2016 MANAGEMENT REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

NORS

We Know How

2016

"THE NORS BRAND CONTINUED TO ASSERT ITSELF AS A SURE VALUE AND AS A COMMON DENOMINATOR TO ALL OF THE DIVERSITY EMBODIED BY THE GROUP: ITS SEVERAL COMPANIES, MULTIPLE BUSINESS SEGMENTS IN WHICH IT PERFORMS, THE MORE THAN 20 COUNTRIES THAT IT'S PRESENT IN, THE EVEN HIGHER NUMBER OF PRODUCT BRANDS, SERVICES AND MANUFACTURERS CREATED AND REPRESENTED BY IT, AND ITS 4000 EMPLOYEES, PROJECTING AN IMAGE OF DIMENSION AND NOTORIETY THAT WE'RE VERY PROUD OF"

In Presentation of the Management Report

We Know How

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PRESENTATION OF THE MANAGEMENT REPORT

In 2016, Nors has reinforced its ambition for leadership by investing in the pillars that sustain its operations and in consolidating and reinforcing their profitability in all markets, rigorously fulfilling its strategic agenda.

If, economically and financially, their achieved performance in 2016 is praiseworthy, this was largely due to the determination with which, back in 2015, the Group decided to approach the changes of context that occurred in some of the geographies where they're present and active. Nors managed any constraints, financial and currency-wise, imposed by the economic context in Angola and, simultaneously, faced the increasing crisis in Brazil, the worst the country has experienced in the last 40 years, with serenity.

But even more so than their short-term management skills, it is the way in which the group has prepared the approach to long-term challenges that deserves to be pointed out. The path that was taken and the countless measures that were implemented as far as the three pillars that sustain its strategy are concerned - Profitability, Consolidation and Leadership - will undoubtedly mark Nors destiny in the coming years. Today, we're preparing for a new cycle of investment with unwavering enthusiasm.

THE MARKETS

The year that is now ending can be qualified as one of significant growth in some of the markets where Nors is present – Portugal and the USA – as well as a retracting context in some of the geographies where the Group performs – Brazil and Angola – and also operational hardships in certain scenarios – Angola and Mozambique – brought about by the scarcity of available currency that the commodity crisis has produced, a crisis that was increasingly felt in the international markets in 2016.

The Group's aggregated turnover, stabilising in around 1.4 billion euros, is therefore achieved in a setting of relevant changes against the previous year. The reinforcement of demand in the domestic market – namely in the heavy road vehicle and automobile sector – and a significant increase in demand for construction equipment in the USA is contrasting with the deepening crisis in Angola and in Brazil, with the heavy vehicle market retracting an additional 60% in Angola and another 29% in Brazil.

The way that the group is structured has allowed for an adequate response to the challenges that are faced in each geographic region. Organisational redefinition and the consequential operational proximity to the decision-making instances have allowed for different challenges to be overcome with additional focus and, with that, we've increased the chances for exploiting any opportunities that have come our way throughout the year.

THE OUTCOME

Nors is closing its economic cycle in 2016 with a net profit of 11.7 million euros. This result, while still conditioned by the large contracting context in which some of the Group's companies have performed, was largely consequential of conjugating resulting effects of management actions, framed by the 2015-2020 Strategic Plan.

In this respect, in 2016, the Group has registered a reduction of over 21 million euros (20%) of its operational costs structure compared to 2015, allowing it to achieve an EBITDA of 8.2%, the highest in the last five years. In parallel, Nors has achieved a net debt reduction of over EUR 45 million (22%) through the sale of non-strategic assets and a more efficient management of our revolving fund. The success of such measures and quickness with which they were implemented was the unequivocal consequence of a strategic execution model that is both focused and action inducing.

For this reason, Nors achieves an ROI of 9.4%. This indicator, while still falling short of the Group's ambitions, is an early sign of a growing trend, in line with the main stakeholders' expectations.

SELLING EXPRESSGLASS

In March of last year, Nors has formalised the alienation of 100% of Expressglass and Diveraxial's equity, hence exiting the specialised business of automobile glass substituting and repairing in Portugal.

Tomás Jervell
CEO

Expressglass was first acquired by the group in 2010 expecting to generate a profitability growth, by harnessing synergies from its traditional business and intending to promote a related diversification process that was, at the time, a mark of the Group's strategic direction. The partial fulfilment of its operational goals and Nors' strategic redefinition dictated the decision to disinvest in this area of business.

Therefore, Expressglass and Diveraxial's alienation is part of the core business focus and consolidation pillar of our 2015-2020 strategy and signals, both externally and internally, but mainly the latter, the Group's determination to face a focus-economy generation head-on.

A NEW ERA FOR AUTO SUECO ANGOLA AND AUTO-MAQUINARIA

Auto Sueco and Auto-Maquinaria opened their new facilities in Luanda with great enthusiasm. This investment of over 35 million euros, applied over the last five years, unequivocally reinforces the Group's ambitions and commitment to the Angolan market.

Located in the logistic centre of Luanda, close to the majority of its clients, these new facilities will allow for the increase of their teams' efficiency, productivity and motivation, contributing therefore to a significant improvement in service quality.

By taking this step, Auto Sueco Angola and Auto-Maquinaria, unabashedly take on the beginning of a new stage in the more than 25 years of its operation in Angola.

Tomaz Jervell
Chairman

Today, as it was in the beginning, our clients' success is the compass to our actions.

PEOPLE

As in the previous years, people and people management were, throughout 2016, a major priority for Nors.

Our focus has mainly been on characterising our organisation, both in terms of its functions as well as the skill profiles that are associated with it, so that all of these processes are as much in line with Nors' business reality and its corporative strategy as possible.

We have done an in-depth analysis of our modern, global system of training, and sketched out our future corporate academy.

We have equally invested in developing and perfecting our transversal talent attraction and selection methodology, as we are certain that the quality of our people is the fundamental engine that throttles the most excellent collective performance.

COMMUNICATION, BRANDING AND SOCIAL RESPONSIBILITY

In 2016, Nors adopted an in-house communication brand called We.Nors, unifying all of the initiatives and internal communication media, magnifying the organisation's identity and culture.

The Nors brand continued to assert itself as a sure value and as a common denominator to all of the diversity embodied by the Group: its several companies, multiple business segments in which it performs, the more than 20 countries that it's present in, the even higher number of product brands, services and manufacturers created and represented by it, and its 4000 employees, projecting an image of dimension and notoriety that we're very proud of.

As far as social responsibility is concerned, and its relationship with the so-called third sector, 2016 was a stable year, in which Nors has supported several institutions of the highest repute, within the context of culture and social solidarity institutions. We point out, in the first instance, *Fundação de Serralves* and *Casa da Música* and, as far as social patronage is concerned, *Associação Vida Norte* as well as *Encontrar-se*.

THE NORS BRAND

The Nors brand is already a secure value and the common denominator of all the diversity incorporated within the Group: its various companies, the multiple business segments where it operates, the more than 20 countries in which it is present, the even higher number of product brands, services and manufacturers that it creates and represents, and its four thousand professionals. This unifying power structures and streamlines the organisation's identity.

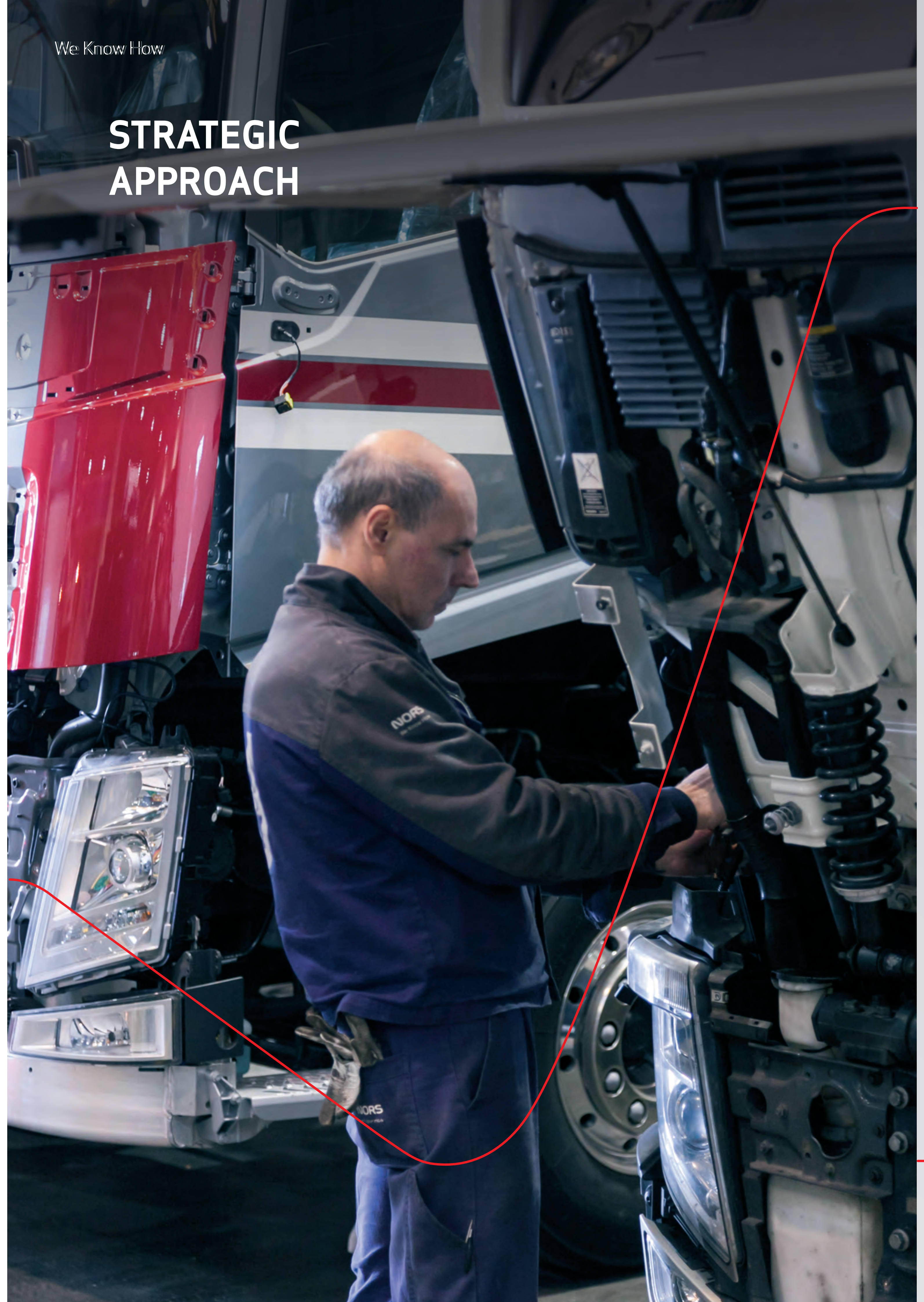
The corporate brand has decisively contributed towards the Group's recognition, projecting an image of size, dynamics and robustness which have proven to be very important for increasing its notoriety.

No less important is the fact that the Nors brand - together with its signature "We Know How" - contains within it another essential aspect: that of the people, the solutions and services they deliver, i.e. a human dimension which adds value to the equipment and machines it sells. This is the organisation's core value, making it tangible, noticeable and valued.

Right from the start, this characteristic, which is the excellence of the people and services, has been an aspect identified by a wide variety of stakeholders as the one which best distinguishes the Group from its competitors and that has made the biggest contribution towards differentiating its activity. As such, the Nors brand represents the organisation's joint and accumulated knowledge, its flexible response, its ability to adapt and to solve problems, its dynamics and commitment, its involvement with customers, and its determination that is crucial for overcoming challenges. That is the vitality and value of the Group.

The Nors brand continues to be committed to reinforce this value proposition, boosting the assets created by its people, their desires, knowledge and abilities, for the sake of the strength, collective performance and reputation of the Nors Group.

STRATEGIC APPROACH



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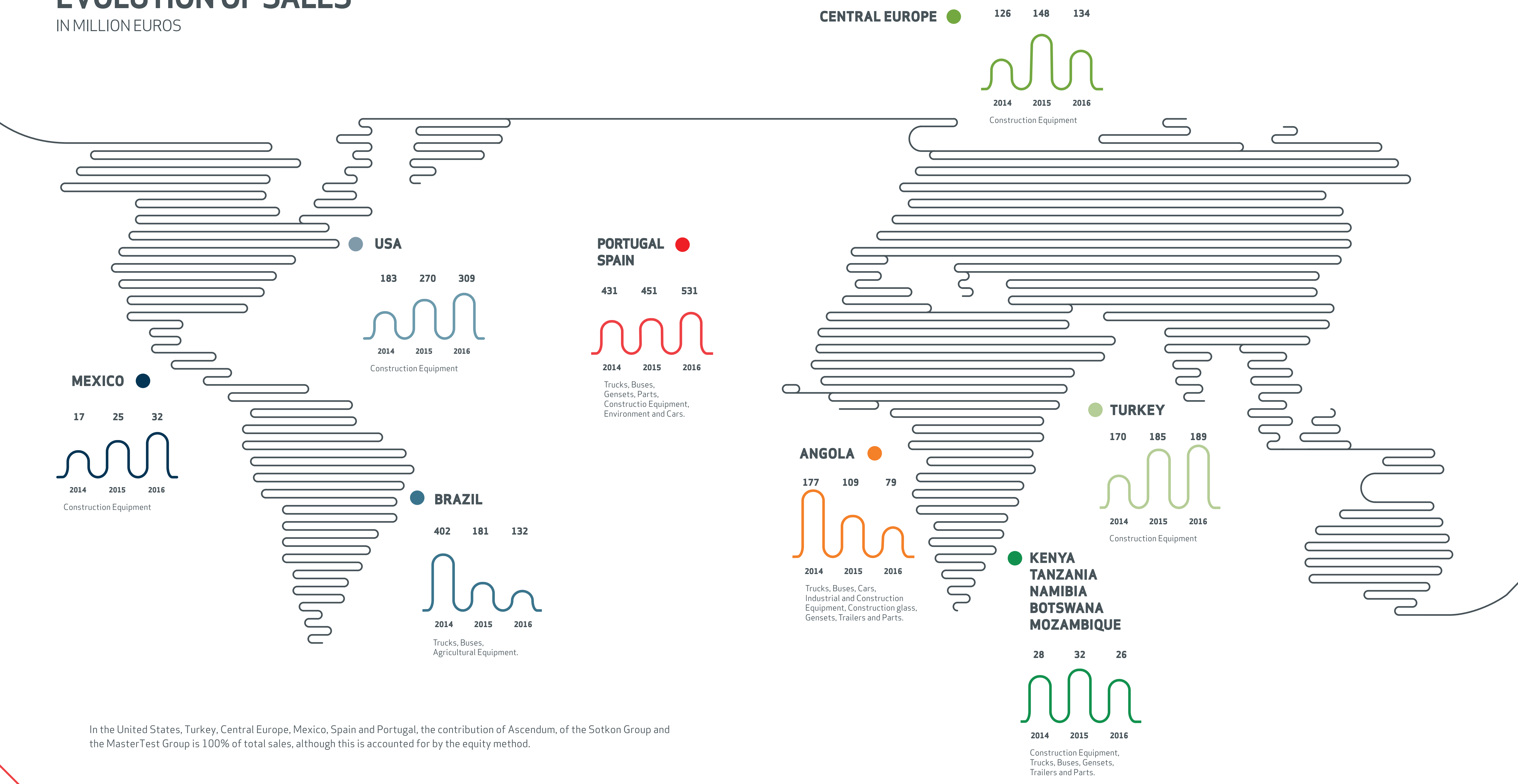
Tomaz Jervell
Chairman

