As shown in the table above, this growth was not uniform, as the strong increase in Commercial Vehicles, with significant contributions from the Hilux and Fortuner models, was partially offset by a reduction in the sales of Passenger Vehicles, with drops in the Yaris and Avensis models.

We should highlight the entry into the market of new players, mainly from Asian origin, whose highly competitive prices will surely force us to review our commercial strategy for this market.

After-Sales

SALES	2016	2017	Variation	
			Value	%
Parts/Accessories	68,860,583	71,509,498	+2,648,915	+3.84%
Workshop (Labour)	17,808,910	14,893,162	-2,915,748	-16.37%
	86,669,493	86,402,660	-266,833	0.30%

(Amounts in ECV)

With regard to After-Sales, we can see that there was some stagnation in terms of transaction amounts when compared to the same period of the previous year, although we should recognise that the growth in over-the-counter sales of spare parts and accessories was accompanied by a drop in the services provided by the workshops, namely in terms of the labour involved in crash repairs.

In the 1st semester we strengthened our partnership with ENACOL by launching our fuel sales operations in the Sal Island, reaching a turnover of approximately 550 MECV in the period under analysis.

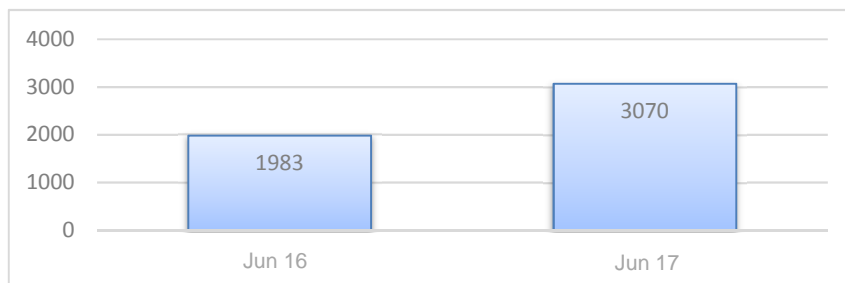
Despite the challenges posed by the competition, we believe that 2017 will be another year marked by an adequate profitability within the scope of this area of business based in Cape Verde.

CAETANO RENTING, S.A.

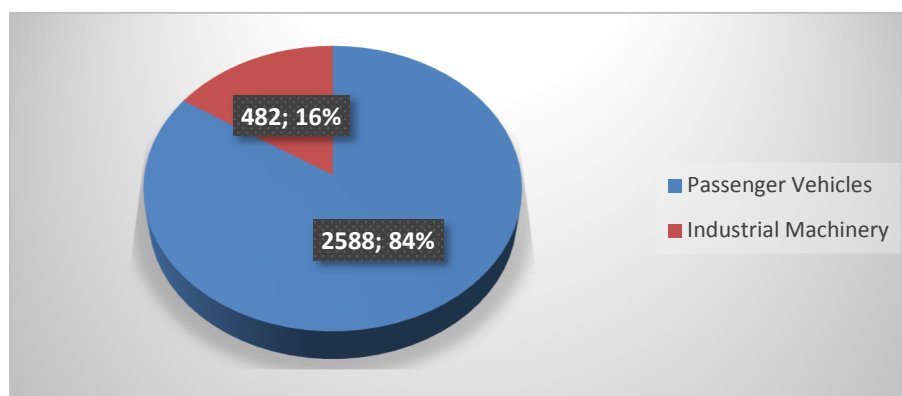
In the period under analysis we notice a substantial growth of the Caetano Renting fleet, when compared to the same period of the previous year.

This increase of 54.82% resulted in an operating fleet with 3,070 units and is mainly due to a growth in the Rent-a-Car business, which is currently using 73% of the total Caetano Renting fleet.

Toyota Caetano Portugal, S.A.



In addition to renting passenger vehicles, we also continue to rent industrial equipment, which represents approximately 16% of the total fleet.



In view of the above, we can see that there was an increase in turnover of approximately 57.34%, compared to the same period of the previous year.

In terms of prospects for the current year, and considering the regular course of business, we believe that Caetano Renting will once more make a positive contribution to the consolidated results of the Toyota Caetano Group.

PERSONNEL MANAGEMENT AND DEVELOPMENT

Over the last few years, the growing need to attract and retain Talent has led the Organisations to implement Employer Branding strategies. This investment allows cultivating relationships with and commitments to Employees and other Stakeholders, which are expected to bring functional, emotional and symbolic benefits. This path is also being followed by Toyota Caetano Portugal, which created the Corporate Personnel, Brand and Communication Division (DPC) in January 2015, with the main purpose of turning the Company into an increasingly pleasant place to live and work in, through an integrated people management strategy.

Toyota Caetano Portugal, S.A.

Acting in the areas of wages and benefits, training and development, careers and compensations, law and employment, and corporate brand and communications, this TCAP structure uses knowledge and tools from the fields of Human Resources and Marketing to fulfil its mission. TCAP believes that, this way, it will be better able to meet the needs and expectations of its internal customers, taking into account their entire internal cycle of development within the Company.

In line with this strategy, throughout the first semester of 2017, we highlight the development of a number of integrated personnel management policies, processes and procedures, whose implementation is expected to last for a considerable period of time:

- Management and Development Management, which entails an analysis of the Employees' performance and its alignment with the Toyota Way objectives and values;
- Ser Caetano Training for mid-level managers, with the aim of strengthening the Founder's Culture and Values;
- Strategic Thinking Workshop for Toyota Caetano Portugal senior managers, which resulted in an action plan for the future, based on the following issues: Where do we stand? Where do we want to go? What attitudes do we want to develop? Which Leadership and Professional profiles allow us to face up our challenge?;
- Digitalisation of the administrative personnel management processes, thus streamlining, simplifying and dematerialising them through the use of IT tools, such as "Business Project Management" and the Employee Portal, while training the various Teams in order to raise awareness to new ways of working.
- Launch of the Trainees Program, whose purpose is to attract young people with potential suited to our business needs and to our Corporate Identity, offering them an on-the-job learning experience;
- Redesign and launch of the new Employee Portal, turning it into a tool that plays an increasing useful role in the Employees' everyday lives, both by providing contents that are relevant to the Organisation, and by an easier access and more intuitive browsing;
- Employee Welcome and Integration Manual and Procedure, whose purpose is to create better conditions for the integration of all those who start working in the Organisation, in order to convey an image of the services we provide that is as close to reality as possible, providing all the information that might contribute to foster a good working environment and ensure that they are able to achieve a good performance.

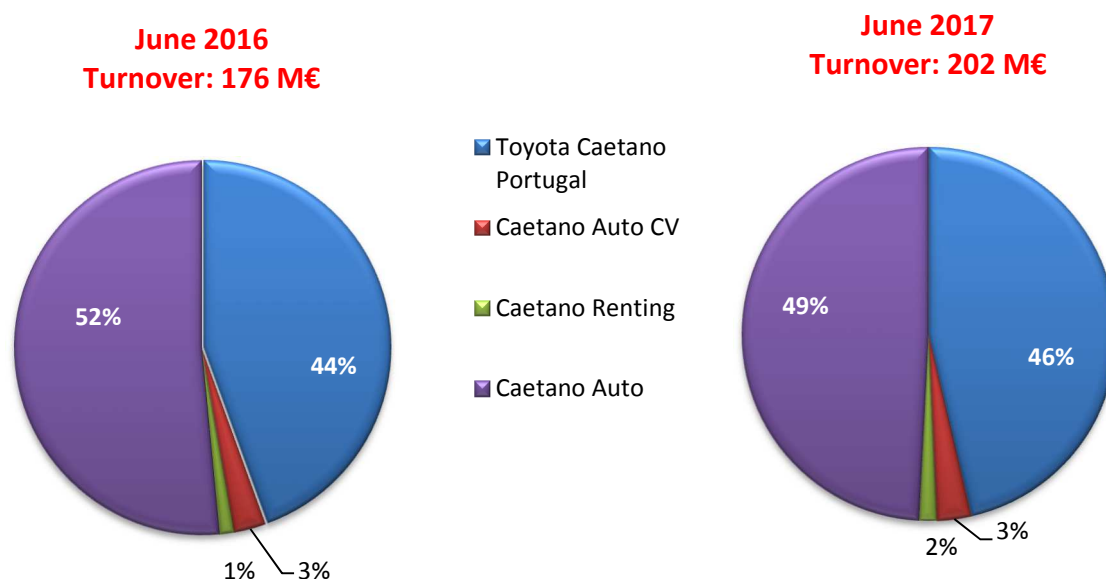
In 2017, our integrated Personnel Management and Internal Marketing policies and initiatives continue to be primarily focused on the recognition and retention of Human Capital with High Potential and Performance, contributing to the satisfaction of our Internal Customers, with the belief that, in this way, we are fostering the satisfaction of our End Customers.

FINANCIAL ACTIVITY

Consolidated analysis

During the first half of 2017, the scope of consolidation of the Toyota Caetano Portugal Group remained unchanged, when compared to the end of FY 2016.

In 2017, the Group had a turnover of 202 million euros, approximately 25 million euros higher (+14,5%) than that obtained in the same period of 2016. This growth is justified mainly by the growth in the automobile market in Portugal and which was somehow accompanied by the activity levels of the Toyota Caetano Group, but also by the clear growth and solid improvement in the profitability of the project for the assembly of off-road vehicles for export (LC70) at the Ovar manufacturing plant. Therefore, the contribution of the motor vehicle industrial area for turnover is approximately 30 million euros, against 24 million euros recorded in the same period of 2016.



As the main objective of the Group is to maintain the position of the Toyota brand as a benchmark in the automotive market, there was a need to implement a set of strategies aimed at minimizing the least favorable product cycle we have experienced (Yaris), including a slight overall increase in the profit margin, which, together with an appropriate management of business-related costs (Overhead and Staff Costs), allowed achieving an EBITDA of approximately 17 million euros, a result nearly 6.7 million higher (+64.9%) than that recorded in 2016.

Toyota Caetano Portugal, S.A.

Financial results, which were negative by approximately 1.1 million euros, are higher than the 1 million euros recorded in the same period of 2016, reflecting, however, the increased financing needs incurred by the Toyota Caetano Portugal Group in order to handle the growth in activity.

As a consequence of the increase in the rental of transport equipment, there was an increase of approximately 1.4 million euros in the item Amortization and Depreciations, which, combined with the aforementioned factors, resulted in a consolidated net income of around 5 million euros, while in 2016 the amount reached was around 2 million euros.

A financial autonomy of 46% reflects an appropriate management of the capital structure.

The table below shows comparative indicators, that summarize the evolution of the activity and performance of the Toyota Caetano Portugal Group, in thousands of euros:

	Jun 16	Jun 17	Variation
Turnover	176,316	201,868	14.5%
Gross Profit	30,471	37,367	22.6%
% (f) sales	17.3%	18.5%	
External supplies and services	18,190	20,216	11.1%
% (f) sales	10.3%	10.0%	
Staff expenses	20,044	19,295	-3.7%
% (f) sales	11.4%	9.6%	
EBITDA	10,310	17,003	64.9%
% (f) sales	5.8%	8.4%	
Operating income	2,942	8,275	181.2%
% (f) sales	1.7%	4.1%	
Net financial income	-1,010	-1,141	-12.9%
% (f) sales	-0.6%	-0.6%	
Consolidated net income	1,992	5,125	157.3%
% (f) sales	1.1%	2.5%	
Net Bank Credit	59,692	62,783	5.2%
Level of financial autonomy	47.2%	46.0%	

Gross Profit = Sales+ Service Provided – Costs of sales +- Production Variation

We should emphasize that, according to the projected economic development improvements for Portugal, a growth trend in the automotive sector is expected to continue, especially in the Hybrid segment, which will allow the Toyota Caetano Group to strengthen its sustainability in the market, leading to consistent results.

RISK MANAGEMENT

Loans and advances to clients

Credit risk at Toyota Caetano, mostly results from loans on its Clients, related to operating activity.

The main objective of credit risk management at Toyota Caetano is to ensure effective collection of operating receivables from Clients in accordance with the negotiated terms and conditions.

In order to mitigate the credit risk arising from potential default of payment by Clients, the Group companies exposed to this type of risk have:

- Established a specific department for analysis and follow-up of Credit Risk;
- Implemented proactive credit management processes and procedures, always supported by information systems;
- Hedge mechanisms (credit insurances, letters of credit, bank guarantees etc.).

Interest Rate Risk

As a result of the significant proportion of variable rate debt in its Consolidated Balance Sheet, and of the consequent interest payment cash flows, Toyota Caetano is exposed to interest rate risk.

Toyota Caetano has been making use of financial derivatives to hedge, at least partially, its exposure to changes in interest rates.

Exchange Rate Risk

As a geographically diverse Group, with subsidiaries in Cape Verde, exchange rate risk result essentially from business transactions, arising from the purchase and sale of goods and services in currencies other than the functional currency of each business.

The exchange rate risk management policy seeks to minimize volatility in investments and operations stated in foreign currency, by making the Group's income less sensitive to exchange rate fluctuations.

The Group's foreign exchange risk management policy is towards case-by-case appreciation of the opportunity to cover this risk, taking particularly into account the specific circumstances of the currencies and countries in question.

Toyota Caetano has been making use of financial derivatives to hedge, at least partially, its exposure to changes in exchange rates.

Toyota Caetano Portugal, S.A.

Liquidity Risk

Liquidity risk management at Toyota Caetano seeks to ensure that the company has the capacity to obtain the timely funding required to carry out its business activities, implement its strategy and meet its payment obligations when due, while avoiding the need to obtain such funding on unfavorable terms.

To this end, liquidity management in the Group includes the following:

- a) Consistent financial planning based on forecasts of operating cash flows in accordance with different time horizons (weekly, monthly, annual and multi-annual);
- b) Diversification of funding sources;
- c) Diversification of maturities of issued debt in order to avoid too excessive concentration for debt payment on short periods of time;
- d) Using partner Banks to open up short-term credit lines, commercial paper programs and other types of financial operations, to ensure a balance between adequate levels of liquidity and commitment fees incurred.

Subsequent Events

Since the end of 1st semester 2017 and up to current date, no relevant facts occurred worth of being mentioned.

STATEMENT

Pursuant to article 246 (1-c) of the Código de Valores Mobiliários (Portuguese Securities Code) we state that, to the best of our knowledge, Toyota Caetano Portugal consolidated financial statements, for the 1st half of 2017, were prepared in compliance with the applicable accounting standards, giving a true and fair view of the company's assets and liabilities, financial position and income and that the interim management report faithfully describes the information required under article 246 (2) of CVM.

Vila Nova de Gaia, 31st August 2017

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 CMVM Regulation 5/2008)

In compliance with the provisions of article 447 of the Portuguese Commercial Companies Code, it is hereby declared that, on 30 June 2017, 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, 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, and **Dr. Maria Angelina Martins Caetano Ramos** is the Vice-Chairman of the Board of Directors **Eng. Miguel Pedro Caetano Ramos** is a Member of the Board of Directors) performed no transactions, and so, on 30 June 2017, held 21,288,281 shares with a nominal value of € 1.00 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 so, on 30 June 2017, held 138,832 shares, with a nominal value of 1 euro each.

- the shareholder COVIM – Sociedade Agrícola, Silvícola e Imobiliária, S.A. (of which **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 Chairwoman of the Board of Directors) performed no transactions, and so, on 30 June 2017, held 393,252 shares, with a nominal value of 1 euro each.

- the shareholder COCIGA - Construções Civas 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 so, on 30 June 2017, held 290 shares, with a nominal value of 1 euro each.

Toyota Caetano Portugal, S.A.

For the purpose provided for 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 Group 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 Group 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 Group 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 the Company.

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

In accordance with article 448(4) of the Commercial Companies Code, the following is the list of shareholders that, on 30 June 2017, held, at least, 10%, 33% or 50% of the share capital of this company, as well as of the shareholders that have ceased to hold the aforementioned capital percentages:

Shareholders	Shares			
Holders of at least 10%	Held ¹	Purchased	Sold	Held ²
	31.12.2016	2017	2017	30.06.2017
TOYOTA MOTOR EUROPE NV/SA	9,450,000	--	--	9,450,000

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

² Share capital on 30.06.2017: € 35,000,000.00, represented by 35,000,000 shares with a nominal value of € 1.00 each.

Shareholders	Shares			
Holders of at least 50%	Held ¹	Purchased	Sold	Held ²
	31/12/2016	2017	2017	30.06.2017
Salvador Caetano – Auto, SGPS, S.A.	21,288,281	--	--	21,288,281

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

² Share capital on 30/06/2017: € 35,000,000.00, represented by 35,000,000 shares with a nominal value of € 1.00 each.

QUALIFIED SHAREHOLDINGS

(Under the terms of CMVM Regulation

5/2008)

On 30 June 2017, the shareholders with qualified shareholdings in the company's share capital are the following:

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

Toyota Caetano Portugal, S.A.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2017 AND 31 DECEMBER 2016

(Amounts expressed in Euros)

ASSETS	Notes	30/06/2017	31/12/2016
NON-CURRENT ASSETS:			
Goodwill	7	611.997	611.997
Intangible assets	8	743.883	1.077.832
Tangible fixed assets	5	105.686.941	86.264.400
Investment properties	6	17.585.691	17.903.011
Available for sale financial assets	9	3.585.698	3.483.128
Deferred tax assets	14	2.077.723	2.194.438
Accounts receivable	11	139.159	26.048
Total non-current assets		<u>130.431.092</u>	<u>111.560.854</u>
CURRENT ASSETS:			
Inventories	10	71.793.642	82.791.897
Accounts receivable	11	55.023.724	57.894.408
Other debtors	12	2.994.957	2.999.881
Public entities - Others	20	5.627.359	1.151.938
Public entities - Income taxes	20	-	99.372
Other current assets	13	3.434.613	4.723.329
Cash and cash equivalents	4	7.353.599	14.556.190
Total current assets		<u>146.227.894</u>	<u>164.217.015</u>
Total assets		<u><u>276.658.986</u></u>	<u><u>275.777.869</u></u>
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 - Available for sale financial assets		505.016	402.446
Other reserves		73.725.417	73.024.661
Net income		5.059.897	5.950.756
	15	<u>126.289.179</u>	<u>126.376.712</u>
Non-controlling interests	16	1.359.840	1.294.261
Total equity		<u>127.649.019</u>	<u>127.670.973</u>
LIABILITIES:			
NON-CURRENT LIABILITIES:			
Loans	17	31.908.611	32.894.408
Defined benefit obligations	22	8.434.420	8.434.420
Provisions	23	432.259	407.105
Deferred tax liabilities	14	1.702.915	1.717.275
Total non-current liabilities		<u>42.478.205</u>	<u>43.453.208</u>
CURRENT LIABILITIES:			
Loans	17	38.228.284	36.326.297
Accounts payable	18	29.411.995	35.509.231
Other creditors	19	2.230.998	1.095.835
Public entities - Others	20	12.936.733	10.321.909
Public entities - Income taxes	20	1.020.416	-
Other current liabilities	21	22.093.617	20.680.411
Defined benefit obligations	22	609.719	691.580
Derivative financial instruments	24	-	28.425
Total current liabilities		<u>106.531.762</u>	<u>104.653.688</u>
Total liabilities		<u>146.009.967</u>	<u>148.106.896</u>
Total liabilities and shareholder' equity		<u><u>276.658.986</u></u>	<u><u>275.777.869</u></u>

The notes to the financial statements integrates this statement for the period ending at 30 June 2017.

CHARTERED ACCOUNTANT

ALEXANDRA MARIA PACHECO GAMA JUNQUEIRA

BOARD OF DIRECTORS

JOSE 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

Toyota Caetano Portugal, S.A.

CONSOLIDATED INCOME STATEMENT

FOR THE PERIOD ENDED AT 30 JUNE 2017 AND 2016

(Amounts expressed in Euros)

	Notes	30/06/2017	30/06/2016
Operating Income:			
Sales	26	190.303.467	166.250.797
Services rendered	26	11.564.096	10.065.659
Other operating income	29	20.567.657	19.920.201
Variation of products	10	(1.194.186)	(174.834)
		<u>221.241.034</u>	<u>196.061.823</u>
Operating expenses:			
Cost of sales	10	(163.306.573)	(145.670.389)
External supplies and services	27	(20.216.211)	(18.189.740)
Payroll expenses	28	(19.294.651)	(20.043.767)
Depreciations and amortizations	5, 6 and 8	(8.728.827)	(7.367.586)
Provisions	23	(94.828)	(98.394)
Impairment losses	23	92.732	(252.454)
Other operating expenses	29	(1.418.139)	(1.497.247)
		<u>(212.966.497)</u>	<u>(193.119.577)</u>
Operational Income		8.274.537	2.942.246
Expense and financial losses	30	(1.171.317)	(1.085.476)
Income and financial gains	30	<u>30.697</u>	<u>75.388</u>
Profit before taxation		7.133.917	1.932.158
Income tax for the year	25	<u>(2.008.441)</u>	<u>59.949</u>
Net profit for the period		<u>5.125.476</u>	<u>1.992.107</u>
Net profit for the period from continuing operations attributable to:			
Equity holders of the parent		5.059.897	1.962.558
Non-controlling interests		<u>65.579</u>	<u>29.549</u>
		<u>5.125.476</u>	<u>1.992.107</u>
Net profit for the period attributable to:			
Equity holders of the parent		5.059.897	1.962.558
Non-controlling interests		<u>65.579</u>	<u>29.549</u>
		<u>5.125.476</u>	<u>1.992.107</u>
Earnings per share:			
from continuing operations	36	<u>0,146</u>	<u>0,057</u>
Basic		<u>0,146</u>	<u>0,057</u>
from continuing operations	36	<u>0,146</u>	<u>0,057</u>
Diluted		<u>0,146</u>	<u>0,057</u>

The notes to the financial statements integrates this statement for the period ending at 30 June 2017.