NORS

EVOLUTION OF SALES

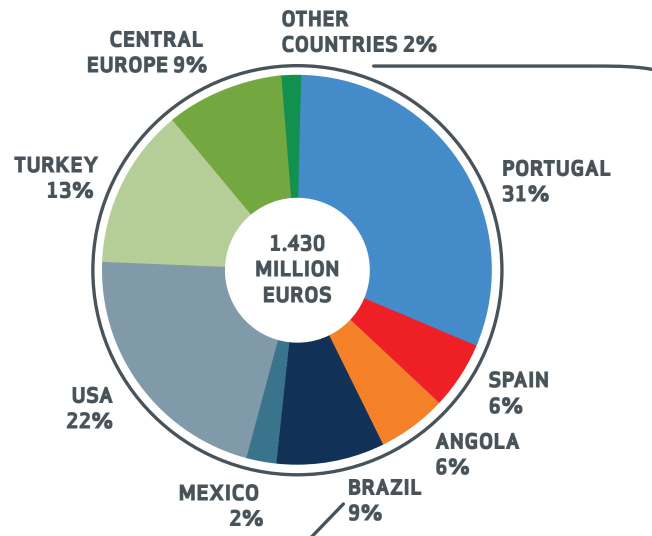
IN MILLION EUROS



In the United States, Turkey, Central Europe, Mexico, Spain and Portugal, the contribution of Ascendum, of the Sotkon Group and the MasterTest Group is 100% of total sales, although this is accounted for by the equity method.

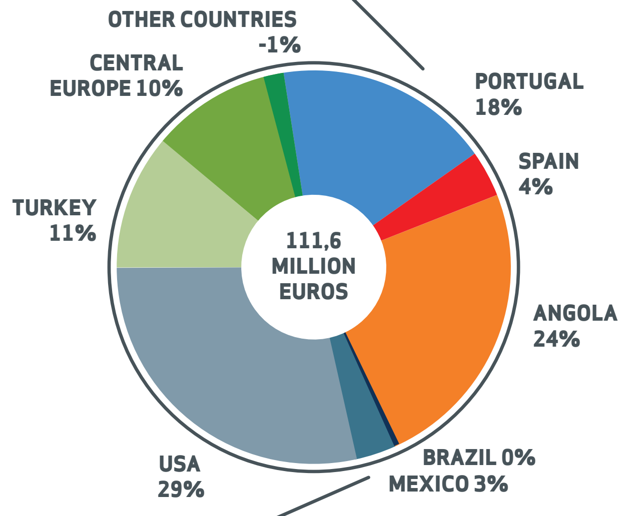
SALES BY COUNTRY

WITH JOINT VENTURES AT 100%



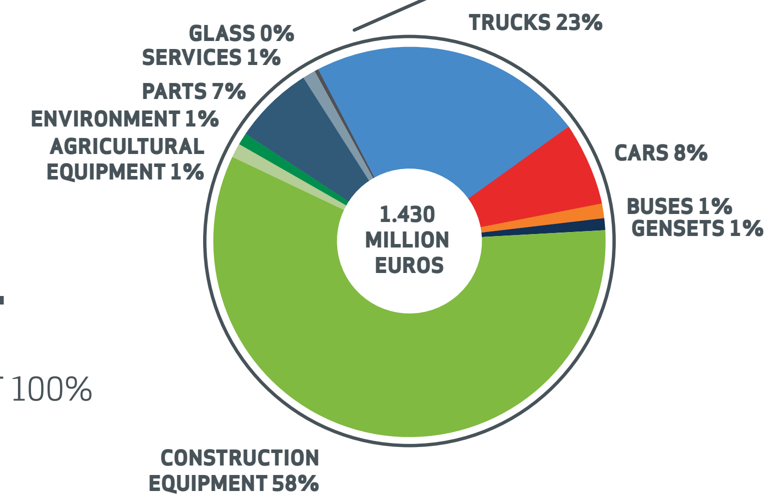
EBITDA BY COUNTRY

WITH JOINT VENTURES AT 100%



SALES BY PRODUCT

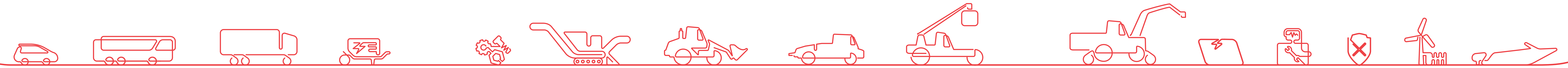
WITH JOINT VENTURES AT 100%



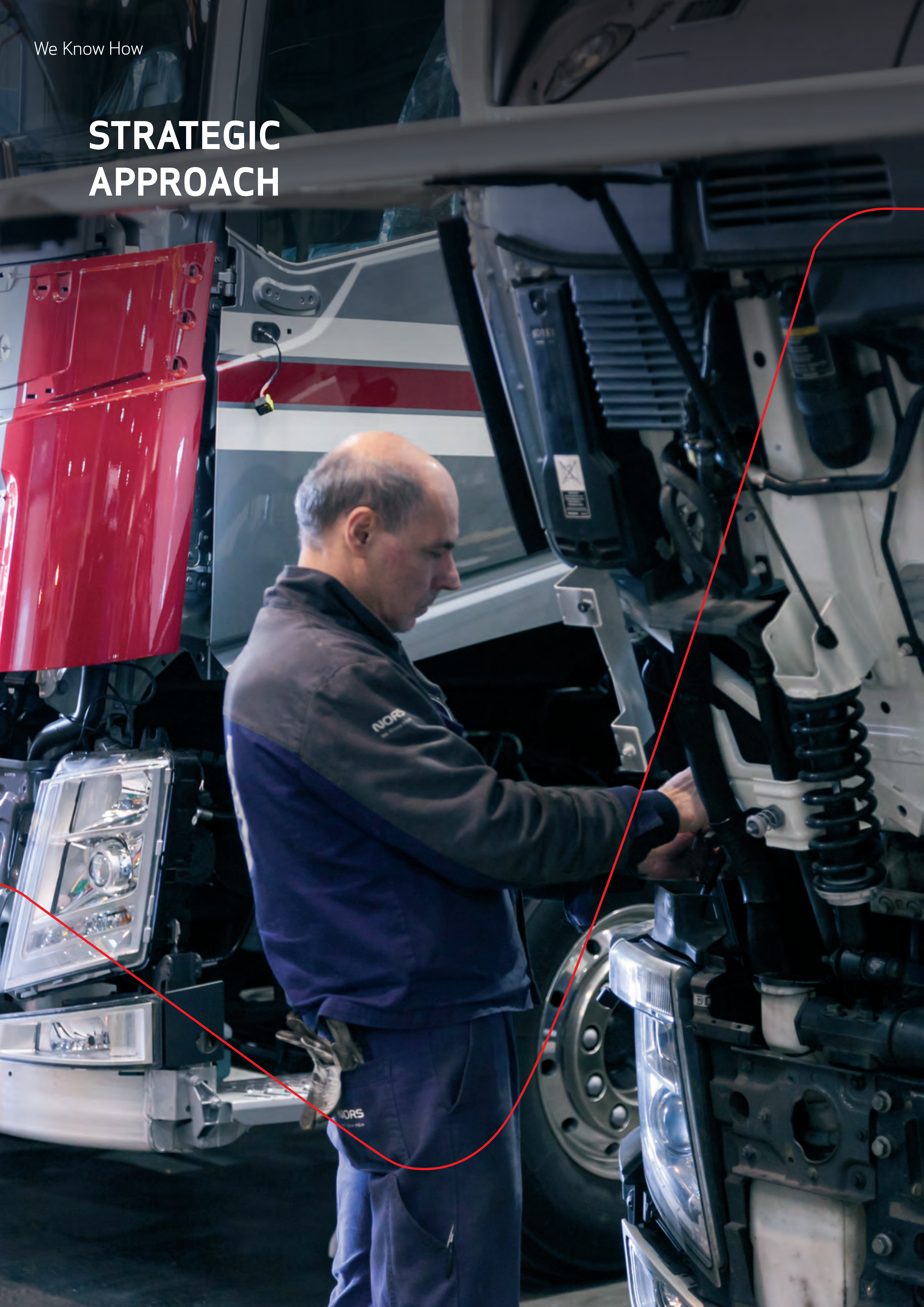
MAIN INDICATORS

Thousands of euros	2016	2015
Aggregated turnover[1]	1 430 149	1 400 845
Consolidated turnover[2]	550 462	563 263
EBITDA	45 230	23 463
EBT before discontinued operations	20 183	(7 325)
Net income before discontinued operations	0	(1 771)
Net income, with non-controlling interests	11 706	(17 348)
Recurring net income, with non-controlling interests[9]	13 124	(3 618)
Total assets	594 508	621 939
Equity, with non-controlling interests	191 181	175 109
Net debt[3]	160 051	206 979
Financial autonomy[4]	32%	28%
Net Debt-to-equity[5]	0,84	1,18
Net Debt / Recurring EBITDA[10]	3,8	9,1
EBITDA Margin %	8,2%	4,2%
WCN in sales days[6]	26	28
ROI[7]	9,4%	3,1%
ROE[8]	6,0%	-8,5%
Number of employees	2 204	2 363

[1] Sales + provision of services to the same company, aggregating 100% of joint ventures.
[2] Sales + provision of services to the same company, consolidated.
[3] Financing obtained – cash and bank deposits – and ready-for-sale investments
[4] Equity with non-controlled interests/ Net asset
[5] Net debt (net borrowing – ready-for-sale investments) / Own equity with non-controlled assets
[6] The ratio between balances [Clients, Inventories, Other receivables, State, Stockholders, Suppliers and Other outstanding balances] / Turnover multiplied by 365 days.
[7] Ebit / Invested capital [Total Equity + obtained funding – availabilities]
[8] Net incomes from the parent company's ongoing operations / Equity minus RLE and non-controlled interests.
[9] Net income, with non-controlled interests, net of restructuring costs and other non-recurring events [non-recurring costs in 2016 were the capital gains obtained through the disposal of real-estate and active deferred taxes].
[10] Recurring EBITDA matches operational result purged of provisions, and of depreciation and amortisation expenses.



STRATEGIC APPROACH



FINANCIAL RATIOS IN 2016

2016 was an extremely positive year for the Group, despite the complex and unfavourable environment that still remains in two of the main markets where it operates: Angola and Brazil.

In fact, after a 278 million euros reduction in total invoicing between 2014 and 2015, the Group once again faced a decrease in its level of activity, this time representing 12.8 million euros, the consolidated turnover in 2016 amounting to 550 million euros. This further reduction arises exclusively from the Angolan and Brazilian markets and was, even so, partially offset by the excellent performance obtained in the majority of the businesses operating in the domestic market.

This decrease in activity led to a reduction in gross margin of approximately 5.2 million euros, creating a very tough starting point for obtaining financial results. As such, the success achieved in 2016 is based on the positive effects resulting from measures that began to be implemented in 2015, particularly the reduction in operating costs and in consolidated net debt.

Operational costs amounted to 85 million euros in 2016, versus 107 million euros in 2015. This reduction was enabled by adjusting the installed capacity in several markets where it's active, with special significance in Angola and Brazil. Cutting back on the number of employees greatly contributed to this – going from 2.725 in 2014 to 2.204 in 2016 – as well as operations-related fixed assets – by closing down five facilities back in 2015.

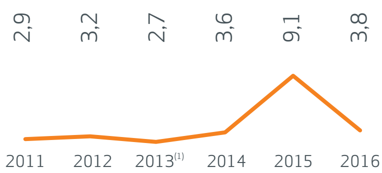
Consolidated net debt amounted to 160 million euros in 2016 versus 207 million euros in 2015. This reduction was made possible thanks to a policy of disinvestment which targeted non-core assets and resulted in an inflow of approximately 20 million euros in 2016, of which 9 million euros came from the alienation of financial holdings and 11 million from the alienation of real estate and land. Simultaneously, the Group has kept a very judicious management of its working capital, which also contributed to debt reduction.

In parallel, the Group has also managed to improve its efficiency levels as far as managing debt in different geographical areas, and this has allowed for a lower average debt throughout the whole cycle. These two combined factors have made it so that the financial burden (excluding exchange differences), which amounted to 19.2 million euros in 2015, would come to 15 million euros in 2016 allowing for a 4,2 million euros reduction.

As such, in 2016, the Group obtained an EBITDA of 45.2 million euros and a Net Income of 11.7 million euros, compared to 23.5 million euros and -17.3 million euros respectively, recorded the previous year. Nevertheless, it is important to remember the non-recurring nature of both the EBITDA and the Net Income obtained in 2015, due to the effect of the cost incurred that year with redundancies, impairments and asset write-offs. The Group believes this evolution to be very positive and consistent with the initiatives that were implemented, enabling it to close 2016 with a Net Debt/ EBITDA ratio of 3.8 and a Financial Autonomy of 32.2%.

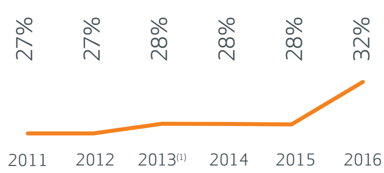
The profitability ratios also saw an excellent evolution this year, with ROI going from 3.1% to 9.4% and ROE from -8.5% to 6.0%.

NET DEBT / EBITDA 2011 - 2016



(1) The joint ventures now consolidated using the equity method, whilst up to 2012 they were entered using the proportional method.

FINANCIAL AUTONOMY 2011 - 2016



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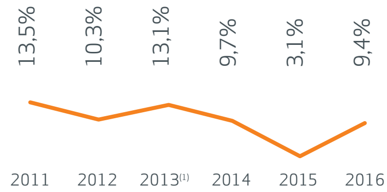
ROI 2011 - 2016



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OBJECTIVES AND FINANCIAL STRATEGY

Although the outlook for the Angolan and Brazilian markets is indicating that there may be some recovery starting in 2017, the Group is keeping the same management focus: control of the cost structure adjusted to the actual size of the markets, focus on the core activity and debt reduction.

In 2017, we initiated certain formal and organised processes aiming to dispose of other non-core assets, which should be finalised in the first semester of 2017, enabling an estimated inflow of over 20 million. Some real estate assets of relevant value are also about to be placed on the market, and these should allow for an aggregated inflow of over 10 million euros in 2017.

As such, the Group will be able to maintain the trend for reinforcing the robustness of its balance sheet and be prepared for a new growth cycle which, according to predictions, could start soon.

Within this panorama of the Group's continued debt reduction, the distribution of the debt across the various sources of funding, could undergo some changes. Planning of the debt portfolio will therefore be given particular attention during 2017.

The Group continues to pay attention to the evolution of the environment in the domestic and international financial markets, in order to best manage the threats and opportunities that might arise. The evolution of the interest rate is a variable that will be monitored very closely.

STRATEGIC AGENDA

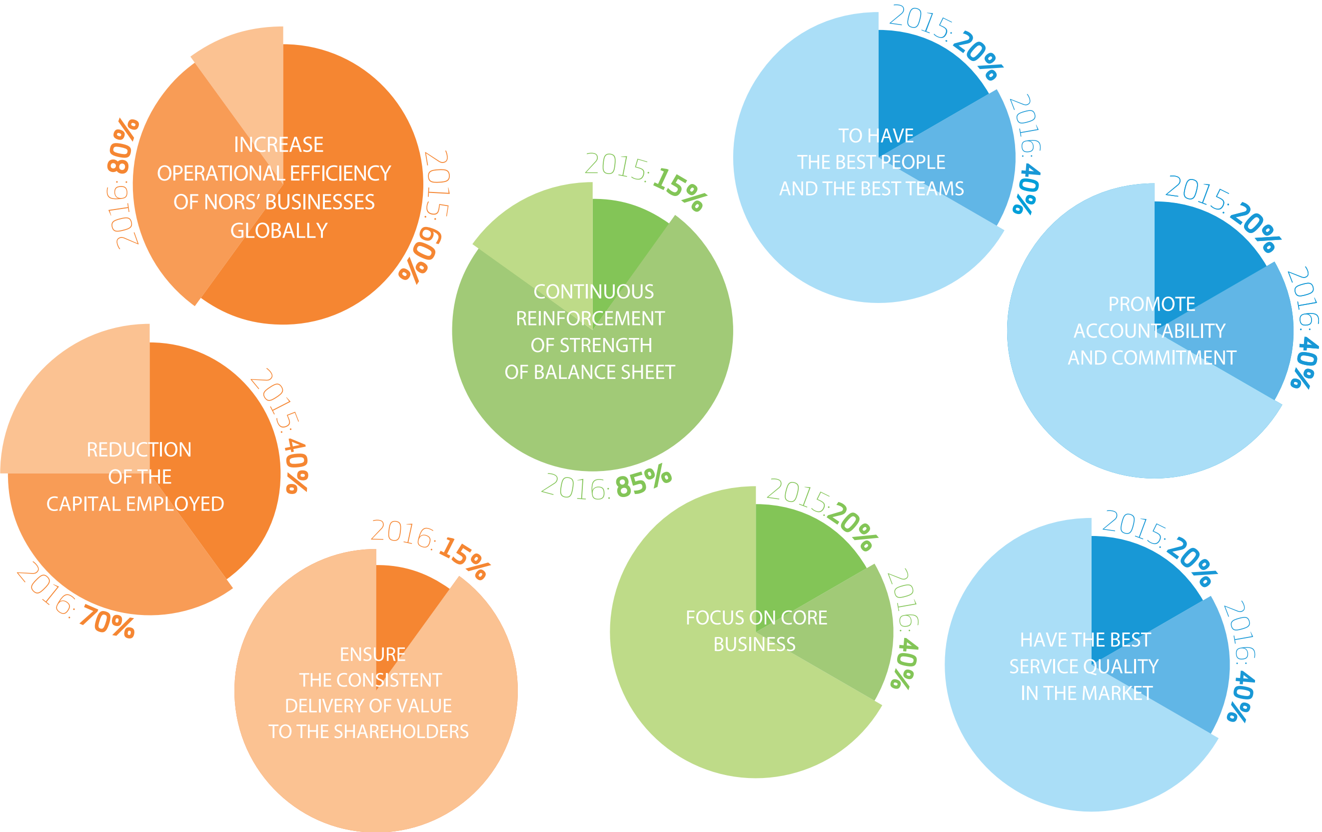
In 2015, the group defined the Nors Strategy 2015-2020, instilled with Group's vision and leadership vocation, as well as the Wanted Position 2020.

With this continuous monitoring tool, and in close proximity to its businesses, Nors has defined its three strategic pillars of action – **Profitability, Consolidation** and **Leadership** – where the appropriate strategic guidelines for this period have been described.

Throughout 2016, and following up on the work that had been initiated in 2015, the Group was committed to guarantee continuous monitoring, with periodic internal reports, of the eight strategic guidelines that have been set before it as a way of embodying the defined strategy.

All of the Group's co-operators receive full information on Nors Strategy 2015-2020, as well as an update on its compliance, thus reinforcing the organisation's involvement, commitment and dedication to fulfilling its own goals.

At the end of 2016, we shared the degree of execution of each one of the Strategic Guidelines with our stakeholders, continuously focusing on Wanted Position 2020, attempting to assess what stage we're at in the challenges we've taken on.



ORGANIZATIONAL STRUCTURE

Ascendum Group, Sotkon and MasterTest Groups are joint ventures accounted for using the equity method.

NORS IBERIA

PORTUGAL, SPAIN

Trucks, Buses, Industrial equipment and Parts

NORS ANGOLA

ANGOLA

Trucks, Buses, Cars, Industrial and Construction equipment, Parts and Construction Glass

NORS BRAZIL

BRAZIL

Trucks, Buses and Agricultural equipment

NORS AFRICA

NAMIBIA, TANZANIA, BOTSWANA, KENYA, MOZAMBIQUE

Trucks, Buses, Industrial and Construction equipment

NORS VENTURES

PORTUGAL

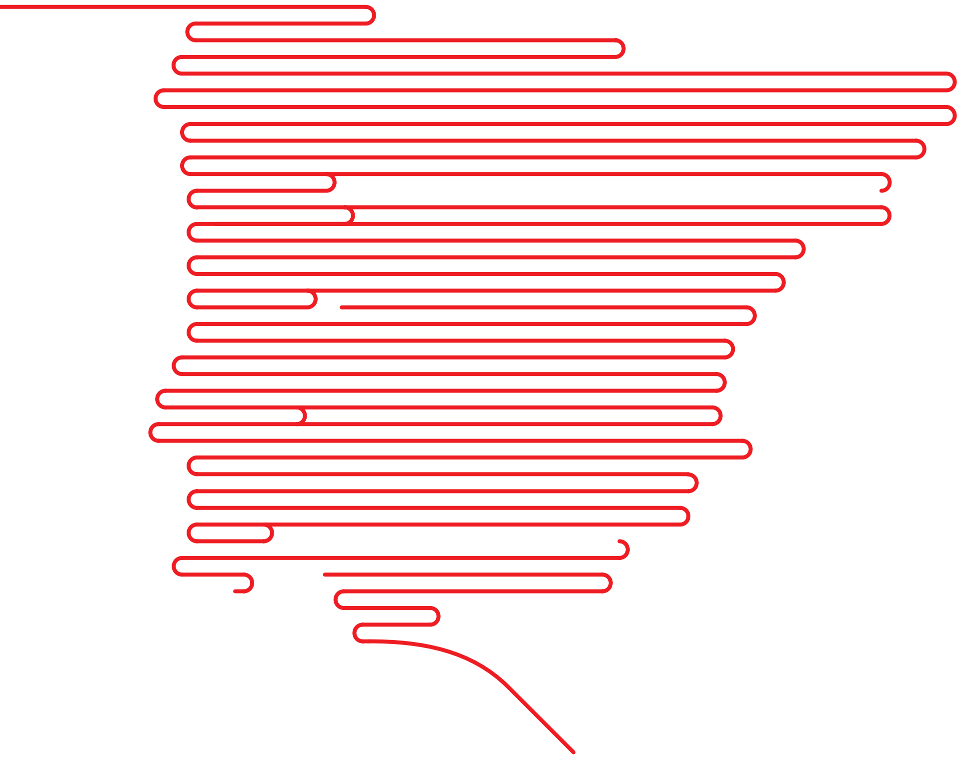
Cars, Environment, Insurance and Inspection Centres

ASCENDUM

PORTUGAL, USA, MEXICO, TURKEY, SPAIN,
CENTRAL EUROPE

Industrial and Construction equipment, Trucks, Cars, Agricultural equipment, Equipment for Airports, Railways, and Port structures and Parts.

NORS IBERIA



OVERVIEW OF THE MARKET
PORTUGAL

The Portuguese economy posted a 1.2% growth in 2016, which implies a slight slowdown in activity compared to the previous year. This originated from a less dynamic domestic demand, leading in turn to a decrease in investments. This behaviour is reflected, for example, in the Gross Formation of Fixed Capital (GFFC), which decreased 2.7% in the first half of the year, related to construction, machinery and equipment.

The more moderate growth in Portuguese exports was another aspect that contributed towards the above-mentioned economic performance, namely regarding fuel and services, excluding tourism. Nevertheless, in the third quarter, we saw an upturn in the volume of exports, compared to the previous quarter, above the estimate for external demand for goods and services.

It is estimated that in the fourth quarter of the year the year-on-year GDP growth rate continued, meaning an acceleration in private consumption and a lower drop in GFFC, so the possibility of stagnation can be dismissed.

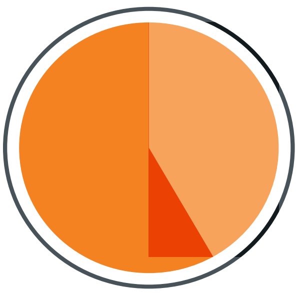
With regard to the job market, there was an improvement in the first half of 2016 which can be seen in the year-on-year decrease in the unemployment rate by 1.2 percentage points, and inflation continued to gradually recover, moving away from the deflationary scenario.

The outlook for 2017 is of moderate growth in the Portuguese economy to 1.4%, sustained by an increase in the contribution from domestic demand with a recovery in investments, as well as more dynamic growth in exports of goods and services.

Source:
Banco de Portugal - Boletim Económico dezembro 2016
Banco BPI - Mercados Financeiros janeiro 2017

PRODUCTS AND BRANDS MARKETED

- Volvo Trucks, Buses and Parts
- Renault Trucks and Parts
- Volvo Penta Engines and Parts
- SDMO Gensets and Parts
- Aftermarket Parts for light vehicles
- Aftermarket Parts for heavy vehicles



42%

NORS IBERIA %
IN GROUP SALES

SPAIN

The Spanish economy maintained a good expansion pace in 2016, with a 3.1% growth compared to the previous year. The main driver was the increase in domestic demand, with a greater contribution from private consumption, contrary to the investment behaviour which underwent an expansion slowdown of 0.5 percentage points.

With regard to external demand, there was a positive performance due to the decline in imports, where regarding the offer, the slowdown in the manufacturing sector and an acceleration in the construction and real estate sectors should be mentioned.

Notwithstanding the outlook for 2017 implying the maintenance of the robust growth of the Spanish economy, together with a recovery in the job market (drop in the unemployment rate to 18.9%), a slower growth rate of 2.2% is forecast.

As far as consumer prices are concerned, Spain maintained the deflationary behaviour recorded in 2015, but with prospects for its inversion in 2017, which indicate an increase in prices of around 1%.

Source:
IMF – Global Economic Outlook October 2016
Banco de España – Boletín Económico dezembro 2016

PERFORMANCE OF THE MARKET AND THE GROUP

Nors Iberia recorded a consolidated turnover of 229 million euros in 2016, which represents an increase of 12% compared to the previous year. Commercial activity in Iberia has been growing for five years, consecutively, having recorded 86 million euros higher sales in 2016 than in 2012.