CHARTERED ACCOUNTANT
ALEXANDRA MARIA PACHECO GAMA JUNQUEIRA

BOARD OF DIRECTORS
JOSE REIS DA SILVA RAMOS –President
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NOBUAKI FUJII
RUI MANUEL MACHADO DE NORONHA MENDES

Toyota Caetano Portugal, S.A.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

FOR THE PERIOD ENDED AT 30 JUNE 2017 AND 2016

(Amounts expressed 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 2015	35.000.000	7.498.903	6.195.184	(1.695.238)	382.767	74.490.374	86.871.990	6.134.247	128.006.237	1.647.295	129.653.532
Changes in the period:											
Application of the consolidated net income 2015	-	-	-	-	-	6.134.247	6.134.247	(6.134.247)	-	-	-
Available for sale financial assets fair value changes	-	-	-	-	(96.360)	-	(96.360)	-	(96.360)	-	(96.360)
Others	-	-	-	-	-	(115)	(115)	-	(115)	-	(115)
	-	-	-	-	(96.360)	6.134.132	6.037.772	(6.134.247)	(96.475)	-	(96.475)
Consolidated net profit for the period	-	-	-	-	-	-	-	1.962.558	1.962.558	29.549	1.992.107
Consolidated comprehensive income	-	-	-	-	(96.360)	-	(96.360)	1.962.558	1.866.198	29.549	1.895.747
Transactions with equity holders											
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	-	(54)	(54)
Distributed dividends	-	-	-	-	-	(5.250.000)	(5.250.000)	-	(5.250.000)	-	(5.250.000)
Balances at 30 of June 2015	35.000.000	7.498.903	6.195.184	(1.695.238)	286.407	75.374.506	87.659.762	1.962.558	124.622.320	1.676.790	126.299.110
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)	-	-	-
Available for sale financial assets fair value 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
Total comprehensive income for the year	-	-	-	-	102.570	-	102.570	5.059.897	5.162.467	65.579	5.228.046
Transactions with equity holders											
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-
Distributed dividends	-	-	-	-	-	(5.250.000)	(5.250.000)	-	(5.250.000)	-	(5.250.000)
Balances at 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

The notes to the financial statements integrates this statement for the period ending at 30 June 2017.

CHARTERED ACCOUNTANT
ALEXANDRA MARIA PACHECO GAMA JUNQUEIRA

BOARD OF DIRECTORS
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Toyota Caetano Portugal, S.A.

CONSOLIDATED STATEMENT OF THE COMPREHENSIVE INCOME

FOR THE PERIOD ENDING AT 30 JUNE 2017 AND 2016

(Amounts expressed in Euros)

	<u>30/06/2017</u>	<u>30/06/2016</u>
Consolidated net profit for the period, including non-controlling interests	5.125.476	1.992.107
Components of other consolidated comprehensive income, net of tax, that could be recycled by profit and loss:		
Available for sale financial assets fair value changes (Note 9)	102.570	(96.360)
Consolidated comprehensive income	<u>5.228.046</u>	<u>1.895.747</u>
Attributable to:		
Equity holders of the parent company	5.162.467	1.866.198
Non-controlling interests	65.579	29.549

The notes to the financial statements integrates this statement for the period ending at 30 June 2017.

CHARTERED ACCOUNTANT
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Toyota Caetano Portugal, S.A.

CONSOLIDATED CASH FLOWS STATEMENT

OPERATING ACTIVITIES	Jun/17	Jun/16
Collections from Customers	205.161.581	174.525.149
Payments to Suppliers	(179.084.646)	(157.181.045)
Payments to Employees	(13.855.387)	(14.358.360)
Operating Flow	12.221.548	2.985.744
Payments of Income Tax	(1.040.628)	683.408
Other Collections/Payments Related to Operating Activities	(11.518.187)	12.165.218
Cash Flow from Operating Activities	(337.267)	15.834.370
INVESTING ACTIVITIES		
Collections from:		
Tangible Fixed Assets	106.630	1.502.275
Interest and Other income	-	110.190
	106.630	1.612.465
Payments to:		
Investments	-	(11)
Tangible Fixed Assets	(996.674)	(13.255.166)
Intangible Assets	-	(43.680)
	(996.674)	(13.298.857)
Cash Flow from Investment Activities	(890.044)	(11.686.392)
FINANCING ACTIVITIES		
Collections from:		
Loans	9.600.000	828.244
Subsidies and donations	-	-
	9.600.000	828.244
Payments to:		
Loans	(6959127,0)	
Lease Down Payments	(2.200.242)	(1.653.145)
Interest and Other costs	(1.153.562)	(1.128.348)
Dividends	(5.262.349)	(5.249.652)
	(15.575.280)	(8.031.145)
Cash Flow from Financing Activities	(5.975.280)	(7.202.901)
CASH		
Cash and Cash Equivalents at Beginning of Period (Note 15)	14.556.190	11.364.954
Cash and Cash Equivalents at End of Period (Note 15)	7.353.599	8.310.031
Net Flow in Cash Equivalents	(7.202.591)	(3.054.923)

CHARTERED ACCOUNTANT
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2017

(Amounts in Euros)

1. INTRODUCTION

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

Toyota Caetano Portugal, S.A. belongs to the Salvador Caetano Group (led by Salvador Caetano Group S.G.P.S., S.A.), being held directly by Salvador Caetano -Auto-, S.G.P.S., S.A., since the end of 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, 2017, 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

Interim financial statements are presented in accordance with IAS 34 – "Interim Financial Reporting".

These interim financial statements, prepared in accordance with the above mentioned framework, do not include all the required information to be included in the annual consolidated financial statements. Therefore, they should be read along with the consolidated financial statements as of December 31, 2016.

Comparative information regarding December 31, 2016, included in consolidated financial statements was audited.

The accompanying consolidated financial statements have been prepared on a going concern basis and under the historical cost convention, except for some financial instruments which are stated at fair value, from the books and accounting records of the companies included in consolidation (Note 3).

The following standards, interpretations, amendments and revisions endorsed by the European Union and mandatory in the fiscal years beginning on or after January 1, 2017, were adopted by the first time in this period:

- a) Standards that have been published and are mandatory for the accounting periods beginning on or after January 1, 2018, and were already endorsed by the European Union:

(i) Standards:

- **IFRS 9** (new), 'Financial instruments' (effective for annual periods beginning on or after January 1, 2018). IFRS 9 replaces the guidance in IAS 39, regarding: (i) the classification and measurement of financial assets and liabilities; (ii) the recognition of credit impairment (through the expected credit losses model); and (iii) the hedge accounting requirements and recognition. No estimated impact of the future adoption of these improvements in the financial statements of the Group.
- **IFRS 15** (new), 'Revenue from contracts with customers' (effective for annual periods beginning on or after January 1, 2018). This new standard, applies only to contracts with customers to provide goods or services, and requires an entity to recognize revenue when the contractual obligation to deliver the goods or services is satisfied and by the amount that reflects the consideration the entity is expected to be entitled to, following a five-step approach. No estimated impact of the future adoption of these improvements in the financial statements of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2017

(Amounts in Euros)

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

(i) Standards:

- **IAS 7** (amendment), 'Cashflow statement – Disclosure initiative' (effective for annual periods beginning on or after January 1, 2017). This amendment is still subject to endorsement by the European Union. This amendment introduces an additional disclosure about the changes in liabilities arising from financing activities, disaggregated between cash changes and non-cash changes and how it reconciles with the reported cash flows from financing activities, in the Cash Flow Statement. This change had no impact on the Group's financial statements.
- **IAS 12** (amendment), 'Income taxes – Recognition of deferred tax assets for unrealized losses' (effective for annual periods beginning on or after January 1, 2017). This amendment is still subject to endorsement by the European Union. This amendment clarifies how to account for deferred tax assets related to assets measured at fair value, how to estimate future taxable profits when temporary deductible differences exist and how to assess recoverability of deferred tax assets when restrictions exist in the tax law. This change had no impact on the Group's financial statements.
- **IAS 40** (amendment), 'Transfers of Investment property' (effective for annual periods beginning on or after January 1, 2018). This amendment is still subject to endorsement by the European Union. This amendment clarifies when assets are transferred to, or from investment properties, the evidence of the change in use is required. A change of management intention in isolation is not enough to support a transfer. No estimated impact of the future adoption of these improvements in the financial statements of the Group.
- **IFRS 2** (amendment), 'Classification and measurement of share-based payment transactions' (effective for annual periods beginning on or after January 1, 2018). This amendment is still subject to endorsement by the European Union. This amendment clarifies the measurement basis for cash-settled, share-based payments and the accounting for modifications to a share-based payment plan that change the classification an award from cash-settled to equity-settled. It also introduces an exception to the principles in IFRS 2 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority. No estimated impact of the future adoption of these improvements in the financial statements of the Group.
- **IFRS 4** (amendment), 'Insurance contracts (Applying IFRS 4 with IFRS 9)' (effective for annual periods beginning on or after January 1, 2018). This amendment is still subject to endorsement by the European Union. This amendment allows companies that issue insurance contracts the option to recognize in Other Comprehensive Income, rather than Profit or Loss the volatility that could rise when IFRS 9 is applied before the new insurance contract standard is issued. Additionally, it is given an optional temporary exemption from applying IFRS 9 until 2021, to the companies whose activities are predominantly connected with insurance, not being applicable at consolidated level. No estimated impact of the future adoption of these improvements in the financial statements of the Group.
- **Amendments to IFRS 15** 'Revenue from contracts with customers' (effective for annual periods beginning on or after January 1, 2018). These amendments are still subject to endorsement by European Union. These amendments refer to additional guidance for determining the performance obligations in a contract, the timing of revenue recognition from a license of intellectual property, the review of the indicators for principal versus agent classification, and to new practical expedients to simplify transition. No estimated impact of the future adoption of these improvements in the financial statements of the Group.
- **IFRS 16** (new), 'Leases' (effective for annual periods beginning on or after January 1, 2019). This standard is still subject to endorsement by European Union. This new standard replaces the IAS 17 with a significant impact on the accounting by lessees that are now required to recognize a lease liability reflecting future lease payments and a "right-of-use asset" for all lease contracts, except for certain short-term leases and for low-value assets. The definition of a lease contract also changed, being based on the "right to control the use of an identified asset". The Group is analyzing the potential effects of adopting this standard.
- **IFRS 17** (new), 'Insurance contracts' Leases' (effective for annual periods beginning on or after January 1, 2021). This standard is still subject to endorsement by European Union. This new standard replaces IFRS 4 and applies to all entities issuing insurance contracts, reinsurance contracts and investment contracts with discretionary participation characteristics. IFRS 17 is based on the current measurement of technical liabilities at each reporting date. The current measurement can be based on a complete "building block approach" or "premium allocation approach". The recognition of the technical margin is different depending on whether it is

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2017

(Amounts in Euros)

positive or negative. IFRS 17 is of retrospective application. No estimated impact of the future adoption of these improvements in the financial statements of the Group.

- **Annual Improvement 2014 - 2016**, (generally effective for annual periods beginning on or after January 1, 2017). These improvements are still subject to endorsement by European Union. The 2014-2016 annual improvements impacts: IFRS 1, IFRS 12 and IAS 28. No estimated impact of the future adoption of these improvements in the financial statements of the Group.

(ii) Interpretations:

- **IFRIC 22** (new), 'Foreign currency transactions and advance consideration' (effective for annual periods beginning on or after January 1, 2018). This interpretation is still subject to endorsement by European Union. An Interpretation of IAS 21 'The effects of changes in foreign exchange rates' it refers to the determination of the "date of transaction" when an entity either pays or receives consideration in advance for foreign currency denominated contracts". The date of transaction determines the exchange rate used to translate the foreign currency transactions. No estimated impact of the future adoption of these improvements in the financial statements of the Group.
- **IFRIC 23** (new), 'Uncertainty over income tax treatment' (effective for annual periods beginning on or after January 1, 2019). This interpretation is still subject to endorsement by European Union. This is an interpretation of IAS 12 - 'Income tax', referring to the measurement and recognition requirements to be applied when there is uncertainty as to the acceptance of an income tax treatment by the tax authorities. In the event of uncertainty as to the position of the tax authority on a specific transaction, the entity shall make its best estimate and record the income tax assets or liabilities under IAS 12, and not under IAS 37 - "Provisions, contingent liabilities and contingent assets", based on the expected value or the most probable value. The application of IFRIC 23 may be retrospective or retrospective modified. No estimated impact of the future adoption of these improvements in the financial statements of the Group.