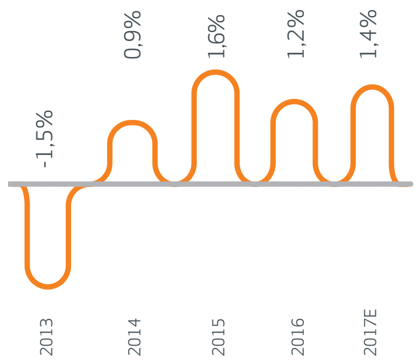
In Portugal, the heavy duty truck market (≥16T) grew 22% against 2015, with 4,222 units registered (3,460 in 2015). The total trucks market (>10T) also grew 22% against the previous year, with a total of 4,412 units. The bus market increased by 46% against 2015, with 215 units registered (147 in 2015).

Taking into consideration Nors' total activity in the truck market in Portugal (Volvo Trucks and Renault Trucks), in 2016, 1,622 heavy vehicles were delivered (new and used trucks and buses). This total enabled Nors to achieve an aggregate share of the new truck market (Volvo and Renault Trucks) of 28.5% in the above 16T plus segment and 27.8% in the over 10T market in 2016.

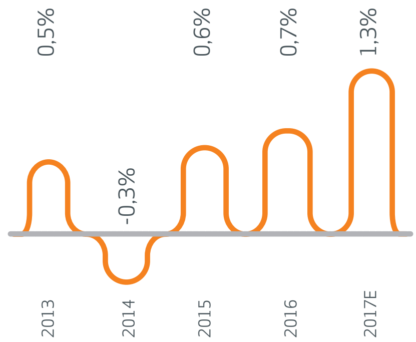
The Aftermarket activity at Nors Iberia (Civiparts Portugal, Civiparts España, AS Parts and ONEDRIVE) recorded a consolidated turnover of 61 million euros (the same as 2015), of which 52 million euros related to the domestic market, once again making Nors the biggest player in this sector in Portugal.

Considering the entire spare parts activity (original and Aftermarket) managed by the Nors Group in Portugal, this represented more than 93 million euros.

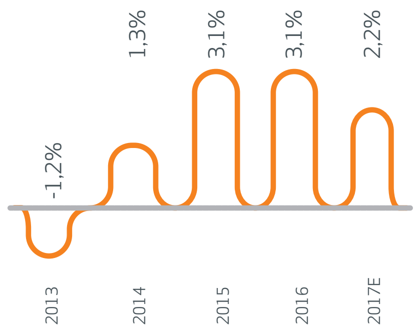
GDP GROWTH RATE IN PORTUGAL



INFLATION RATE IN PORTUGAL



GDP GROWTH RATE IN SPAIN



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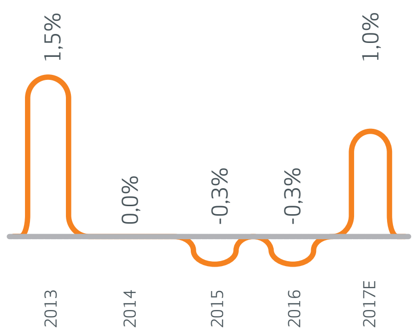


AUTO SUECO PORTUGAL

In 2016, Auto Sueco achieved a turnover of 102.4 million euros, which represents a growth of 14% against 2015.

Volvo reached a 13.6% share of the over 10T truck market, registering 598 trucks; 588 in the heavy duty range (≥16T), the equivalent of a market share of 13.9% (12.4% in 2015) and 10 in the medium duty range (10-16T), with a market share of 5.3% (3.4% in 2015). The used truck business registered 182 units delivered (207 units in 2015). In terms of turnover, the trucks commercial activity represented 58 million euros, an increase of 28% compared to 2015.

With regard to buses, Volvo secured a market share of 30.2% in 2016 (26.5% in 2015). The turnover of the buses commercial activity represented 7.8 million euros, an increase of 79% compared to the previous year.

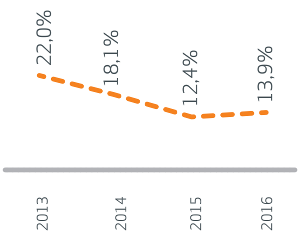
In After Sales, the activity of the private network of dealerships recorded a sales growth of 7% compared to 2015, with a total turnover of 25.9 million euros. This activity has been inverting the downward trend since 2009, which had been keeping in line with the reduction of the running population. This datum is even more important when considering the fact that this growth was also reflected in the rest of the Volvo Dealership Network, clearly reflecting the strategies for boosting the commercial activity of After Sales that have been implemented over the last few years. In 2016, the Genuine Volvo Parts import business recorded a decrease of 4% compared to 2015, due exclusively to the fall in the export business (to Angola) which was carried out with some Portuguese customers. This factor was largely offset by the improvement, mentioned earlier, to the activity in Portugal.

The import and retail sales of SDMO generators and Volvo Penta engines for the Portuguese market represented a total turnover of 1.7 million euros in 2016 (33% lower than in 2015, once again justified by the fall in the export business to Angola by Portuguese customers).

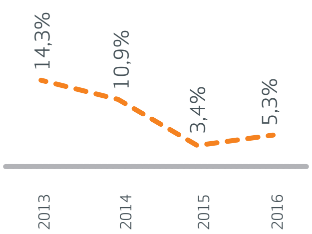
GALIUS

Galius is the importer and distributor of Renault Trucks and parts for the Portuguese market, and reached a turnover of 62.9 million euros, which represented a growth of 82% compared to the ten months in which it did business in 2015 (it should be remembered that it started operating in March of that year).

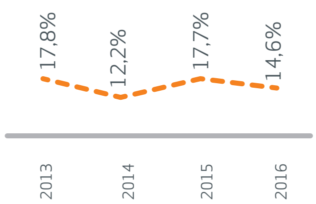
EVOLUTION OF MARKET SHARE FOR VOLVO HEAVY-DUTY TRUCKS IN PORTUGAL



EVOLUTION OF MARKET SHARE FOR VOLVO MEDIUM-DUTY TRUCKS IN PORTUGAL



EVOLUTION OF MARKET SHARE FOR RENAULT HEAVY-DUTY TRUCKS IN PORTUGAL



Renault Trucks achieved a 14.2% share of the heavy vehicles market in Portugal (>10T), with 626 units, practically the same record as in 2015, when it had a total of 630 units, the equivalent of a 17.5% market share. The performance attained in 2016 represented a market share of 14.6% in the heavy duty range (≥16T) compared to 17.7% in 2015, and 5.8% in the medium range (10-16T), compared to 11.6% in 2015. The turnover of the trucks commercial activity was 49.8 million euros.

In the After Sales business, where Galius has two of its own dealerships (Vila do Conde and Castanheira do Ribatejo) the turnover amounted to 8.7 million euros, which represented a 36% growth compared to the ten months in business in 2015. The import of genuine Renault Trucks parts obtained a turnover of 9.2 million euros, higher than the 7.6 million euros achieved in the ten months of 2015.

CIVIPARTS PORTUGAL AND CIVIPARTS ESPAÑA

The Aftermarket business for the sale of parts for heavy vehicles posted a turnover of 33.7 million euros in 2016 (5.6% less than in 2015). In Portugal, a turnover of 25.2 million euros was achieved, representing a drop of 6% compared to the previous year, a penalty resulting from the reduction in

sales to export customers, with an impact of close to 1 million euros in sales, but which was offset by the strengthened commercial profitability, which increased 0.4 percentage points compared to 2015. In Spain, the commercial activity stood at 8.5 million euros, representing a decrease of 4% compared to the previous year.

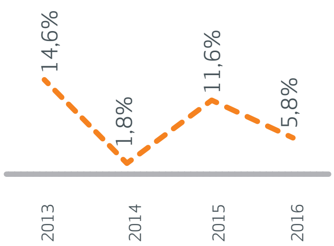
In 2016, the Heavy Vehicles Aftermarket business continued with its management strategy based on subcontracting parts and warehouses for strategic customers, thereby aiming to maximise their respective loyalty. As such, another customer was added to that parts management subcontracting process.

LIGHT VEHICLES AFTERMARKET

In consolidated terms the Aftermarket parts business for light vehicles in the Portuguese market saw its market position once again strengthened in 2016. The Light Vehicles Aftermarket obtained a turnover of 27.1 million euros in the domestic market, which represented a 5% growth against 2015. The increase in the wholesale business's penetration was clearly reinforced, with a sales growth of 6% compared to 2015, as well as that of the retail business, with an increase of 4% compared to the previous year. This growth was achieved by maintaining the commercial profitability of the wholesale business and reinforcing it in retail (growth of 0.6 percentage points compared to 2015).

This was a year for aligning the commercial strategy in the two levels of the value chain where it operates - wholesale and retail - thereby reinforcing its partnership with benchmark customers nationwide. The TOP CAR Workshop Network continued to reinforce its presence in the domestic

EVOLUTION OF MARKET SHARE FOR RENAULT MEDIUM-DUTY TRUCKS IN PORTUGAL



market, with a sales growth of 19% compared to 2015, and an increase in the number of workshops to 55 (eight more than the 47 existing at the end of the previous year).

MAIN MANAGEMENT INITIATIVES IMPLEMENTED

At Nors Iberia, 2016 was a year marked by the consolidation of the Galius operation and the disposal of the Glass business area (ExperssGlass and Axial). Besides these factors, the year was essentially noted for the organisational stability of the Iberia operations, obviously reflected in the excellent commercial performance posted in overall terms, consolidating the Nors Group as a benchmark player in the Portuguese and Spanish markets.

For the Volvo business, 2016 represented the consolidation of the organisational changes that were carried out at the end of 2015, with the nomination of two new heads of the commercial areas and After Sales, where in the case of the latter, it was also the first year in which the services and parts businesses were part of the same structure, with the merger of the Parts and After Sales Department, which had their own separate structures until the end of 2015. 2016 was also the year for commercial focus in Retail, aiming for the medium and long-term sustainability of the business through loyalty strategies in all the customer segments, linking the reinforcement of the Volvo brand's "Genuine Concept" to that process.

In the Renault Trucks operation, 2016 was a year for increasing and disseminating the truck customer portfolio, increasing the number of customers with sales from 78 in 2015, to 170. It was also a time for reinforcing the competencies in After Sales, by incorporating a Manager in this area, a position that had been accumulated by the business's Managing Director up to then. Continuity was also given to the strategy for commercially boosting After Sales retail, by developing a national network of sales people and consequently implementing support promotional activities.

In Nors Iberia's truck business, a project was launched for analysing the commercial performance of the market, which aims to provide the Volvo and Renault truck operations with important information, which will give them wider knowledge about the market, thereby making it possible to carry out highly detailed customer prospecting.

The Aftermarket Logistics Chain Optimisation (ALCO) project began in Aftermarket, which aims to develop the entire operations area of the Aftermarket companies in Iberia, by identifying a partner that supports the development of processes and technology linked to logistics and warehousing. An initial investment was also made in developing the Nors Group's Aftermarket own brand, the ALEA brand, by creating a brand management team and a plan for its long-term development. Lastly, important steps were taken in order to provide the Aftermarket business with a professional portal for purchasing and identifying parts, with innovative features compared to that currently offered in the market.

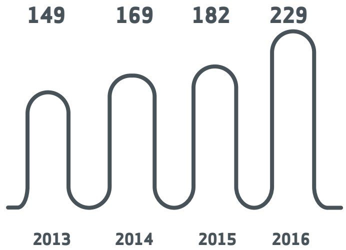
OUTLOOK FOR 2017

It is predicted that the positive conditions in the Iberian economies seen in 2016 will be maintained in 2017, and so the Nors Group therefore believes that it is possible to continue with the process of reinforcing its position in the Region's markets.

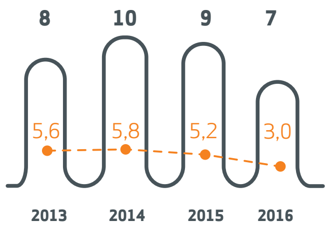
Auto Sueco Portugal's operation will consolidate its growth in the retail business and will continue to focus its management on recovering its position in the trucks market.

Galius will invest in the growth of its After Sales retail network in 2017, by incorporating Galius Santarém in what will be a critical year for increasing the commercial dimension of its After Sales. In the Heavy Vehicles Aftermarket, the year will be one for commercial recovery: the operation will concentrate its efforts on the expansion plan in the Spanish market, by opening new stores (Múrcia and Galiza), and through the reinforcement of its management skills; and in Portugal, the management team will be restructured, in particular at an operational level, in order to make the business more streamlined and flexible. The Light Vehicles Aftermarket business will develop the Top Partner concept, thereby materialising the relationship with its main customers, in order to foster mutual growth through differentiating strategies in the market. Also within the scope of Aftermarket, 2017 will be the year for implementing the ALCO Project and the new Purchasing Portals.

NORS IBERIA SALES IN M EUR



NORS IBERIA EBITDA IN M EUR AND IN % SALES



EVOLUTION OF SALES BY PRODUCT (QUANTITY AND VALUE)*

QUANTITIES					VALUES IN K EUR			
2013	2014	2015	2016		2013	2014	2015	2016
556	785	1 074	1 559	TRUCKS	38 130	52 706	69 513	106 430
29	31	42	62	BUSES	3 075	2 917	4 379	7 825
494	502	236	63	SDMO GENSETS	10 232	10 233	5 915	2 065
9	6	11	12	PENTA	233	56	187	598

*Not all the businesses in the region are included. All values and quantities are considered in accordance with the Group's revenue method.

NORS ANGOLA

OVERVIEW OF THE MARKET

In 2016, the Angolan economy became stagnated, after a period of three years in which, despite recording annual positive growth in GDP, it was predicted that it would have an increasingly lower capacity to generate wealth.

While the reasons for this performance are widely known, rooted in the unfavourable evolution of the price of oil in the international markets, today it is known that the country's economy has undergone a series of internal adjustments as a way of mitigating this important change in the environment. One of the pillars supporting that strategy was the reduction, since 2014, of the imports of dollars by around 60%, which still remains in progress.