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, 2017.

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, 2016.

In this context, we presented below some risk indicators as of June 30, 2017, 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 economical 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.

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The Group foreign currency risk management hedge policies are decided casuistically, considering the foreign currency and country specific circumstances (as at June 30, 2017 and December 31, 2016 and June 30, 2016, this situation is not applicable to any of the Group Subsidiaries).

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

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, 2017 and December 31, 2016 and June 30, 2016 can be summarized as follows:

	Assets			Liabilities		
	Jun-17	Dec-16	Jun-16	Jun-17	Dec-16	Jun-16
Cape Verde Escudo (CVE)	6.771.197	10.416.262	9.026.912	2.532.613	6.383.793	3.051.466
Great Britain Pounds (GBP)	-	-	-	-	-	989
Japanese Yen (JPY)	-	-	-	410.151	408.216	620.712
Angolan Kwanza (AOA)	-	-	-	-	778	-

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

	Variation	Jun-17		Dec-16	
		Net Income	Equity	Net Income	Equity
Japanese yen (JPY)	5%	(20.508)	-	(20.411)	-
Angolan Kwanza (AOA)	5%	-	-	(39)	-

Concerning the sensitivity of variations in the exchange rate of the Cape Verde Escudo (CVE), the Group does not have associated currency risk, because the exchange rate defined does not change.

(ii) Price risk

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

During 2017 and 2016, the Group has been exposed to the risk of variation of 'available for sale financial assets' prices. At June 30, 2017 and December 31, 2016 and June 30, 2016, the referred caption is composed only by shares of the closed property investment Fund Cimóvel – Fundo de Investimento Imobiliário Fechado (Real Estate Investment Fund).

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

	Variation	Jun-17		Dec-16		Jun-16	
		Net Income	Equity	Net Income	Equity	Net Income	Equity
CIMOVEL FUND	10%	-	351.896	-	341.639	-	330.035
CIMOVEL FUND	-10%	-	(351.896)	-	(341.639)	-	(330.035)

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(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):

	Variation	Jun-17		Dec-16		Jun-16	
		Net Income	Equity	Net Income	Equity	Net Income	Equity
Loans-Mutual Contract	0,5 p.p.	-	-	21.053	-	51.316	-
Guaranteed account	0,5 p.p.	-	-	10.000	-	-	-
Bank Credits	0,5 p.p.	-	-	5.006	-	1.645	-
Commercial Paper	0,5 p.p.	112.000	-	64.000	-	135.000	-
Long-term Bank Loan	0,5 p.p.	95.000	-	95.000	-	190.000	-
Confirming	0,5 p.p.	45.910	-	49.653	-	99.493	-
Total		252.910	-	244.712	-	477.454	-
Loans-Mutual Contract	(0,5 p.p.)	-	-	(21.053)	-	(51.316)	-
Guaranteed account	(0,5 p.p.)	-	-	(10.000)	-	-	-
Bank Credits	(0,5 p.p.)	-	-	(5.006)	-	(1.645)	-
Commercial Paper	(0,5 p.p.)	(112.000)	-	(64.000)	-	(135.000)	-
Long-term Bank Loan	(0,5 p.p.)	(95.000)	-	(95.000)	-	(190.000)	-
Confirming	(0,5 p.p.)	(45.910)	-	(49.653)	-	(99.493)	-
Total		(252.910)	-	(244.712)	-	(477.454)	-

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.

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(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, 2017 and December 31, 2016, the Group presents a net debt of 63.783.296 Euros and 54.664.515 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-17	Dec-16	Jun-16
Debt	70.136.895	69.220.705	68.002.363
Cash and cash equivalents	(7.353.599)	(14.556.190)	(8.310.031)
Net Debt	62.783.296	54.664.515	59.692.332
Equity	127.649.019	127.670.973	126.299.110
Leverage Ratio	32,97%	29,98%	32,09%

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

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(Amounts in Euros)

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, 2016, 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, 2017 and 2016 are stated in Note 23.

At June 30, 2017, 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, 2017, the credit quality of bank deposits:

Deposits Long Term Rating	Rating Agency	Value
A1	Moody's	85.841
A3	Moody's	220.361
B1	Moody's	4.772.764
B3	Moody's	551.463
Ba1	Moody's	43.445
Ba3	Moody's	171.701
Baa1	Moody's	74.633
Baa3	Moody's	330.160
Caa1	Moody's	157.123
Others without rating assigned	Others without rating assigned	842.145
Total		7.249.636

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, 2017 and December 31, 2016 were as follows:

30-06-2017					
	Currency	Final Exchange Rate for Jun-17	Average Exchange Rate for Jun-17	Exchange Rate at the Date of Incorporation	Final Exchange rate for Dez-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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2017

(Amounts in Euros)

31-12-2016

	Currency	Final Exchange Rate for Dez-16	Average Exchange Rate for Dez-16	Exchange Rate at the Date of Incorporation	Final Exchange rate for Dez-15
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, 2017 and December 31, 2016, are as follows:

Companies	Effective Percentage Held	
	Jun-17	Dec-16
Toyota Caetano Portugal, S.A.	Parent Company	
Saltano - Investimentos e Gestão (S.G.P.S.), S.A.	99,98%	99,98%
Caetano Auto CV, S.A.	81,24%	81,24%
Caetano Renting, S.A.	99,98%	99,98%
Caetano - Auto, S.A.	98,40%	98,40%

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

4. CASH AND CASH EQUIVALENTS

As of June 30, 2017, December 31, 2016 and June 30, 2016 cash and cash equivalents detail was the following:

	Jun-17	Dec-16	Jun-16
Cash	103.963	121.286	124.827
Bank Deposits	7.249.636	14.434.904	8.185.204
	7.353.599	14.556.190	8.310.031

The Company and its affiliates have available credit facilities as of June 30, 2017 amounting to approximately 79 Million Euros (of which have been utilized 51 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2017

(Amounts in Euros)

5. TANGIBLE FIXED ASSETS

During the six-month period ended as of June 30, 2017 and 2016, the movement in tangible fixed assets, as well as in the respective accumulated depreciation and impairment losses, was as follows:

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

30-06-2016								
	Land	Buildings and Other Constructions	Machinery and Equipment	Transport Equipment	Administrative Equipment	Other Fixed Assets	Tangible assets in Progress	Total
Gross Assets:								
Opening Balances	16.842.823	93.538.551	60.117.299	55.526.355	7.880.877	4.318.806	397.459	238.622.170
Additions	-	286.087	160.203	23.027.076	22.892	16.557	1.748	23.514.563
Disposals and Write-offs	-	(53.234)	(153.437)	(8.172.667)	(116.277)	(28.524)	-	(8.524.139)
Ending Balances	16.842.823	93.771.404	60.124.065	70.380.764	7.787.492	4.306.839	399.207	253.612.594
Accumulated Depreciation and Impairment losses:								
Opening Balances	-	60.281.003	54.610.829	28.543.554	7.514.630	4.082.927	-	155.032.943
Depreciations	-	1.220.287	600.011	4.818.681	53.194	37.286	-	6.729.459
Disposals and Write-offs	-	(45.882)	(148.632)	(3.625.703)	(109.415)	(27.625)	-	(3.957.257)
Transfer	-	4.053	-	-	-	-	-	4.053
Ending Balances	-	61.459.461	55.062.208	29.736.532	7.458.409	4.092.588	-	157.809.198
Net Tangible Fixed Assets	16.842.823	32.311.943	5.061.857	40.644.232	329.083	214.251	399.207	95.803.396

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.

At June 30, 2017 and 2016, the increases in buildings includes maintenance works in Caetano Auto buildings.

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.

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As of June 30, 2017 and December 31, 2016, the assets acquired through financial leases are presented as follows:

	Jun-17		
	Gross Assets	Accumulated Depreciation	Net Tangible Assets
Tangible Fixed Assets	34.055.427	13.259.839	20.795.788

	Dec-16		
	Gross Assets	Accumulated Depreciation	Net Tangible Assets
Tangible Fixed Assets	32.586.491	10.939.539	21.646.952

6. INVESTMENT PROPERTIES

As of June 30, 2017, December 31, 2016 and June 30, 2016, 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 1.815.019 Euros as the six-month period ended as of June 30, 2017 (1.841.472 Euros as of June 30, 2016) (Note 29).

Additionally, in according with appraisals reported to December 31, 2016, the fair value of those investment properties amounts to, approximately, 51 million Euros.

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

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The real estate assets recorded in the caption "Investment properties" as of June 30, 2017 and December 31, 2016 is made up as follows:

Location	Jun-17		Appraisal	Dec-16		Appraisal
	Net accounting value	Fair Value		Net accounting value	Fair Value	
Vila Nova de Gaia - Av. da República	84.202	1.192.400	Internal	84.202	1.192.400	Internal
Braga - Av. da Liberdade	302	1.355.000	Internal	406	1.355.000	Internal
Porto - Rua do Campo Alegre	852.997	2.877.000	Internal	887.680	2.877.000	Internal
Viseu - Teivas	830.004	896.000	External	846.876	896.000	External
Óbidos - Casal do Lameiro	58.290	1.400.000	Internal	58.712	1.400.000	Internal
Castro Daire - Av. João Rodrigues Cabrilho	26.061	58.000	Internal	26.610	58.000	Internal
Caldas da Rainha - Rua Dr. Miguel Bombarda	17.531	85.000	Internal	17.531	85.000	Internal
Viseu - Quinta do Cano	1.734.230	2.461.740	Internal/External	1.742.162	2.461.740	Internal/External
Amadora - Rua Elias Garcia	182.747	149.000	Internal	184.476	149.000	Internal
Portalegre - Zona Industrial	186.387	173.000	Internal	188.958	173.000	Internal
Portimão - Cabeço do Mocho	424.781	550.000	External	424.781	550.000	External
Vila Real de Santo António - Rua de Angola	23.911	83.000	Internal	24.628	83.000	Internal
Rio Maior	107.000	107.000	Internal	107.000	107.000	Internal
S João de Lourosa - Viseu	458.172	487.030	Internal	460.072	487.030	Internal
Vila Nova de Gaia - Av. Vasco da Gama (edifícios A e B)	3.128.265	8.692.000	External	3.236.940	8.692.000	External
Vila Nova de Gaia - Av. Vasco da Gama (edifícios G)	891.991	6.077.000	External	942.873	6.077.000	External
Carregado - Quinta da Boa Água / Quinta do Peixoto	5.062.665	19.218.000	External	5.086.939	19.218.000	External
Lisboa - Av. Infante Santo	1.155.896	1.247.000	Internal	1.170.590	1.247.000	Internal
Vila Nova de Gaia - Rua das Pereiras	255.303	788.000	Internal	261.219	788.000	Internal
Leiria - Azóia	355.125	797.000	Internal	355.125	797.000	Internal
Castelo Branco - Oficinas	818.730	1.450.000	Internal	839.678	1.450.000	Internal
Viana do Castelo - Stand e Oficinas	931.101	975.000	Internal	955.553	975.000	Internal
	17.585.691	51.118.170		17.903.011	51.118.170	

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

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

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

As of June 30, 2017 the values of the evaluation will be published at December 31, 2016 on the grounds that, given the generalized inexistence of major works in 2017, the inexistence of relevant claims in 2017 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 and 2016.

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The movement in the caption "Investment properties" as of June 30, 2017 and 2016 was as follows:

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

30/06/2016			
Gross Assets:	Land	Buildings	Total
Opening Balances	9.916.943	36.133.435	46.050.378
Ending Balances	9.916.943	36.133.435	46.050.378

Accumulated Depreciation and Impairment Losses:	Land	Buildings	Total
Opening Balances	-	29.385.179	29.385.179
Additions	-	280.937	280.937
Transfer	-	(4.053)	(4.053)
Ending Balances	-	29.662.063	29.662.063
Net Value	9.916.943	7.634.994	17.903.011

7. GOODWILL

At June 30, 2017 and 2016 there were not any movements in item "Goodwill".

The item "Goodwill" is totally related to the amount calculated in the acquisition of the affiliate Movicago 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, 2017 there are no signs of impairment, so it was not necessary to carry out impairment tests.

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8. INTANGIBLE ASSETS

During the six-month period ended as of June 30, 2017 and 2016, the movement in intangible assets, as well as in the respective accumulated amortization and accumulated impairment losses, was as follows:

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

30/06/2016						
	Research and Development Expenses	Industrial Property	Goodwill	Computer Programs	Intangible Assets in progress	Total
Gross Assets:						
Opening Balances	1.394.907	284.179	81.485	2.003.979	60.760	3.825.310
Additions	-	-	-	142.984	43.680	186.664
Ending Balances	1.394.907	284.179	81.485	2.146.963	104.440	4.011.974
Accumulated Amortization and Impairment losses:						
Opening Balances	464.969	163.243	81.485	1.655.087	-	2.364.784
Amortizations	232.485	9.166	-	115.539	-	357.190
Ending Balances	697.454	172.409	81.485	1.770.626	-	2.721.974
Net Intangible Assets	697.453	111.770	-	376.337	104.440	1.290.000

9. AVAILABLE FOR SALE FINANCIAL ASSETS

During the period ended as of June 30, 2017, and December 31, 2016 and June 30, 2016 the movements in item "Available for sale financial assets" were as follows:

	Jun-17	Dec-16	Jun-16
<u>Available for sale financial assets</u>			
Fair value at January 1	3.483.128	3.463.450	3.463.450
Increase/(decrease) in fair value	102.570	19.678	(96.359)
Fair value at June 30	3.585.698	3.483.128	3.367.091

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As of June 30, 2017, "Available for sale financial assets" include the amount of 3.518.962 Euros (3.416.391 Euros December 31, 2016) corresponding to 580.476 shares of Cimóvel - Real Estate Investment Fund (9,098%), which are recorded at its fair value (the acquisition cost of those shares ascended to 3.013.947 Euros and accumulated change in fair value to 505.016 Euros). The remaining "Available for sale financial assets" refer to small investments in non listed companies. The Board of Directors consider that the net accounting value is similar to its fair value.

Additionally, the impact in equity and impairment losses during the six-month period ended as of June 30, 2017 and 2016 from recording "Available for sale financial assets" at fair value can be summarized as follows:

	Jun-17	Jun-16
Fair value variation	102.570	(96.359)
Effect on equity	102.570	(96.359)

10. INVENTORIES

As of June 30, 2017, December 31, 2016 and June 30, 2016, this caption breakdown is as follows:

	Jun-17	Dec-16	Jun-16
Raw and subsidiary Materials	3.155.925	9.307.008	1.246.215
Production in Process	1.172.512	937.645	1.168.752
Finished and semi-finished Products	38.582	1.466.863	1.403.045
Merchandise	68.866.414	72.612.904	68.466.440
	73.233.433	84.324.420	72.284.452
Accumulated impairment losses in inventories (Note 23)	(1.439.791)	(1.532.523)	(1.564.231)
	71.793.642	82.791.897	70.720.221

During the six-month period ended as of June 30, 2017 and 2016, cost of sales was as follows:

	Jun-17			Jun-16		
	Merchandise	Raw and subsidiary Materials	Total	Merchandise	Raw and subsidiary Materials	Total
Opening Balances	72.612.904	9.307.008	81.919.912	70.642.162	10.080.953	80.723.115
Net Purchases	135.638.496	17.770.504	153.409.000	121.876.708	12.783.221	134.659.929
Ending Balances	(68.866.414)	(3.155.925)	(72.022.339)	(68.466.440)	(1.246.215)	(69.712.655)
Total	139.384.986	23.921.587	163.306.573	124.052.430	21.617.959	145.670.389

During the six-month period ended as of June 30, 2017 and 2016, the variation in production was computed as follows:

	Finished and semi-finished products	
	Jun-17	Jun-16
Ending Balances	1.211.094	2.571.797
Inventories adjustments	(772)	5.234
Opening Balances	(2.404.508)	(2.751.865)
Total	(1.194.186)	(174.834)

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11. ACCOUNTS RECEIVABLE

As of June 30, 2017, December 31, 2016 and June 30, 2016, the detail of this caption was as follows:

	CURRENT ASSETS			NON-CURRENT ASSETS		
	Jun-17	Dec-16	Jun-16	Jun-17	Dec-16	Jun-16
Customers, current accounts	54.993.992	57.872.820	58.130.427	139.159	26.048	138.841
Doubtful Accounts Receivable	9.465.434	9.465.385	9.878.019	-	-	-
	64.425.426	67.338.205	68.008.446	139.159	26.048	138.841
Accumulated impairment losses in accounts Receivable (Note 23)	(9.435.702)	(9.443.797)	(9.705.658)	-	-	-
	55.023.724	57.894.408	58.302.788	139.159	26.048	138.841

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

30-06-2017

	- 60 days	60-90 days	90-120 days	+ 120 days	Total
Accounts receivable	34.070.861	2.281.341	1.302.960	11.079.428	48.734.590
Employees	10.300	-	-	184.791	195.091
Independent Dealers	5.839.569	350.205	6.229	7.467	6.203.470
Total	39.920.730	2.631.546	1.309.189	11.271.686	55.133.151

31-12-2016

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

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Debt maturity with recognition of losses by impairment

30-06-2017

	- 60 days	60-90 days	90-120 days	+ 120 days	Total
Doubtful Accounts Receivable	-	20.243	4.986	9.440.205	9.465.434
Total	-	20.243	4.986	9.440.205	9.465.434

31-12-2016

	- 60 days	60-90 days	90-120 days	+ 120 days	Total
Doubtful Accounts Receivable	12.780	7.463	4.986	9.440.156	9.465.385
Total	12.780	7.463	4.986	9.440.156	9.465.385

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

30-06-2017

	- 60 days	60-90 days	90-120 days	+ 120 days	Total
Doubtful Accounts Receivable	40.191.566	2.640.508	1.233.170	1.661.937	45.727.181
Total	40.191.566	2.640.508	1.233.170	1.661.937	45.727.181

31-12-2016

	- 60 days	60-90 days	90-120 days	+ 120 days	Total
Doubtful Accounts Receivable	27.319.238	1.365.201	1.218.907	19.134.153	49.037.499
Total	27.319.238	1.365.201	1.218.907	19.134.153	49.037.499

12. OTHER DEBTORS

As of June 30, 2017, December 31, 2016 and June 30, 2016, the detail of this caption was as follows:

	Current Assets		
	Jun-17	Dec-16	Jun-16
Down Payments to Suppliers	373.769	441.391	887.431
Other debtors	2.621.188	2.558.490	2.354.634
	2.994.957	2.999.881	3.242.065

The caption "Other credits" includes the amount of, approximately, 0,8 Million Euros as of December 31, 2016 in referring to advance payments made by the Group related with leasehold improvements in commercial facilities for

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2017

(Amounts in Euros)

automotive retail, which were fully invoiced in previous years, being that the remaining amount is expected to be supported in the short term by third parties. As of June 30, 2017, the aforementioned amount is already settled.

Additionally, this caption includes, as of June 30, 2017 the amount of, approximately, 800.000 Euros to be received from Salvador Caetano Auto Africa, S.G.P.S., S.A. (800.000 Euros as of December 31, 2016).

It is noted that this amount also includes as of June 30, 2017 an account receivable in the amount of 618.000 Euros from the related party Fundação Salvador Caetano (683.000 Euros as of December 31, 2016).

13. OTHER CURRENT ASSETS

As of June 30, 2017, December 31, 2016 and June 30, 2016, the detail of this caption was as follows:

	Jun-17	Dec-16	Jun-16
Accrued Income			
Commission	294.454	369.029	382.539
Rappel	152.680	1.135.857	183.488
Warranty claims	285.412	300.251	190.441
Fleet programs and Bonus suppliers	496.302	1.475.076	533.903
Assignment of staff	30.712	121.742	28.256
Fee's	29.658	76.017	73.923
Recovery logistics costs	-	-	10.596
Others	858.633	483.113	846.727
	2.147.851	3.961.085	2.249.873
Deferred Expenses			
Insurance	263.326	144.176	314.415
Rentals	135.523	20.642	143.037
Interest	128.073	75.058	-
Others	759.840	522.368	766.545
	1.286.762	762.244	1.223.997
Total	3.434.613	4.723.329	3.473.870

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2017

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14. DEFERRED TAXES

The detail of deferred tax assets and liabilities recorded in the accompanying consolidated financial statements as of June 30, 2017 and 2016 is as follows:

30/06/2017			
	Dec-16	Profit and Loss Impact	Jun-17
<u>Deferred tax assets:</u>			
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)	-
	<u>2.194.438</u>	<u>(116.715)</u>	<u>2.077.723</u>
<u>Deferred tax liabilities:</u>			
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)
	<u>(1.717.275)</u>	<u>14.360</u>	<u>(1.702.915)</u>
Net effect (Note 25)		<u>(102.355)</u>	

30/06/2016			
	Dec-15	Profit and Loss Impact	Jun-16
<u>Deferred tax assets:</u>			
Provisions not accepted for tax purpose	287.440	-	287.440
Tax losses	502.622	(109.408)	393.214
Defined Benefit Plan Liabilities	1.257.500	-	1.257.500
Write-off of tangible assets/inventories	164.460	(54.561)	109.899
Derivative financial instruments valuation	36.020	(6.920)	29.100
	<u>2.248.042</u>	<u>(170.889)</u>	<u>2.077.153</u>
<u>Deferred tax liabilities:</u>			
Depreciation as a result of legal and free revaluation of fixed assets	(659.109)	-	(659.109)
Effect of the reinvestments of the surplus in fixed assets sales	(165.772)	-	(165.772)
Fair value of fixed assets	(898.732)	-	(898.732)
	<u>(1.723.613)</u>	<u>-</u>	<u>(1.723.613)</u>
Net effect (Note 25)		<u>(170.889)</u>	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2017

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In accordance with the applicable legislation in Portugal, tax losses can be carried forward for the following periods:

- i) Tax losses reported in 2012 and 2013: 5 years
- ii) Tax losses reported for periods beginning on or after 2014: 12 years

As of June 30, 2017, the tax losses carried forward for which deferred tax assets have been recorded were fully utilized.

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

As of June 30, 2017 and 2016 tax rates used to compute current and deferred tax assets and liabilities were as follows:

	Tax rates	
	Jun-17	Jun-16
Country of origin of affiliate:		
Portugal	22,5% - 21%	22,5% - 21%
Cape Verde	25,5%	25,5%

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

In accordance with the applicable legislation, the income tax returns of Toyota Caetano and other Group companies with headquarters in Portugal are subject to review and correction by the tax authorities for a 4-year period. Therefore, the tax declarations since the year of 2014 and 2017 are still subject to review. Statements regarding the Social Security may be revised over a period of five years. The Board of Directors believe that the corrections that may arise from such reviews/inspections will not have a significant impact in the accompanying consolidated financial statements.