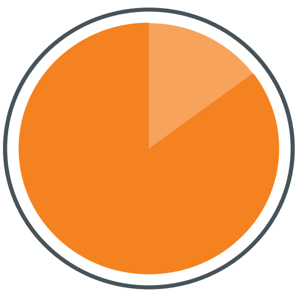
Given the economic agents' difficulty in accessing currencies, the transactional constraints arising from that lead to product scarcity, which causes high inflation. In 2016, the increase in consumer prices reached 33.7%, and it is predicted that in 2017, inflation will deteriorate to 38.3%.

The monetary policy itself, although in a current scenario of higher oil prices, could imply the need to further devalue the kwanza, depending on the level of international reserves.

Angolan budgetary policies are now seeking to stimulate the economy, but continue to be conditioned by the need to guarantee the solidity of the public finances, and so expenditure constraint will be essential for fighting the high public accounts deficit, which is estimated to be 5.8% of GDP.

PRODUCTS AND BRANDS MARKETED

- Volvo Trucks, Buses, Cars and Parts
- Trailers
- Volvo Penta Engines and Parts
- SDMO Gensets and Parts
- Volvo, New Holland, SDLG and Grove Construction Equipment
- Aftermarket Parts for Heavy vehicles
- Aftermarket Parts for Light vehicles
- Construction Glass



14%

NORS ANGOLA % IN GROUP SALES

It is predicted that the evolution of the macroeconomic variables that influence the economy, such as the international price of oil and the budgetary and monetary policies, will lead to the stagnation trend being reversed, stimulating a growth in GDP in the order 1.5% in 2017.

Source:
FMI World Economic Outlook October 2016
Banco BPI - Mercados Financeiros janeiro 2017

PERFORMANCE OF THE MARKET AND THE GROUP

Due to the macroeconomic conditions, the automobile market (heavy and light vehicles) had a significant decrease in Angola in 2016. For light vehicles, the market registered 5,364 units sold, which represents a downturn of 62.3% compared to the previous year. While as far as the heavy vehicles market is concerned, the reduction was 58% (218 units sold).

The machinery and construction equipment market also declined in 2016 compared to the previous year, with 35.5% less units sold (320 units in total). This decrease, which was very much the result of the performance posted in the second half of the year, was marked by the drastic reduction in the activity of the main construction companies operating in the Angolan market.

The strong and ongoing deterioration of the Angolan economy recorded throughout 2016, once again closely linked to the drop in the price of oil, led to GDP stagnation (0%), which very seriously conditioned the entire performance of the automobile/machinery sector.

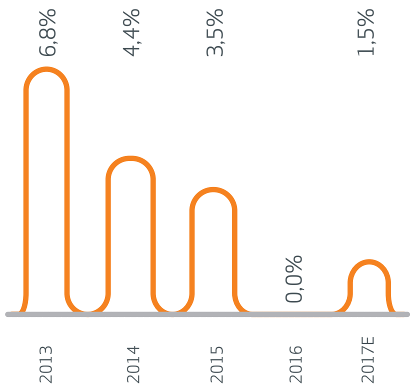
The Volvo brand closed the year with 71 units sold, a negative variance of 49% against 2015. However, this record represents a reinforcement of market share, which went from 26.9% in 2015 to 32.2%, as well as sales leadership in this heavy duty truck segment.

Regarding Volvo cars, 15 units were sold, against 113 in 2015, the market share moving to 1.3%.

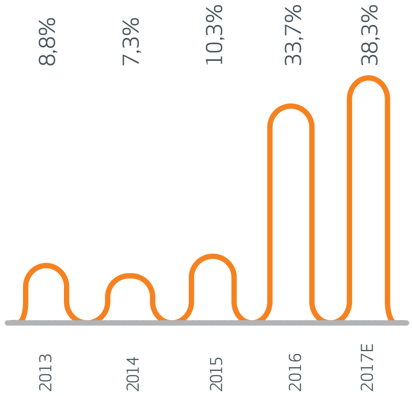
The generator business also performed below expectations, selling 104 units, which represents a negative variance of 44.7% against 2015.

On the contrary, the construction machinery activity increased in terms of sales compared to 2015, recording a total of 51 units, which represents a market share of 15.9% (compared to 9.3% the previous year).

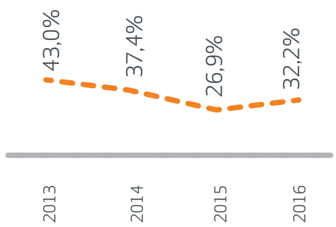
GDP GROWTH RATE IN ANGOLA



INFLATION RATE IN ANGOLA



EVOLUTION OF MARKET SHARE FOR TRUCKS IN ANGOLA



Volvo After Sales, which includes heavy and light vehicles, declined in 2016, clearly reflecting both the macroeconomic scenario recorded, and the difficulty found in importing components, which conditioned the Group's After Sales activity in Angola. In this area of Volvo's heavy and light vehicles activity, the total decrease compared to 2015 was 17%, with sales of 21.2 million euros, while in construction machinery, the After Sales activity increased by 1% compared to 2015, reaching 10.3 million euros in 2016.

In the Heavy Vehicles Aftermarket parts business, we saw a 5% reduction in turnover compared to 2015, obtaining 8.8 million euros of sales in Angola. The difficulty in regularly importing components and the fall in the market, due to the macroeconomic situation, were the main factors justifying these results.

In the Light Vehicles Aftermarket parts activity, turnover increased by 16% compared to 2015, reaching a total of 12.9 million euros. This increase in sales, which contrasts to the macroeconomic and market scenario experienced in 2016, was essentially due to the significant increase in sales of lubricants, a product range in which the company made a significant investment throughout the year.

In the business of glass for construction equipment and cars, there was an increase in turnover of 9%, to 3.5 million. This result was due to the investment made in inventory, which enabled our market share to be significantly reinforced, taking into account the considerable drop in offer arising from the difficulty in obtaining foreign currency and the consequential reduction in imports.

In total, the Nors Group in Angola recorded a turnover in 2016 of 79 million euros, which is the equivalent of a reduction of 27% against 2015.

MAIN MANAGEMENT INITIATIVES IMPLEMENTED

2016 was marked - as was already the case in the second half of 2015 - by a series of important organisational changes and restructuring in the Companies, at all levels, aiming to continually adapt them to the economic situation experienced in Angola and the sharp falls in the different markets where Nors does business. Simultaneously, the major constraints with regard to product imports posed new challenges to all the companies. These challenges were overcome through improved efficiency, namely regarding credit management and further rigour in all the administrative and operational areas.

However, despite the extremely adverse scenario that was experienced in 2016, Nors Angola managed to obtain a significant year-on-year improvement to the results in all its Companies, reaching an EBITDA of 29.3%, the equivalent of 23 million euros and an increase of 163% compared to the previous year.

Lastly, of particular note is the opening of the new Auto Sueco Angola and Auto-Maquinaria facilities at km 34 of the Viana-Catete road, in Luanda. This new After Sales complex - a worldwide benchmark among Volvo facilities - has a total area of 10 ha, a covered area of 14,000 m^2, a front of 300 metres and a prime location on one of the main highway accesses to Luanda, and strategically close to the future airport. As such, it represents a clear reinforcement of the position of these companies and a strong sign of the confidence Nors places in the future of this market.

OUTLOOK FOR 2017

Bearing in mind the negative situation of the Angolan economy at the end of 2015 and during the whole of 2016, very much influenced by the abrupt and recurring drop in the price of the barrel of oil, 2017 - despite the improvement recorded in the price of oil at the end of 2016 - will be another very challenging year in terms of managing the operation and the ability to sustain any impacts from the environment. Despite the confidence in the gradual recovery of the local economy, the Group predicts that 2017 will still be a year with an adverse economic and financial scenario, which will require maintaining the strategy pursued in 2016.

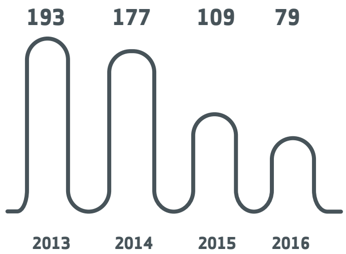
In terms of human resources, it is important to continue to ensure - with significantly reduced teams compared to the reality of recent years - efficient monitoring of the activity of the different operations, through greater flexibility and availability to face the new challenges posed by the current situation.

In the Volvo trucks, cars and construction equipment businesses, the year will be marked by the evolution of the respective markets as well as the Group's ability to import the components that enable it to carry out the appropriate and necessary levels of After Sales activity.

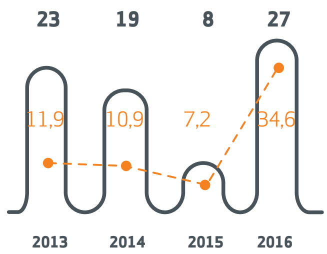
In the Heavy and Light Vehicles Aftermarket parts businesses, the outlook is also for a year of great difficulties, where, besides the further foreseen decrease in the market, the availability of components, indexed to the ability of the Group to import goods, will most probably dictate the success of the operations.

The activity regarding glass for construction equipment will continue to be strongly dependent on the evolution that takes place in the construction sector in Angola, and the previously mentioned ability to import products to satisfy future demand.

NORS ANGOLA SALES IN M EUR



NORS ANGOLA EBITDA IN M EUR AND IN % SALES



EVOLUTION OF SALES BY PRODUCT (QUANTITY AND VALUE)*

QUANTITIES					VALUES IN K EUR			
2013	2014	2015	2016		2013	2014	2015	2016
515	455	140	71	TRUCKS	66 421	61 054	21 455	12 223
2	4	2	2	BUSES	316	861	492	588
140	141	113	15	CARS	8 287	8 833	9 276	1 061
343	192	99	31	TRAILERS	14 893	9 481	5 412	1 848
405	305	188	104	GENSETS	10 466	9 333	6 583	4 330
119	116	47	51	CONSTRUCTION EQUIP.	21 105	26 002	9 206	8 298

*Not all the businesses in the region are included. All values and quantities are considered in accordance with the Group's revenue method.

NORS BRAZIL

OVERVIEW OF THE MARKET

The Brazilian economy contracted once again in 2016, as was the case the previous year, although there is some expectation of recovery in 2017. This unfavourable evolution of GDP, which decreased 3.3% compared to the previous year, is partly related to the timid growth in global demand - with evident impacts on the country's export sector - but also reflects the political crisis that affected growth, especially in the first half. This second factor had a negative influence on the sentiment of the economic agents and led to political decisions being delayed, placing the country's economy under deadlock.

With regard to the monetary policy, the maintenance of the Selic rate at all time highs of the last ten years - despite undergoing a downward revision in October - perpetuated the difficulty in the economic agents having access to funding and was further aggravated by the disappearance of some public support directed at funding and stimulating the economy.

The outlook for 2017 is more favourable, partly supported by the positive evolution of inflation to 2014 levels (already recorded in the last quarter of 2016). It is foreseen that the increase in consumer prices will be below 6%, i.e. 3.6 percentage points less than that recorded in 2016, and it is expected that the central bank will make further reductions to the reference interest rate.

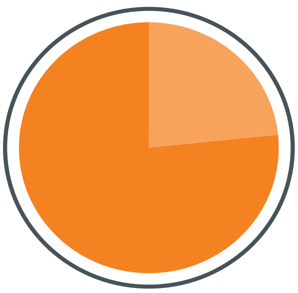
In 2017, greater political stability is also predicted, notably the approval of a maximum inflation rate - indexing the budget for public spending to the general inflation of the previous year - as a way of controlling the growth of the public deficit, which is currently around 10% of GDP.

Source:
FMI World Economic Outlook October 2016
Banco BPI – Research Mercados Financeiros janeiro 2017

PRODUCTS AND BRANDS MARKETED

- Volvo Trucks, Buses and Parts
- CASE Tractors, Harvesters and Parts
- Continental Tyres
- Complementary Products: Insurance, Financing and Consortiuns associated with the sale of vehicles

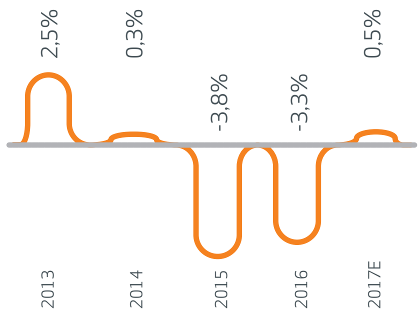
This unit has two Volvo truck and bus dealers - one in the State of São Paulo (Auto Sueco São Paulo) and another in Mato Grosso, Rondônia and Acre (Auto Sueco Centro Oeste) - as well as, since 2013, Agro New that acts as the dealer of the Case brand for the northern region of the State of São Paulo. It also includes Norshare Brazil, a shared services company, and Amplitude Brazil, an insurance company.



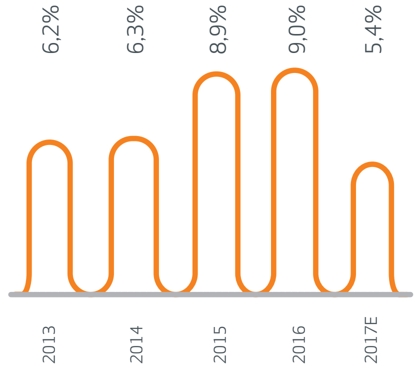
24%

NORS BRAZIL%
IN GROUP SALES

GDP GROWTH RATE IN BRAZIL



INFLATION RATE IN BRAZIL



PERFORMANCE OF THE MARKET AND THE GROUP

In 2016, the over 16 Ton new truck sales market fell by 29% (-55% in 2015), having recorded a drop of 18% in the HDV segment (heavy duty range, which represents around 75% of Volvo's sales in Brazil).

In Auto Sueco São Paulo's area, the market recorded a drop of 18% and in Auto Sueco Centro Oeste's area the drop was 25%.

As such, the Brazilian heavy truck market (MHDV and HDV segments or medium and heavy range) fell by around 75% in the three years 2014-2016, to represent a total volume of 29,664 units.