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

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15. EQUITY

Share Capital

As of June 30, 2017, the Company's share capital, fully subscribed and paid for, consisted of 35.000.000 bearer shares, with a nominal value of 1 Euro each.

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

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

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

Dividends

According to the General shareholders meeting deliberation, as of April 21, 2017, was paid to shareholders a dividend of 0,15 Euros per share (5.250.000 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 the investments available for sale 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).

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16. NON-CONTROLLING INTERESTS

Movements in this caption during the period ended as of June 30, 2017, December 31, 2016 and June 30, 2016 were as follows:

	Jun-17	Dec-16	Jun-16
Opening Balances as of January 1	1.294.261	1.647.295	1.647.295
Dividends	-	(375.248)	-
Others	-	(30.216)	(54)
Net profit attributable to non-controlling interests	65.579	52.430	29.549
	1.359.840	1.294.261	1.676.790

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

	% NCI	Non-controlling Interests	Net profit attributable to Non-controlling Interests
Saltano - Investimentos e Gestão (S.G.P.S.), S.A.	0,02%	4.035	-
Caetano Auto CV, S.A.	18,76%	786.165	41.190
Caetano Renting, S.A.	0,02%	404	(163)
Caetano Auto, S.A.	1,60%	569.236	24.552
		1.359.840	65.579

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

Caption	Caetano Auto	Caetano Renting	Saltano	Caetano Auto CV
Non-Current Assets	48.158.616	35.693.269	21.956.766	1.404.074
Current Assets	74.215.566	9.656.093	50.938	5.388.301
Total Assets	122.374.182	45.349.362	22.007.704	6.792.375
Non-Current Liabilities	7.472.252	200.014	-	82.378
Current Liabilities	80.707.075	42.788.678	3.579.772	2.553.792
Equity	34.194.854	2.360.671	18.427.932	4.156.205
Revenues	102.565.930	2.867.627	-	5.987.975
Operating Results	1.876.354	(578.792)	(2.355)	305.546
Financial Results	(12.007)	(132.462)	-	(28.882)
Taxes	(85.640)	-	-	(70.549)
Net Income	1.778.707	(711.254)	(2.355)	206.115

17. LOANS

As of June 30, 2017, December 31, 2016 and June 30, 2016 the caption "Loans" was as follows:

	Jun-17			Dec-16			Jun-16		
	Current	Non-Current	TOTAL	Current	Non-Current	TOTAL	Current	Non-Current	TOTAL
Bank Loan	33.581.922	17.000.000	50.581.922	30.941.048	17.000.000	47.941.048	25.291.401	22.289.475	47.580.876
Bank Overdrafts	-	-	-	1.001.251	-	1.001.251	164.509	-	164.509
Finance Leases	4.646.362	14.908.611	19.554.973	4.383.998	15.894.408	20.278.406	3.523.832	16.733.146	20.256.978
	38.228.284	31.908.611	70.136.895	36.326.297	32.894.408	69.220.705	28.979.742	39.022.621	68.002.363

Toyota Caetano Portugal, S.A.

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As of June 30, 2017 and December 31, 2016, the detail of bank loans, overdrafts, other loans and Commercial Paper Programs, as well as its conditions, were as follows:

30-06-2017				
Description/Beneficiary Company	Used Amount	Limit	Beginning Date	Date-Limit
<u>Non-current</u>				
Mutual Loans				
Toyota Caetano Portugal	10.000.000	10.000.000	11/03/2016	5 years
Toyota Caetano Portugal	7.000.000	7.000.000	15/10/2014	4 years
	<u>17.000.000</u>	<u>17.000.000</u>		
<u>Current</u>				
Guaranteed account	-	8.000.000		
Mutual Loans	2.000.000	2.000.000	15/10/2014	4 years
Bank Overdrafts	-	5.500.000		
Confirming	9.181.922	10.000.000	24/05/2016	
Commercial Paper:				
Toyota Caetano Portugal	12.400.000	17.400.000	27/02/2017	3 years
Toyota Caetano Portugal	5.000.000	10.000.000	18/08/2015	5 years
Toyota Caetano Portugal	5.000.000	5.000.000	10/11/2016	5 years
Toyota Caetano Portugal	-	4.000.000	24/02/2017	1 year
	<u>33.581.922</u>	<u>61.900.000</u>		
	<u>50.581.922</u>	<u>78.900.000</u>		

31-12-2016				
Description/Beneficiary Company	Used Amount	Limit	Beginning Date	Date-Limit
<u>Non-current</u>				
Mutual Loans				
Toyota Caetano Portugal	10.000.000	10.000.000	22/06/2012	5 years
Toyota Caetano Portugal	7.000.000	7.000.000	15/10/2014	4 years
	<u>17.000.000</u>	<u>17.000.000</u>		
<u>Current</u>				
Guaranteed account	1.999.986	5.000.000		
Mutual Loans	4.210.526	4.210.526	22/06/2012	5 years
Mutual Loans	2.000.000	2.000.000	15/10/2014	4 years
Bank Overdrafts	1.001.251	5.500.000		
Confirming	9.930.536	10.000.000		
Commercial Paper:				
Toyota Caetano Portugal	9.200.000	9.200.000	27/11/2012	5 years
Toyota Caetano Portugal	3.600.000	3.600.000	26/11/2012	5 years
Toyota Caetano Portugal	-	10.000.000		
Toyota Caetano Portugal	-	5.000.000		
	<u>31.942.299</u>	<u>54.510.526</u>		
	<u>48.942.299</u>	<u>71.510.526</u>		

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Next, we present below the debt amount outstanding, for which there have been granted mortgages (Note 35):

- Commercial Paper: 12.400.000.

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:

Contract	Leasings	Short-term	Medium-and long-term					TOTAL
		12m	12 – 24m	24 – 36m	36 – 48m	> 48m	TOTAL	
2028278	Commercial facilities							
	Capital	96.800	97.529	99.926	99.926	69.636	367.017	463.817
	Interests	3.126	2.397	1.663	924	182	5.166	8.292
559769	Commercial facilities							
	Capital	62.314	62.593	62.874	63.155	522.006	710.628	772.942
	Interests	3.330	3.051	2.489	2.489	8.999	17.028	20.358
626064	Commercial facilities							
	Capital	132.848	169.290	175.311	181.547	627.738	1.153.886	1.286.734
	Interests	42.900	37.086	31.064	24.829	34.691	127.670	170.570
2032103	Commercial facilities							
	Capital	27.061	27.031	27.061	27.061	82.104	163.258	190.319
	Interests	7.704	6.713	5.672	4.578	2.788	19.751	27.455
Various	Industrial Equipment							
	Capital	4.327.338	4.519.704	4.255.111	2.086.177	1.652.830	12.513.822	16.841.160
	Interests	538.948	377.055	222.258	84.145	17.426	700.884	1.239.832
Total Capital		4.646.362	4.876.148	4.620.283	2.457.866	2.954.313	14.908.611	19.554.973
Total Interests		596.007	426.302	263.147	116.964	64.087	870.499	1.466.506

Debt Maturity

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

	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
Paper Commercial	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	548.072	346.250	222.500	222.500	222.500	1.561.822
Financial Leases	596.007	426.302	263.147	116.964	64.086	1.466.507
Total interests	1.144.080	772.552	485.647	339.464	286.586	3.028.329

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18. ACCOUNTS PAYABLE

As of June 30, 2017, December 31, 2016 and June 30, 2016 this caption was composed of current accounts with suppliers, which end at short term.

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

19. OTHER CREDITORS

As of June 30, 2017, December 31, 2016 and June 30, 2016 the detail of other creditors was as follows:

	Current Liabilities		
	Jun-17	Dec-16	Jun-16
Shareholders	10.683	12.052	12.172
Advances from Customers	466.572	735.115	574.311
Other Creditors	1.753.743	348.668	764.607
	2.230.998	1.095.835	1.351.090

20. PUBLIC ENTITIES

As of June 30, 2017, December 31, 2016 and June 30, 2016 the caption public entities can be summarized as follows:

	Current Assets		
	Jun-17	Dec-16	Jun-16
Public Entities:			
Income Tax	-	99.372	1.230.200
Value Added Taxes	5.627.359	1.151.938	2.385.800
	5.627.359	1.251.310	3.616.000

	Current Liabilities		
	Jun-17	Dec-16	Jun-16
Public Entities:			
Income Taxes withheld	445.420	349.174	400.899
Value Added Taxes	9.878.156	7.826.684	8.186.655
Income Tax (estimated tax) (Note 25)	1.020.417	-	488.464
Vehicles Tax	1.526.685	1.084.948	1.706.590
Custom Duties	-	181.991	138.061
Employee's social contributions	806.692	646.318	795.100
Others	279.780	232.794	343.423
	13.957.150	10.321.909	12.059.192

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(Amounts in Euros)

21. OTHER CURRENT LIABILITIES

As of June 30, 2017, December 31, 2016 and June 30, 2016 the caption "Other Current Liabilities" was as follows:

	Jun-17	Dec-16	Jun-16
Accrued Cost			
Vacation pay and bonus	6.448.460	4.840.885	6.592.493
Specialization cost assigned to vehicles sold	879.378	689.185	1.025.524
Rappel charges attributable to fleet managers	956.428	1.360.601	2.080.768
Advertising Campaigns	3.140.634	3.670.380	2.216.796
Supply costs	814.846	614.402	56.388
Accrual for Vehicles Tax	1.105.008	743.009	455.329
Insurance	255.282	170.418	468.663
Commission	646.582	662.110	834.914
Interest	142.399	123.885	50.628
Advance External Supplies and Services	1.079.620	728.634	472.519
Municipal Property Tax	142.608	124.990	149.946
Amounts payable to third parties	-	667.807	-
Royalties	157.039	71.284	95.622
Warranty claims	234.017	-	122.085
Specialized work	9.466	-	62.732
Rents	-	-	126.478
Others	1.155.138	1.292.539	1.834.828
	17.166.905	15.760.129	16.645.713
Deferred Income			
Vehicle maintenance contracts	3.797.924	3.976.908	3.526.785
Publicity recuperation	36.991	35.301	550.391
Subsidy granted	501.360	501.360	509.507
Interest Charged to Customers	5.066	5.827	5.485
Others	585.371	400.886	207.536
	4.926.712	4.920.282	4.799.704
Total	22.093.617	20.680.411	21.445.417

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, 2017, the following companies of Toyota Caetano Group were associates of the Salvador Caetano Pension Fund:

- Toyota Caetano Portugal, S.A.
- Caetano Auto, S.A.
- Caetano Renting, S.A.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2017

(Amounts in Euros)

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 2016 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 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, 2016.

At December 31, 2016 the Group's responsibilities to the defined benefit plan and the assets of the Fund allocated can be summarized as follows:

Defined benefit plan	2016
Responsibility amount	35.367.964
Fund Amount	27.541.632

The net liability of Toyota Caetano Portugal Group evidenced above is guaranteed by a provision recorded in the amount of about 9.044.139 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, 2017, and June 30, 2016 were as follows:

30-06-2017				
	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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2017

(Amounts in Euros)

30-06-2016

	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)	9.710.649	-	(4.991)	9.705.658
Accumulated impairment losses in inventories (Note 10)	1.311.777	252.454	-	1.564.231
Provisions	303.252	98.394	(60.383)	341.263

As of June 30, 2017, December 31, 2016 and June 30, 2016, the caption "Provisions" has the following breakdown:

	Jun-17	Dec-16	Jun-16
Warranty provisions	149.867	124.713	108.917
Litigations in progress	282.392	282.392	232.346
	432.259	407.105	341.263

24. DERIVATIVE FINANCIAL INSTRUMENTS

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

Interest rate Derivatives

It is a derivative financial instrument contracted in order to hedge the risk of interest rate associated with a loan agreement (cash flow hedge), which contributes to the reduction of exposure to changes in interest rates or the optimization the cost of funding and has not been designated for accounting purposes coverage. The fair value of such derivative financial instrument at June 30, 2016 was negative by 63.778 Euros. The derivative financial instrument ended on June 22, 2017.