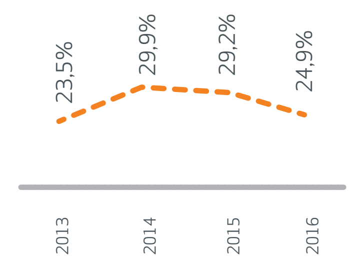
In the case of agricultural machinery, the tractor market fell by 13% compared to 2015 (a year in which it had decreased 25%) and the harvester market contracted 19% (-3% in 2015).

During the 2013 to 2016 period, the Brazilian agricultural machinery market (tractors and harvesters) decreased by around 50%, in line with the economic recession in general, and with the difficulties felt in the sugar cane/ethanol sector in particular, although it should be pointed out that there was a fair improvement to this sugar cane/ethanol sector throughout 2016.

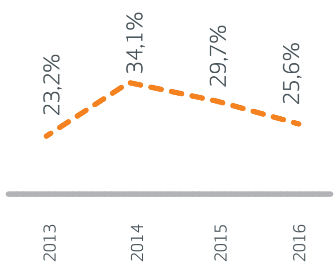
With regard to the Nors Group's operations, Auto Sueco São Paulo sold 851 units in 2016, which corresponded to 547 new trucks, 87 new buses and 217 used trucks. The market share in the MHDV range was 7.6% (9.9% in 2015) and in the HDV range it reached 24.9% (29.2% in 2015), having managed to position itself in second place in the HDV sector ranking.

At Auto Sueco Centro Oeste, 293 units were sold, of which 211 were new trucks, 36 new buses and 46 used trucks. The market share in the MHDV range stood at 8.2% (15.1% in 2015) and in the HDV range at 25.6% (29.7% in 2015), which enabled it to maintain its HDV market leadership for the third year running.

EVOLUTION OF MARKET SHARE FOR HEAVY-DUTY TRUCKS IN SÃO PAULO



EVOLUTION OF MARKET SHARE FOR HEAVY-DUTY TRUCKS IN CENTRO OESTE



In view of the market situation, the commercial teams focused on maintenance, concentrating on improving gross margins and reducing working capital, as well as on the After Sales business.

In that last area, there was an increase in turnover of 3% at ASSP (like-for-like in operating facilities throughout 2016), and of 13% at ASCO, which with this result, was one of the two Volvo dealerships in Brazil with the highest After Sales growth in 2016.

Also noteworthy is Auto Sueco São Paulo's performance in maintaining commercial gross margins and improving the After Sales margins, and Auto Sueco Centro Oeste's performance, as it managed to improve both sales and After Sales margins. This fact, combined with the significant reduction in operating costs, enabled an important improvement to the After

Sales absorption rate to be achieved in both operations.
With regard to Agro New's activity, they sold 29 harvesters (61 in 2015), 33 agricultural tractors (36 in 2015), 26 different kinds of equipment and a used one, totalling 89 pieces of equipment, compared to 117 in 2015.

Of particular note is that the low volume of harvesters invoiced resulted from the fact that the higher volume businesses, despite having closed in 2016, were carried over to 2017, and so there was a portfolio of 28 harvesters to be invoiced in the first few months of 2017.

In sales terms, the Brazil Region recorded a consolidated turnover of 132 million euros (excluding direct sales) in 2016, representing a decrease of 27% compared to 2015. It should be noted that in the same period, the Real increased in value by 20% against the Euro (4.31 at 31/12/2015 and 3.43 at 31/12/2016).

MAIN MANAGEMENT INITIATIVES IMPLEMENTED

The continued economic retraction in the markets where Nors Brazil operates led to continued adjustment of the human resources structures and fixed costs.

The human resources structure now comprises 650 employees (compared to 876 at the end of 2014 and 675 at the end of 2015), which represents a reduction of 26% compared to 2014.

The reduction in costs enabled a saving in the order of 18 million Reais, around 18% more than that achieved in 2015, already discounting the effect of inflation (around 7%). The headings staff and buildings made a particular contribution towards this result, with reductions of 17% and 25% respectively.

As already mentioned, special attention was given to improving gross margins, which combined with the cost reductions, enabled the After Sales absorption rates to be considerably improved.

Focus was also maintained on reducing inventories, having ended 2016 with a perfectly suitable level, in quantity and quality, for the current size of the market. That improvement was seen through the evolution in the overall stock turnover rate from 5.6 to 5.9.

Also noteworthy is the effort placed on creditor days, the Brazil Region having managed to maintain its average payment time at around 50 days (48 in 2005), despite the deterioration in the conditions in this aspect.

2016 was the second full year of Norshare Brazil's activity, the Group's shared services company, which also made adjustments to its structure, managing to reduce the operating costs, despite having started the process of integrating Agro New's back office services, which will be concluded in June 2017.

Lastly, a mention for the adjustment made to the financial function, through the capital increase of 10 million euros, around 37 million reais, in Nors Brasil Participações, which enabled gross debt to be reduced by around 88 million reais, making it better adjusted to the current level of activity in the Region.

As a result of all the efforts carried out, operating EBITDA for the Region went from being negative in 2015, to approximately nil in 2016.

OUTLOOK FOR 2017

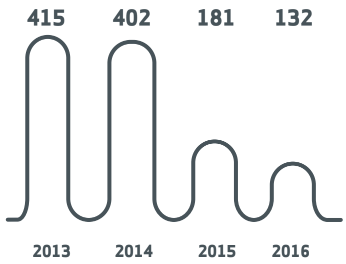
For the first half of 2017 the same retraction is predicted in the trucks and buses market. After that period, measures for stimulating economic growth, already launched and to be launched by the Government, could start to show results, boosting some additional activity during the second half of the year. Even so, in 2017, this market will probably not record any growth compared to the previous year.

In the agricultural machinery market, there is already some optimism, as a result of the announcement of a good soy and corn harvest, and the continued increase in the demand for sugar, a very important aspect for the country where Agro New operates. As such, there is a consensus about the return to growth in 2017, with projections indicating that this might reach 10% to 15% compared to 2016.

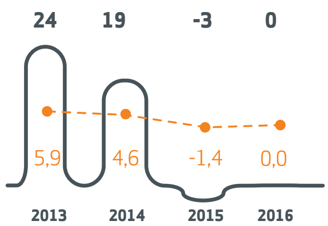
In view of these scenarios, the activity in the Brazil Region will continue to be directed towards rationalising the operational structures and costs, in order to improve gross margins and towards extra effort in promoting After Sales, namely for vehicles over three years old, in order to continue improving the After Sales absorption rate.

Despite the market limitations, which will still exist in 2017, it is predicted that all the measures taken in 2015 and 2016, plus the very special attention that will be given to improving the profitability of the businesses, will enable all the companies that are part of the Region to improve their operating results.

NORS BRAZIL SALES IN M EUR



NORS BRAZIL EBITDA IN M EUR AND IN % SALES



EVOLUTION OF SALES BY PRODUCT (QUANTITY AND VALUE)*

QUANTITIES					VALUES IN K EUR			
2013	2014	2015	2016		2013	2014	2015	2016
2 602	2 498	860	598	MEDIUM-DUTY TRUCKS	268 973	233 963	69 197	47 106
981	948	358	160	HEAVY-DUTY TRUCKS	67 088	53 533	17 547	8 217
333	300	402	263	USED	18 114	15 344	18 577	8 831
213	330	122	123	BUSES	13 288	19 236	6 626	4 766
99	100	117	89	AGRICULTURAL EQUIP.	19 492	12 287	14 910	10 779

*Not all the businesses in the region are included. All values and quantities are considered in accordance with the Group's revenue method.

NORS AFRICA

PRODUCTS AND BRANDS MARKETED

Namibia and Botswana

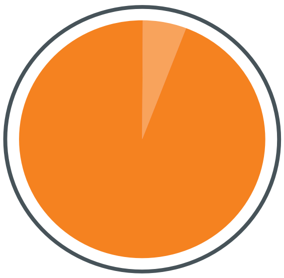
- Volvo Trucks, Buses and After Sales
- Renault Trucks and After Sales
- UD Trucks and After Sales (only Namibia)
- Volvo Penta Industrial Engines After Sales.

Kenya and Tanzania

- Volvo Trucks, Buses, Industrial equipment and After Sales
- Renault Trucks and After Sales (only Tanzania)
- Volvo Penta Engines and Parts
- SDMO Gensets and Parts
- Volvo and SDLG Construction equipment

Mozambique

- Volvo Trucks, Buses and After Sales



5%

NORS AFRICA %
IN GROUP SALES

OVERVIEW OF THE MARKET

NAMIBIA

Namibia's economy grew by 4.2% in 2016, showing a year-on-year contraction of 0.6 p.p. This slowdown is largely due to the decrease in the activity in the mining sector, namely diamond mining, and in the construction sector, as well as the fiscal consolidation in the public sector. The effects of the drought that have been felt throughout the year cannot be overlooked when analysing the performance of this economy, with a direct impact on the primary sector.

It is estimated that in 2017, the growth will be reinforced to around 5.3%, justified by the expected recovery in mining and agricultural activity, as well as a better performance in the tertiary sector.

The level of consumer prices increased to 6.6% in 2016, with a forecast for 2017 of a decrease in inflation to 6%.

Source:
IMF – Global Economic Outlook October 2016
Bank of Namibia - Economic Outlook Update – November 2016

BOTSWANA

Botswana's GDP growth rate was 3.1% in 2016, marking the end of a period of slowdown that began for this economy in 2013.

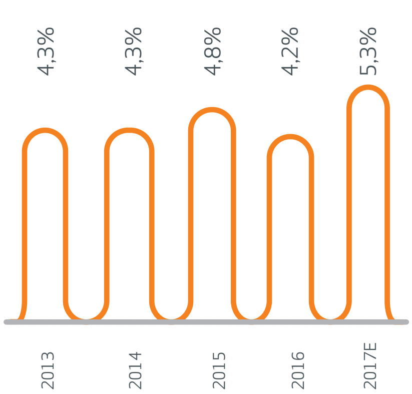
The 2016 inflation rate was estimated at 3.2%, within the interval of 3% to 6% defined as the objective by the central bank, reflecting the drop in prices that occurred in most of the commodities throughout the year, as well as the limited growth in household purchasing power and the decrease in bank credit to the economic agents.

This decreasing price trend has been the result of the central bank's monetary policy which, since 2015, has been adopting expansionist measures for encouraging investment through a reduction in the reference rate.

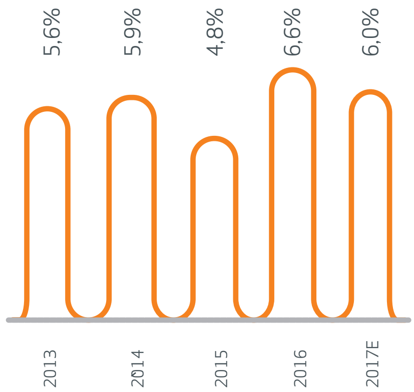
For 2017 a slight rise in inflation is estimated, to 3.4%, which will remain within the desired fluctuation interval, as well as a growth in the economy in the order of 4.0%.

Source:
IMF – Global Economic Outlook October 2016
Bank of Botswana – The Research Bulletin December 2016

GDP GROWTH RATE IN NAMIBIA



INFLATION RATE IN NAMIBIA



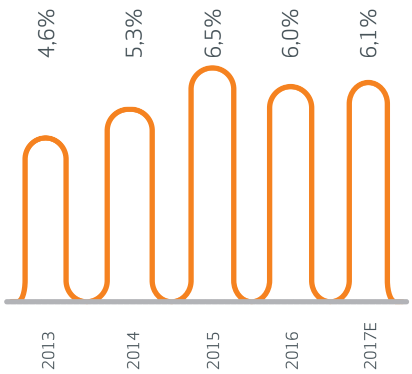
KENYA

The Kenyan economy's growth trend began in 2013 and reached its peak in 2015, due to public investment in infrastructures and to domestic demand. 2016 interrupted that expansion trend, but even so, GDP increased 6.0%, a pace that should be maintained in 2017. Contributing factors to this growth were the favourable weather conditions for agricultural production, and the oil price, which triggered a good performance in the transport and logistics sector.

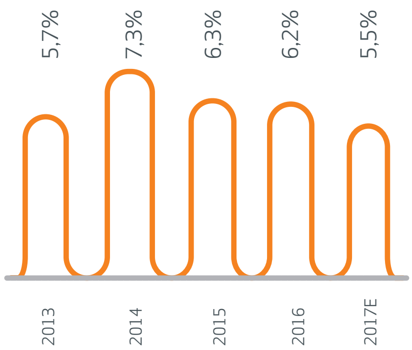
Inflation stood at 6.2%, above the growth in GDP, but it is estimated that the level of prices will increase more slowly in 2017, at a rate of 5.5%.

Source:
IMF – Global Economic Outlook October 2016

GDP GROWTH RATE IN KENYA



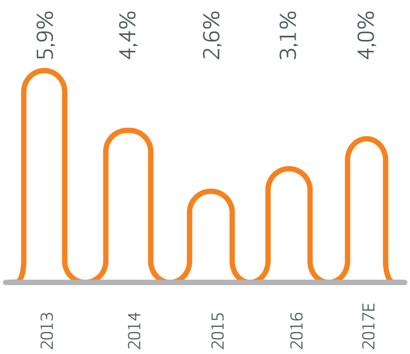
INFLATION RATE IN KENYA



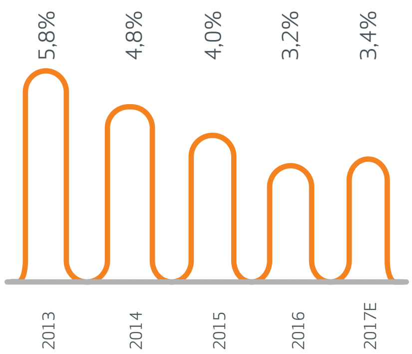
TANZANIA

In 2016 the Tanzanian economy posted a growth of 7.2%, benefitting from the more favourable trade balance, where the volume of imports was reduced and exports were 7.5% higher than the previous year. In sector terms, this performance is partly due to the export of gold, and services linked to tourism.

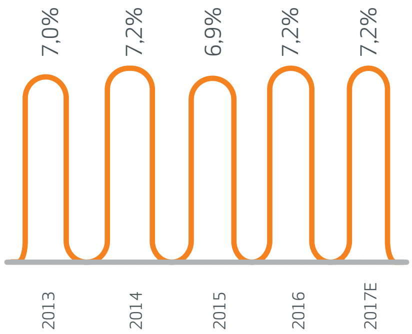
GDP GROWTH RATE IN BOTSWANA



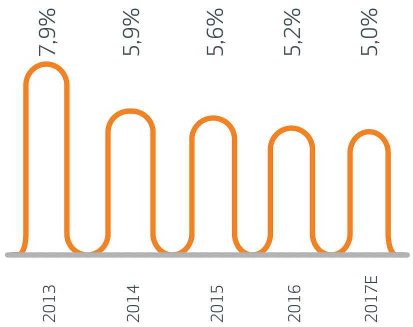
INFLATION RATE IN BOTSWANA



GDP GROWTH RATE IN TANZANIA



INFLATION RATE IN TANZANIA



Predictions for 2017 include a growth in GDP in line with this last year and an inflation rate of 5.0%, which will continue the downward trend started in 2013 and which is the result of the gradual softening of the price of foodstuffs.

Source:
Bank of Tanzania – Monthly Economic Review Nov'6
IMF – Global Economic Outlook October 2016

MOZAMBIQUE

The growth in Mozambique's GDP decreased once again in 2016, recording an all time low of 4.5%. This performance is essentially due to the tertiary sector, with a special emphasis on financial services, for the primary sector, with growth rates practically in line with the economy, and to the substantial contraction of the electricity and water sector.

The inflation rate in 2016 was estimated at 16.7%, when in 2015 it had been 4.0%, closer to the target defined by the central bank (5-6%). For 2017 it is estimated that there will be a slight decrease in inflation, to 15.5%, much higher than the growth projected for the economy, in the order of 5.5%.

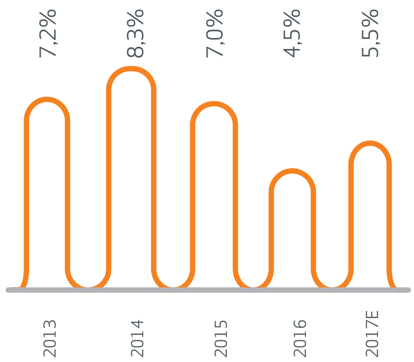
Source:
IMF – Global Economic Outlook October 2016

PERFORMANCE OF THE MARKET AND THE GROUP

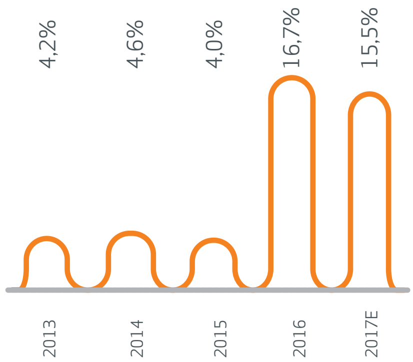
In 2016, the markets where Nors Africa carries out the Volvo business had different trends regarding the growth in their respective economies.

In Kenya, the total trucks market stood at 1,766 units, a decrease of 55% compared to 2015.

GDP GROWTH RATE IN MOZAMBIQUE



INFLATION RATE IN MOZAMBIQUE



In Tanzania, the trucks market decreased by 51% (going from 308 to 152 units). Of note is the market share obtained, which reached 21.7%, a very positive growth compared to previous years (15.3% in 2015 and 10.3% in 2014).

In Botswana, the heavy duty vehicles market increased by 15.8% (going from 190 to 220 units). However, the company saw its market share decrease to 7.7%, a performance short of the 11.6% achieved in 2015.

In Namibia, the heavy duty trucks market decreased 9.6%, standing at 349 units, but Auto Sueco Namibia increased its market share by 1.2 p.p., taking into consideration a share of 17.5% (16.3% in 2015 and 18.1% in 2014) in the sale of Volvo chassis. In 2016, Auto Sueco began selling trucks from the UD brand, in the heavy and medium duty range, where it achieved a market share of 2.6% and 30.9% respectively.

In Mozambique - where the second full year of business was concluded - it is estimated that the trucks market reached 123 units, Auto Sueco Moçambique having managed to obtain a market share of 60%, which clearly highlights it as leader in heavy-duty trucks.

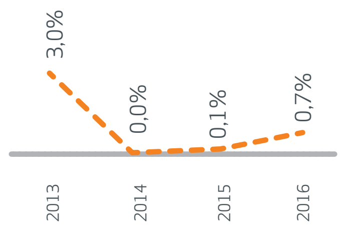
Regarding construction equipment, Auto Sueco Kenya once again had a record sales year in the SDLG range, selling 56 units (compared to 53 in 2015), but decreased its sales in the Volvo CE brand (4 units sold in 2016 compared to 7 units in 2015).

While as far as Auto Sueco Tanzania is concerned, 10 units were sold in the Volvo CE brand (17 units in 2015) and 7 units in the SDLG brand (10 units in 2015), a performance that fell short of what had been hoped for.

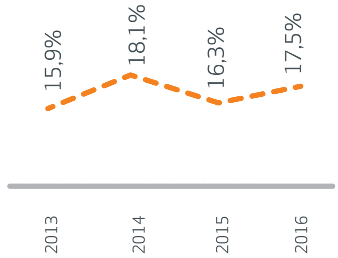
The turnover in the Nors Africa Region amounted to 25.6 million euros in 2016, which represents a decrease of 20.7% compared to 2015.

While regarding EBITDA, Nors Africa attained -2 million euros, which represents a deterioration compared to the -1.4M€ attained in 2015. Contributing significantly to this fall - as will be discussed below - was the sale process involving AS Kenya, AS Tanzania and AS Uganda.

EVOLUTION OF MARKET SHARE FOR TRUCKS >16T KENYA



EVOLUTION OF MARKET SHARE FOR VOLVO TRUCKS >16T NAMIBIA



MAIN MANAGEMENT INITIATIVES IMPLEMENTED

2016 will be strongly marked by the sale of the companies located in the region of East Africa, which highly conditioned the performance of these structures and, consequently, the operation in this continent.
In December, a purchase and sale agreement of these companies was signed, whose disposal should now be concluded during the first half of 2017.

This sale reflects the Group's interest in driving greater focus to the remaining African countries, as well as the alignment of interests with AB Volvo.

Even so, although short of these companies' objectives, the performance achieved was positive, namely regarding construction equipment at AS Tanzania and due to the improved performance of AS Mozambique, which enabled Nors Africa to stabilise its EBITDA compared to the previous year.

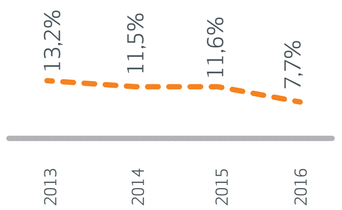
2016 will also be marked by AS Namibia starting to import and distribute UD trucks from the Volvo Truck Corporation, as well as by the inauguration of this brand's new After Sales facilities in Windhoek.

These investments have undeniably reinforced the Group's presence in this market, where it has been carving a very interesting path.

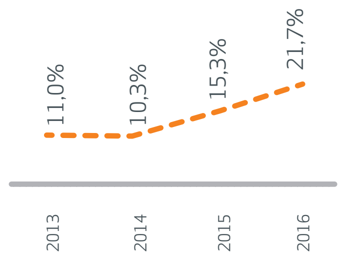
Despite the major difficulties that were faced, due to an adverse macroeconomic climate, it is important to mention the significant improvement to the performance obtained by AS Mozambique. This company underwent a profound restructuring process throughout 2016, in order to adjust to the local economic reality, but this did not prevent it from improving the vast majority of its economic and financial indicators, which leaves us good prospects for the future.

Lastly, also of note is the investment made in developing the SAP SIGA system for Auto Sueco Botswana, which is planned to start-up in January 2017, making this the second company in the Africa Region (after AS Mozambique in 2016) to operate that system, which will guarantee the continuity of the path to solidity that the Group has been building on an organisational, economic and financial level.

EVOLUTION OF MARKET SHARE FOR TRUCKS >16T BOTSWANA



EVOLUTION OF MARKET SHARE FOR TRUCKS >16T TANZANIA



OUTLOOK FOR 2017

In 2017 we aim to quickly close the sale of AS Kenya, AS Tanzania and AS Uganda, in order to focus on the other region operations, which have ambitious growth plans for the coming years. This will be the main priority during the first two quarters of the year.

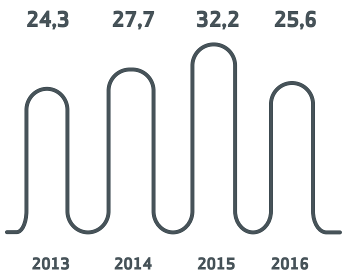
At AS Namibia, after two years of strong investments in three new facilities in Windhoek and Walvis Bay, the idea is to pursue the plan for reinforcing Volvo trucks' market share, to boost and develop the UD Trucks business and reinforce After Sales with the image of a benchmark player, which are objectives that will contribute towards the investments made in human resources during the course of 2016.

AS Botswana - after facing a period of adjustment as a result of the sudden drop in mining activity which severely affected its After Sales business - should manage to recover the market share it lost in 2016 and follow on with the sustained growth of its After Sales activity.

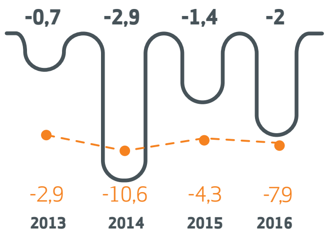
The evolution of AS Mozambique will always be very much conditioned by the country's macroeconomic and financial evolution throughout 2017. However, there are positive expectations for this company's evolution throughout this year, as it is already a benchmark in this market in terms of heavy vehicles and could enhance its position, namely regarding the After Sales activity, where it is predicted that it will reinforce its presence, namely with the customers in the Beira region.

Lastly, the Group will continue on the path for solidity that it has been following, namely over the last two years, regarding routines and administrative and financial control, in order to achieve increasingly robust bases in these areas, which has proven to be essential for pursuing the aspiration for growth and for reinforcing investments in this region.

NORS AFRICA SALES IN M EUR



NORS AFRICA EBITDA IN M EUR AND IN % SALES



EVOLUTION OF SALES BY PRODUCT (QUANTITY AND VALUE)*

QUANTITIES					VALUES IN K EUR			
2013	2014	2015	2016		2013	2014	2015	2016
164	170	187	274	TRUCKS	12 799	14 264	16 843	20 737
34	53	89	77	CONSTRUCTION EQUIP.	2 131	4 120	9 687	5 085
10	10	12	35	TRAILERS	488	158	250	635
2	3	13	3	OTHERS	335	366	649	35

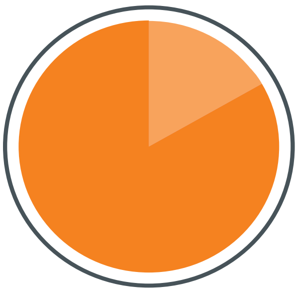
*Not all the businesses in the region are included. All values and quantities are considered in accordance with the Group's revenue method.

NORS VENTURES

Nors Ventures is a business unit which includes the assets held by the Group that requires a management or holding logic different from that employed in the other regions.

PRODUCTS AND BRANDS MARKETED

- Sale and After Sale of Volvo, Honda, Mazda and Land Rover cars;
- Tyre recycling industry and production of granulated rubber (Biosafe);
- Underground containers for refuse collection (Sotkon - ASFC Group);
- Insurance brokerage (Amplitude);
- Vehicle Inspection Centres (MasterTest Group).



16%

NORS VENTURES % IN GROUP SALES

OVERVIEW OF THE MARKET
PORTUGAL AND BRAZIL

As per Portugal and Brazil markets mentioned above.

CAR BUSINESS

PERFORMANCE OF THE MARKET AND THE GROUP

The domestic car market ended 2016 with 207,345 light passenger vehicles registered, recording a growth of 16% compared to 2015. This confirms the return to a similar indicator as in the years prior to the crisis in the sector.

Auto Sueco Automóveis registered 2,101 units in total for the four represented brands, which represented a 42% growth compared to 2015, and a market share of 1%. The growth achieved was common to all the brands sold and all the locations.

The Volvo brand is worth highlighting, as it represented around 60% of the company's total volume and ended the year with a 23% growth against 2015, slightly above the brand's overall growth.

In addition, Mazda also had a very positive pattern at Auto Sueco Automóveis, with a substantial overall growth of 111% compared to 2015, due to doubled volume both in Porto and in Almada.

Land Rover and Honda also closed the year with a growth of 67% and 47% respectively.

Also of note is the fact that in consolidated terms, all the geographical platforms - Minho, Porto, Queluz and Almada - ended the year with increased registrations compared to the previous year.

Auto Sueco Automóveis' total turnover increased by 34% compared to 2015, reaching in excess of 71 million euros.

MAIN MANAGEMENT INITIATIVES IMPLEMENTED

In 2016, Auto Sueco Automóveis set the following as its major priorities: boosting the envisaged growth in the automobile market and keeping After Sales stable, in a fleet that is in decline.

In the commercial area, the new commercial organisation chart was consolidated and the sales team was reinforced, seeking the right structure for taking advantage of the opportunities from the product plans of the various brands sold.

In After Sales, there were constant campaigns, with a special mention for the Auto Sueco Automóveis Day, and we worked on a segmentation and pricing project for the entire components area. This project, that was implemented during the second half of the year, defined new classes of customers and new discount policies, with the final objective of increasing loyalty and, consequently, turnover and gross margins. In addition, a workshop organisation pilot project was launched, in Porto, with a view to maximising the activity and the customer satisfaction indices.

Other than that, the two Volvo facilities, in Braga and Queluz were renovated, and a new Volvo showroom was inaugurated in Gaia, as a result of the company's new strategy for this part of the country.