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

				Fair Value		
Derivate financial instrument	Swap rate	Rate receivable	Type	Jun-17	Dec-16	Changes in financial statement
Swap BBVA	1,10%	Euribor 3M	Negotiation	-	(28.425)	
				-	(28.425)	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2017

(Amounts in Euros)

25. INCOME TAXES

The income tax for the six-month period ended as of June 30, 2017 and 2016 was as follows:

Total Income Tax	Jun-17	Jun-16
Insufficient taxes estimation	-	32.522
Tax Refunds	4.550	(751.824)
Current taxes estimation (Note 20)	1.901.356	488.464
Deferred income taxes (Note 14)	102.355	170.889
	2.008.441	(59.949)

26. 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, 2017 and 2016, was as follows:

Market	Jun-17		Jun-16	
	Amount	%	Amount	%
National	165.379.476	81,92%	147.879.600	83,87%
Belgium	30.255.433	14,99%	23.237.606	13,18%
African Countries with Official Portuguese Language	6.133.623	3,04%	5.072.845	2,88%
Spain	22.717	0,01%	23.409	0,01%
Germany	-	0,00%	2.775	0,00%
United Kingdom	-	0,00%	2.232	0,00%
Others	76.314	0,04%	97.989	0,06%
	201.867.563	100,00%	176.316.456	100,00%

The increase occurred in the market "Belgium", refers to sales for the LC70 model.

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

Activity	Jun-17		Jun-16	
	Amount	%	Amount	%
Vehicles	164.631.528	81,55%	143.971.702	81,66%
Spare Parts	23.853.770	11,82%	21.014.807	11,92%
Repairs and after sales services	9.416.717	4,66%	8.858.433	5,02%
Others	3.965.548	1,96%	2.471.514	1,40%
	201.867.563	100,00%	176.316.456	100,00%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2017

(Amounts in Euros)

27. EXTERNAL SUPPLIES AND SERVICES

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

	Jun-17	Jun-16
Subcontracts	942.385	871.821
Specialized Services	8.626.000	7.585.903
Professional Services	2.568.237	2.514.096
Advertising	4.531.916	3.653.231
Vigilance and Security	260.876	202.692
Professional Fees	401.571	386.747
Commissions	136.156	120.860
Repairs and Maintenance	727.244	708.277
Materials	429.491	365.176
Tools and utensils	162.978	113.267
Books and technical documentation	133.172	152.872
Office supplies	13.292	13.310
Utilities	1.518.586	1.542.022
Electricity	636.562	658.796
Fuel	673.514	680.390
Water	111.814	102.424
Others	96.696	100.412
Travel and transportation	1.572.776	1.390.034
Traveling expenses	782.524	691.289
Personnel transportation	49.843	48.835
Transportation of materials	740.409	649.910
Other supplies	7.126.973	6.434.784
Rent	1.671.564	1.628.316
Communication	331.693	335.903
Insurance	648.587	635.482
Royalties	307.308	199.987
Notaries	11.515	14.986
Cleaning and comfort	359.373	341.301
Other Services	3.796.933	3.278.809
	20.216.211	18.189.740

The caption "Other services" includes about 1,9 million euros, relating to guarantees claims.

28. PAYROLL EXPENSES

Payroll expenses are decomposed as follows:

	Jun-17	Jun-16
Payroll Management	238.289	235.930
Payroll Personnel	12.959.832	13.417.303
Benefits Plan	1.008.524	1.016.277
Termination Indemnities	170.600	98.401
Social Security Contribution	3.192.962	3.326.193
Workmen's Insurance	184.143	208.927
Others	1.540.301	1.740.736
	19.294.651	20.043.767

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2017

(Amounts in Euros)

28.1. 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, 2017 and 2016 were as follows:

Board Members	Jun-17	Jun-16
Board of Directors Fixed remunerations	238.289	235.930

28.2. AVERAGE NUMBER OF PERSONNEL

During the six-month period ended as of June 30, 2017 and 2016, the average number of personnel was as follows:

Personnel	Jun-17	Jun-16
Employees	1.088	1.092
Workers	473	499
	1.561	1.591

29. OTHER OPERATING INCOME AND EXPENSES

As of June 30, 2017 and 2016, the caption "Other operating income" and "Other operating expenses" were as follows:

Other operating income	Jun-17	Jun-16
Lease Equipment	6.148.122	5.706.504
Guarantees recovered (Toyota)	2.977.603	2.495.872
Commissions	1.671.852	1.936.915
Rents charged (Note 6)	1.815.019	1.841.472
Work for the Company	1.370.033	1.659.252
Subsidies	1.188.232	1.328.908
Advertising expenses and sales promotion recovered	918.681	950.759
Rents expenses recovered	629.812	559.054
Services provided	714.033	848.009
Transport expenses recovered	333.228	282.039
Gains in the disposal Tangible Fixed Assets	264.685	134.312
Materials	23.545	48.075
Others	2.512.812	2.129.030
	20.567.657	19.920.201

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2017

(Amounts in Euros)

	Jun-17	Jun-16
Taxes	637.679	583.918
Prompt payment discounts granted	707	4.236
Losses in other investments	-	10
Losses in other non-financial investments	12.157	40.067
Corrections to previous years	58.171	86.252
Donations	10.100	4.750
Subscriptions	11.341	11.129
Fines and penalties	27.800	15.198
Others	660.184	751.687
	1.418.139	1.497.247

30. FINANCIAL INCOME AND EXPENSES

Consolidated net financial results as of June 30, 2017 and 2016 were as follows:

Expenses and Losses	Jun-17	Jun-16
Interest	978.739	887.986
Other Financial Expenses	192.578	197.490
	1.171.317	1.085.476

Income and Gains	Jun-17	Jun-16
Interest	2.272	44.634
Other Financial Income	28.425	30.754
	30.697	75.388

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2017

(Amounts in Euros)

31. FINANCIAL ASSETS AND LIABILITIES

We summarize in the table below a resume of financial instruments of Toyota Caetano Group as of June 30, 2017, December 31, 2016 and June 30, 2016:

	Note	Financial Assets			Financial Liabilities		
		Jun-17	Dec-16	Jun-16	Jun-17	Dec-16	Jun-16
Derivate Financial Instruments	25	-	-	-	-	28.425	63.778
Available for sale Financial Assets	9	3.585.698	3.483.128	3.367.091	-	-	-
Accounts Receivable	11	55.162.883	57.920.456	58.441.630	-	-	-
Other Debtors - Current	12	2.994.957	2.999.881	3.242.065	-	-	-
Bank Loan	18	-	-	-	50.581.922	47.941.048	47.580.876
Finance Leases	18	-	-	-	19.554.973	20.278.406	20.256.978
Bank Overdrafts	18	-	-	-	-	1.001.251	164.509
Other Creditors	20	-	-	-	2.230.998	1.095.835	1.351.090
Accounts Payable	19	-	-	-	29.411.995	35.509.231	30.355.943
Cash and Cash Equivalents	15	7.353.599	14.556.190	8.310.031	-	-	-
		69.097.137	78.959.655	73.360.817	101.779.888	105.854.196	99.773.174

Financial Instruments at Fair Value

	Note	Financial Assets			Financial Liabilities		
		Jun-17	Dec-16	Jun-16	Jun-17	Dec-16	Jun-16
Derivate Financial Instruments	25	-	-	-	-	(28.425)	(63.778)
Available for sale Financial Assets	9	3.585.698	3.483.128	3.367.091	-	-	-
		3.585.698	3.483.128	3.367.091	-	(28.425)	(63.778)

Classification and Measurement

	Available for sale Assets		Derivate Financial Instruments		Level
	At fair value	At cost	Cash Flow Hedge Accounting	Negotiation	
Cimóvel Fund	3.518.962	-	-	-	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:

- level 1 – quoted prices – available for sale financial assets: 3.518.962 Euros (3.416.391 Euros in December 31, 2016);
- 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*): (-28.425 Euros in December 31, 2016);
- level 3 - inputs for the asset or liability that are not based on observable market data.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2017

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Impact on the Income Statement and Equity

	Impact on equity			Impact on Income		
	Jun-17	Dec-16	Jun-16	Jun-17	Dec-16	Jun-16
Derivate Financial Instruments	-	-	-	(28.425)	66.107	(30.754)
Available for sale Financial Assets	102.570	19.678	(96.359)	-	-	-
	102.570	19.678	(96.359)	(28.425)	66.107	(30.754)

32. OPERATIONAL LEASE

During the six-month period ended as of June 30, 2017 the minimum payments for operational leases amounted to approximately 4,3 million Euros (5,7 million Euros in 2016). Of that amount, 2 million relate to payments with maturity of one year and 2,1 million relate to payments to occur in the period between two to five years.

Minimum payments of operational lease	Jun-17	Dec-16
Not more than one year	2.089.171	2.149.610
More than one year and no more than five	2.124.774	3.409.638
More than five years	119.009	118.370
	4.332.955	5.677.618

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2017

(Amounts in Euros)

33. 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:

Company	Commercial Debts		Products		Fixed assets		Services		Others	
	Receivable	payable	Sales	Purchases	Purchases	Disposals	Rendered	Obtained	Costs	Income
Amorim Brito & Sardinha, Lda.	1.316	-	-	-	-	-	-	-	-	1.168
Atlântica - Companhia Portuguesa de Pesca, S.A.	5.152	-	-	-	-	-	-	-	-	17
Auto Partner Imobiliária, S.A.	-	13.787	-	-	-	-	-	66.554	-	-
Cabo Verde Rent-a-Car, Lda.	9.674	3.604	-	-	-	-	77.299	6.232	-	-
Caetano Active, S.A.	2.856	6.666	261	14	-	-	1.697	5.738	-	271
Caetano Aeronautic, S.A.	821.134	-	112	-	-	-	12.726	-	-	257.160
Caetano Baviera - Comércio de Automóveis, S.A.	999.193	246.155	1.588.561	238.475	-	-	1.514	80.714	141.982	402.132
Caetano City e Active (Norte), S.A.	527.741	28.746	1.671.576	1.732	-	36.317	85	44.293	75.463	180.305
Caetano Drive, Sport e Urban, S.A.	79.888	118.874	1.305	1.684	-	81.463	41.195	123.241	-	140.368
Caetano Energy, S.A.	102.369	2.170	572	-	-	-	1.447	-	-	83.487
Caetano Fórmula, S.A.	26.960	228.972	20.462	403.096	-	19.125	44.330	445	-	69.307
Caetano Formula East África, S.A.	-	500	-	-	-	-	-	-	-	-
Caetano Motors, S.A.	52.638	23.122	2.178	8.271	-	-	-	21.622	-	99.804
Caetano Move África, S.A.	-	-	-	-	-	-	-	-	-	43
Caetano One CV, Lda.	-	283.416	2.441	8.227	-	-	69	41.196	-	-
Caetano Parts, Lda.	52.824	1.779.449	893.624	3.101.890	-	-	788	9.663	-	94.892
Caetano Power, S.A.	98.959	56.979	1.936	29.441	23.152	18.167	8.349	(3.529)	-	105.615
Caetano Retail (S.G.P.S.), S.A.	38.868	811.922	62	-	-	-	28	1.504	-	45.084
Caetano Squadra África, S.A.	-	-	-	-	-	-	-	-	-	42
Caetano Star, S.A.	17.395	4.002	455	775	-	-	-	344	-	6.820
Caetano Technik, Lda.	489	62.187	2.934	60	-	-	5.209	(5.896)	18.948	1.747
CaetanoBus - Fabricação de Carroçarias, S.A.	7.554.768	121.716	23.712	28.985	-	-	2.011	49.717	4.053	1.249.079
Caetsu Publicidade, S.A.	40.054	782.201	61.620	-	-	-	4.589	1.523.764	-	1.055
Carplus - Comércio de Automóveis, S.A.	48.536	-	49.821	-	-	-	74.576	267	-	117.112
Choice Car, S.A.	673	360	-	-	-	-	-	340	-	3.397
COCIGA - Construções Civas de Gaia, S.A.	7.243	131.945	-	-	164.458	-	-	35.120	-	2.633
Finlog - Aluguer e Comércio de Automóveis, S.A.	260.060	252.166	629.223	14.431	-	-	185.840	667.476	473.849	101.490
Fundação Salvador Caetano	617.902	-	-	-	-	-	-	-	-	94

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Company	Commercial Debts		Products		Fixed assets		Services		Others	
	Receivable	payable	Sales	Purchases	Purchases	Disposals	Rendered	Obtained	Costs	Income
Globalwatt, (S.G.P.S.), S.A.	-	-	-	-	-	-	-	-	-	9
Grupo Salvador Caetano, (S.G.P.S.), S.A.	21	2.526	-	-	-	-	-	-	-	136
Guérin - Rent-a-Car (Dois), Lda.	282.709	18.827	14.207	-	-	-	637.213	14.282	40.674	24.298
Ibericar - Sociedad Iberica del Automovil, S.A.	-	-	-	-	-	-	-	-	-	1.166
Ibericar Auto Nipon, S.A.	775	-	-	-	-	-	-	-	-	-
Ibericar Barcelona Premium, S.L.	-	-	-	-	-	-	-	-	583	-
Ibericar Gestoso, S.L.	-	-	-	-	-	-	-	-	583	-
Ibericar Motors Cádiz, S.L.	-	-	-	-	-	-	-	-	-	450
Ibericar Movil, S.L.	-	-	-	-	-	-	-	-	-	150
Ibericar Reicomsa, S.A.	134	-	-	-	-	-	-	-	-	134
Lavorauto - Administração e Consultoria de Empresas, S.A.	-	2.550	-	-	-	-	-	-	-	-
Lidera Soluciones, S.L.	-	-	-	-	-	-	-	54.713	-	-
Lusilectra - Veículos e Equipamentos, S.A.	88.514	191.627	31.303	11.629	203.524	-	40.382	201.122	1.400	35.202
MDS Auto - Mediação de Seguros, S.A.	25.321	-	-	-	-	-	-	-	-	4.578
Movicargo - Movimentação Industrial, Lda.	2.929	405.166	290	372.752	-	-	2.472	17.416	-	1.725
Portianga - Comércio Internacional e Participações, S.A.	45.001	-	29.068	-	-	-	62.680	14	192.560	14.137
RARCON - Arquitectura e Consultadoria, S.A.	-	7.038	-	-	-	-	-	39.152	-	47
Rigor - Consultoria e Gestão, S.A.	40.562	996.848	2.586	-	22.457	-	72.293	2.071.399	670	145.010
Robert Hudson, LTD	217	2.682	208	-	-	-	-	-	-	117
Salvador Caetano - Auto - (S.G.P.S.), S.A.	282	-	-	-	-	-	-	-	-	374
Salvador Caetano Auto África, (S.G.P.S.), S.A.	812.010	83	-	-	-	-	-	-	83	17
Salvador Caetano Capital, (S.G.P.S.), S.A.	10	-	-	-	-	-	-	-	-	9
SIMOGA - Sociedade Imobiliária de Gaia, S.A.	1.374	-	-	-	-	-	-	-	-	337
Sózó Portugal, S.A.	2.166	-	-	-	-	-	-	-	-	1.889
Tovicar - Sociedade Comercial de Automóveis, S.A.	7.019	-	-	-	-	-	-	-	-	-
Turispaiva - Sociedade Turística Paivense, S.A.	406	-	-	-	-	-	-	-	-	660
VAS África (S.G.P.S.), S.A.	-	-	-	-	-	-	-	-	-	111
Vas Cabo Verde, Sociedade Unipessoal, S.A.	-	1.321	10.157	3.344	-	-	34.766	1.572	-	57.506
	12.676.137	6.587.608	5.038.675	4.224.804	413.590	155.073	1.311.560	5.068.473	950.848	3.251.180

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2017

(Amounts in Euros)

34. SEGMENT INFORMATION

The main information relating to the business segments existing on June 30, 2017 and 2016, is as follows:

30-06-2017								
NATIONAL								
Vehicles				Industrial Equipment			Others	
Industry	Commercial	Services	Rental	Machines	Services	Rental		
PROFIT								
External sales	16.254	217.634.403	8.022.985	2.383.397	6.518.476	2.330.996	6.853.746	-
Income								
Operational income	2.625	3.940.535	154.322	(436.189)	1.273.444	777.174	450.839	(1.880)
Financial income	(51)	(807.266)	(8.935)	(99.004)	(23.000)	(3.828)	(54.593)	(28)
Net Income with non-controlling interests	2.571	2.950.414	138.708	(535.192)	1.249.142	772.539	395.650	(1.928)
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
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
Capital Expenses	49.713	1.933.167	103.887	23.518.546	-	26.843	2.301.751	320
Depreciation	602.463	1.703.149	80.147	2.567.686	34.865	25.839	3.149.860	247

FOREIGN				
Vehicles		Industrial Equipment		
Industry	Commercial	Machines	Services	Rental
30.290.866	9.789.542	46.901	609	7.020
2.158.703	380.012	2.712	436	3.736
(102.648)	(41.134)	(104)	(2)	(27)
2.053.913	268.134	2.605	433	3.705
-	6.962.822	-	-	-
-	2.753.787	-	-	-
-	43.145	-	-	-
-	81.226	-	-	-

Removals
(75.876.710)
(431.932)
-
(2.175.218)
(175.568.403)
(117.023.831)
(513.371)
156.456

Consolidated
208.018.485
8.274.537
(1.140.620)
5.125.476
277.474.649
149.825.630
27.464.001
8.401.938

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2017

(Amounts in Euros)

30-06-2016								
NATIONAL								
Vehicles				Industrial Equipment			Others	
Industry	Commercial	Services	Rental	Machines	Services	Rental		
PROFIT								
External sales	281.836	193.425.076	7.618.246	1.645.553	9.269.710	2.046.551	6.236.394	957.346
Income								
Operational income	(129.226)	2.111.197	117.345	(407.839)	1.075.992	857.079	340.321	(2.150)
Financial income	4.932	(725.065)	(31.511)	(61.301)	(21.799)	(4.236)	(49.744)	(33)
Net Income with non-controlling interests	(124.294)	1.358.653	53.260	(469.140)	1.054.193	852.843	290.577	(2.217)
Other Information								
Total consolidated assets	22.475.980	247.347.206	29.637.240	22.299.076	17.370.969	9.473.292	31.844.475	22.821.888
Total consolidated liabilities	382.942	148.970.371	20.150.669	16.865.289	1.493.538	263.230	29.785.750	3.601.891
Capital Expenses	6.370	1.357.984	125.308	11.864.337	-	28.900	5.473.268	131
Depreciation	614.508	1.724.678	212.389	1.787.829	30.706	19.320	2.488.307	350

FOREIGN				
Vehicles		Industrial Equipment		
Industry	Commercial	Machines	Services	Rental
23.615.483	8.428.725	24.515	4.829	8.820
(1.382.397)	354.503	1.459	167	5.330
(99.238)	(22.032)	(24)	-	(37)
(1.481.635)	278.097	1.435	167	5.293
-	9.399.508	-	-	-
-	3.304.798	-	-	-
-	64.085	-	-	-
-	83.722	-	-	-

Removals
(71.537.124)
465
-
174.875
(145.327.866)
(83.775.820)
209.909
124.840

Consolidated
182.025.960
2.942.246
(1.010.088)
1.992.107
267.341.768
141.042.658
19.130.292
7.086.649

The line "Turnover" includes Sales, Services Rendered and the amount of about 6.150.922 Euros (5.709.504 Euros as of June 30, 2016) related to equipment rentals accounted in Other Operating Income (Note 29).

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2017

(Amounts in Euros)

35. CONTINGENT ASSETS AND LIABILITIES

Financial commitments not included in the consolidated balance sheet

As of June 30, 2017, December 31, 2016 and June 30, 2016, Toyota Caetano Group had assumed the following financial commitments:

Commitments	Jun-17	Dec-16	Jun-16
Credits	105.190	105.190	110.504
Guarantees of Imports	4.000.000	5.500.000	7.000.000
	4.105.190	5.605.190	7.110.504

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

Following the 29,9 million Euros debt contracting process occurred in 2012, remaining, at the present date, approximately 12,4 million Euros outstanding as a liability in the consolidated statement of financial position (see Note 17), the Group has granted mortgages to the respective financial institutions, valued at about 37,8 million Euros, at the financing date.

36. 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 2017.

37. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2017

(Amounts in Euros)

38. EARNINGS PER SHARE

The earnings per share for the six-month period ended as of June 30, 2017 and 2016 were computed based on the following amounts:

	Jun-17	Jun-16
Net Income		
Basic	5.125.476	1.992.107
Diluted	5.125.476	1.992.107
Number of shares	35.000.000	35.000.000
Earnings per share (basic and diluted)	0,146	0,057

During the six-month period ended as of June 30, 2017 and June 30, 2016 there were no changes in the number of shares outstanding.

39. SUBSEQUENT EVENTS

Since the conclusion of the 1st semester and up to date, no significant events occurred.

40. FINANCIAL STATEMENTS APPROVAL

The consolidated financial statements were approved by the Board of Directors on August 31th, 2017.

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

41. EXPLANATION ADDED FOR TRANSLATION

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

CHARTERED ACCOUNTANT

ALEXANDRA MARIA PACHECO GAMA JUNQUEIRA

BOARD OF DIRECTORS

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

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 2017 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 extent 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 2017 accurately reflect the result of all operations developed in that same period by the Group Toyota Caetano Portugal, S.A.

Vila Nova de Gaia, 31th August 2017

José Domingos da Silva Fernandes
Alberto Luis Lema Mandim
Daniel Broekhuizen



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 2017 (which shows total assets of Euro 276,658,986 and total shareholder's equity of Euro 127,649,019, including a net profit of 5,059,897), 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 (ISA). Accordingly, we do not express an opinion on these consolidated financial statements.

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Inscrita na lista das Sociedades de Revisores Oficiais de Contas sob o nº 183 e na CMVM sob o nº 20161485

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 2017 are not prepared, in all material respects, in accordance with International Accounting Standard 34 – Interim Financial Reporting as adopted by the European Union.

Porto, 31 agosto 2017

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)

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