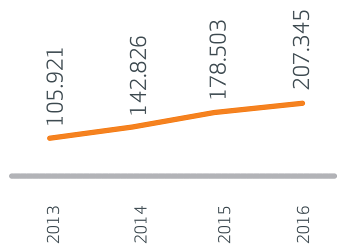
OUTLOOK FOR 2017

The forecast for 2017 indicates a slight market growth, of around 5 to 10%, and Auto Sueco Automóveis wants its commercial area to be in line with that growth, benefitting from the additional potential of the new location in Gaia.

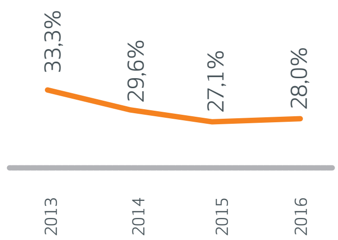
At the same time, the company's objective includes increasing the After Sales area, both in the workshops, seeking to maximise the volume and productivity of the teams, and in the components area, seeking to increase the turnover regarding external sales. Such initiatives will be carried out, knowing that we will be once again facing a slight decrease in the fleet of the represented brands.

When defining the main objectives for 2017, a strategic plan was approved that contains guidelines and investments for the next three years, where the sustained growth of the activity is predicted, taking advantage of the opportunities foreseen for this period. That plan includes analysing and reformulating the After Sales facilities in Porto and starting to represent a new brand, in sales and After sales, in the Queluz facilities: Jaguar.

EVOLUTION OF THE CAR SALES IN PORTUGAL



EVOLUTION OF THE GROUP MARKET SHARE FOR THE VOLVO BRAND



TYRE RECYCLING, CRUMB RUBBER PRODUCTION AND PRODUCTION OF NEW PRODUCTS DERIVED FROM RECYCLED RUBBER BUSINESS

PERFORMANCE OF THE MARKET AND THE GROUP

In 2016, Biosafe once again partnershipped with Valorpneu, having received all the end-of-life tyres the company needed in order to carry out its activity.

The relative importance of processed products remained at the same level as last year, having reached 20% in value of the sales of finished products, but this performance was not enough to reach the evolution previously forecasted, due to various obstacles imposed by the market which were difficult to overcome.

The company successfully continued with its management policy aimed at controlling expenditure, which was reflected in the consolidated income.

As such, Biosafe maintained its domestic market leadership and the dynamics of its exports, despite the 14% decrease in turnover.

The domestic market represented 38% and exports 62% of the total sales of finished products, with a special note for Oceania, which represented 25% of total volume, even exceeding the value of exports to Europe, arising from the product sales with greater added value (BioCOLOUR).

MAIN MANAGEMENT INITIATIVES IMPLEMENTED

The strategy drawn up for Biosafe was maintained, focusing on winning new markets, on the usual products and on new processed products. The operation in new markets was therefore reinforced in order to increase the number of customers and soften the seasonal effect of the operation, enabling products to be placed in 20 countries.

All the installed lines remained in operation, boosting an increase in the production and productivity of each of them. The granulation, packing and colouring lines remained fully tuned, although it is recognised that there is a need to invest in the colouring line in order to respond to the commitments taken on in the market. It has not yet been possible to reach a load balance for the moulding and extrusion lines.

We continued to use the SAP IT management system and to adapt the organisation to certification requirements, according to the ISO 9001 international standard, which is in its final stage.

In order to find new uses for rubber crumb, Biosafe continued to cooperate with other industrial companies and companies in the Portuguese scientific system.

OUTLOOK FOR 2017

In 2017, the course designed will be maintained, with the company geared towards geographical expansion and gaining new markets, especially concerning already developed processed products and new solutions to be developed. Study will also continue of processes for improving production and the individual productivity of the active lines as well as the factory in general.

BUSINESS OF UNDERGROUND CONTAINERS FOR WASTE DEPOSIT

PERFORMANCE OF THE MARKET AND THE GROUP

2016 was another year of growth for the SOTKON Group, which achieved a turnover of 9.3 million euros, representing a growth of around 27% compared to the previous year. This performance had a positive input from the strong growth in the Portuguese market, with the best result since 2009, the sustained growth in the French and Turkish markets, new projects in Angola and Morocco, and the additional sales made through the distribution network, especially in the markets in Israel, Colombia, Croatia, Greece and Kosovo. On the negative side, the political instability and the caretaker government set up in Spain limited new investments, which was reflected in the performance of the Spanish subsidiary, which was below expectations.

MAIN MANAGEMENT INITIATIVES IMPLEMENTED

The SOTKON Group's strategic focus on developing the markets where it is directly present and making them more profitable, on the growth of its distribution network and on the sustained management of its resources continued to be the main common thread of the initiatives that were implemented in 2016. SOTKON continued to invest in renovating the brand's communication means and in the brand's product portfolio, direct marketing initiatives and its presence at various sector events in Europe. At the same time, various actions were defined in order to increase its international presence, namely the distribution network, and also greater commercial penetration in the current markets.

In the area of Research & Development (R&D) we started to develop a new underground container solution, which aims to position the company in a new segment, and also developed new deposit points adapted to the demands of new customers, with a view to continuing with SOTKON's consolidation strategy as one of the main worldwide players in underground container solutions.

OUTLOOK FOR 2017

The SOTKON Group is starting 2017 with a volume of orders in the portfolio to the value of approximately 5.5 million euros, 3.7 of which is in the Portuguese market. The increase in public investment supported by Community funds in Portugal, the political stability in the Spanish market, the optimism regarding the growth of the operation in Turkey and the maturity and extension of the distribution channels, are some of the factors making a positive contribution towards the expectation of growth in 2017.

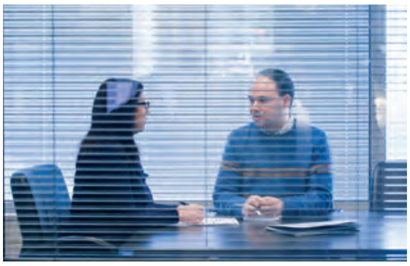
INSURANCE BROKERING BUSINESS

PERFORMANCE OF THE MARKET AND THE GROUP

During 2016, according to data as at the end of the third quarter, the production of total direct insurance in Portugal recorded a decrease of around 15% compared to the value in 2015. The Life Insurance had a very negative evolution, with a reduction of around 25% and the Non-Life Insurance increased by around 5%, maintaining the growth trend seen in 2015. In the Non-Life Insurance, the growth is based on the Workplace Accidents and Health Areas, with values in the order of 10%. While the Transport Area also made a negative contribution of around 10%.

Amplitude Seguros Portugal presented a turnover of 696 thousand euros in 2016, continuing to hold a relevant position in the Insurance broker segment in the country, which mostly resulted in the growth of the portfolio of domestic premiums, supported by winning new customers, as the income from international partnerships suffered a year-on-year reduction of 10%.

As such, the company recorded a positive evolution in overall income terms, with a growth of approximately 3% compared to the previous year, and managed to reduce its total costs by around 7%, despite the increase in staff costs arising from the employee redundancy process.



This was the first full year of business for Amplitude's operation in Brazil, which reached a turnover of approximately 77,000 thousand euros and a net income close to zero.

As a result of the increase in income and reduction in costs, Amplitude presented a positive EBITDA in 2016, in the amount of 195 thousand euros.

MAIN MANAGEMENT INITIATIVES IMPLEMENTED

Amplitude's activity continued to be guided by total independence from the Insurance Companies and by the continuous analysis of the specific needs of each customer, aiming to find the best protection and insurance solutions available in the insurance sector, at any given moment.

OUTLOOK FOR 2017

Despite the macroeconomic scenario with a slight increase in GDP, in 2017 Amplitude Seguros is maintaining the objective of an increase in turnover and net income. It will maintain revenues by increasing the domestic business to offset the expected decrease in revenue from the international business, in view of the macroeconomic climate in Angola and Brazil.

Amplitude will reinforce the investment in winning new business in the insurance market in general, taking on a positioning of total service as an innovative broker and promoter of added value propositions, focused on its customers and geared towards providing a high quality service.

INSPECTION CENTRES

PERFORMANCE OF THE MARKET AND THE GROUP

The MasterTest Group, which operates a network of 11 car inspection centres in Portugal, reached a turnover of 9,664 million euros, -1.59% compared to that recorded in 2015.

These results had an impact from the falling trend in the running poppulation (fleet to be inspected), and, in the case of its core service - IPO (Periodic Inspection of Light Vehicles) - due to the poor year in terms of car sales in 2012, which carry out their first IPO when they complete their fourth year. The main conditioning factor was, however, the opening of new inspection centres in the municipalities which had been, until now, MatsterTest's natural areas of influence: Moura, Mourão, Alvito, Grândola and Santa Maria da Feira (south). These openings affected the MasterTest centres in Beja, Évora, Castro Verde and Estarreja, respectively, and only the sharp increases in the other units enabled the fall in consolidated result to be softened.

The financial compensation that the operators pay to the State, as a percentage of the fee for each inspection carried out, remained at 15%, without any change compared to 2015.

Within this context, the MasterTest Group posted an EBITDA of 3.5 million euros, a year-on-year decrease of 8%.

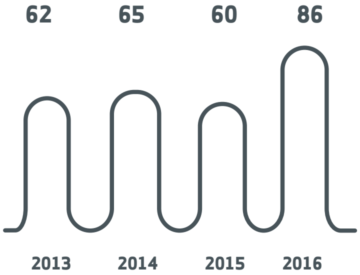
2016 was also a year in which the Group invested heavily in adapting its facilities and equipment, with a view to complying with the new legal framework and, especially to providing the centres with the necessary means to carry out inspections on motorcycles, tricycles and quadricycles, which, according to plans, will begin in Portugal in 2017. The Group fully concluded the adaptation works within the foreseen legal timeframe and within that of the Management Contract.

At the end of the year, MasterTest began a rebranding process, aiming to give all its facilities an image that is more modern and appealing to its customers.

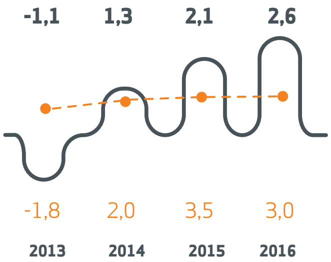
OUTLOOK FOR 2017

In 2017, it is expected that the turnover will be maintained, based on the stability of MarketTest's market share in number of services and on the expected opening of new centres, arising from Law 11/2011, whose impacts have already been largely - although not totally - absorbed in the 2016 income. The positive impact foreseen with the start of inspections on motorcycles will help to maintain the turnover.

NORS VENTURES SALES IN M EUR



NORS VENTURES EBITDA IN M EUR AND IN % SALES



EVOLUTION OF SALES BY PRODUCT (QUANTITY AND VALUE)*

QUANTITIES					VALUES IN K EUR			
2013	2014	2015	2016		2013	2014	2015	2016
1 276	1 424	1 471	2 101	CARS	27 692	31 833	34 318	50 117
934	832	763	1 015	USED CARS	8 757	7 593	6 652	8 962

*Not all the businesses in the region are included. All values and quantities are considered in accordance with the Group's revenue method.

ASCENDUM GROUP

OVERVIEW OF THE MARKET

The Ascendum Group operates in a variety of countries, including Portugal and Spain. The market overview of these two countries is mentioned in the chapter on Nors Iberia.

USA

The growth in the US economy in 2016 was not as initially foreseen, with a particularly weak performance in the first half of the year. GDP grew by only 1.6%, although a recovery is predicted in 2017 to the level of three years ago, of around 2.2%.

The main cause of this performance in 2016 is related to the fall in investment, the gross formation of non-residential fixed capital having dropped in year-on-year terms, which had not happened since 2010. This behaviour is rooted, in the last instance, in the energy sector, namely the low prices of oil products, which causes declines in investment in structures that had already been felt since 2015.

Besides the decrease in investment, as mentioned above, the year was marked by various political and financial uncertainties, regarding the Chinese economy and Brexit, as well the US electoral period.

Nevertheless, 2016 was a positive year with regard to the job market, with the unemployment rate continuing to fall and reaching minimum levels since 2007 (4.7% in December), linked to salary increases of around 2.5%.

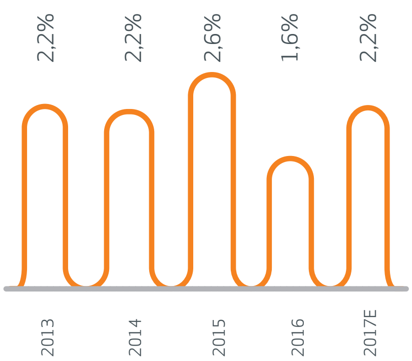
Inflation continued to rise, very much justified by the increase in rentals, closing the year with a 1.2% growth in prices in the economy.

PRODUCTS AND BRANDS MARKETED

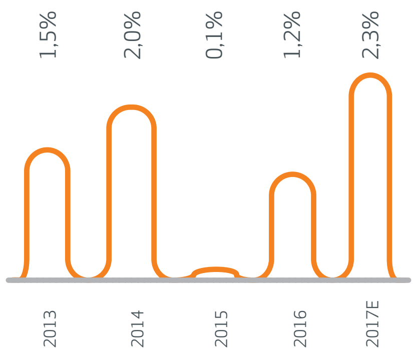
- Volvo and Mitsubishi Cars
- Volvo and Mitsubishi Fuso Trucks
- Construction equipment by various brands
- Equipment for Airports, Railways, and Port structures.

The Ascendum Group is owned 50% by Auto Sueco, Lda. and its main activity is the distribution and marketing of construction and infrastructure equipment, as well as the provision of aftersales service for these products (94% of the revenue in 2016). It is also present in the Portuguese car and truck market (6% of revenue in 2016).

GDP GROWTH RATE IN USA



INFLATION RATE IN USA



With the new political scenario as a result of the presidential elections, and considering the Trump government's programme, there is a consensus among the research houses that the growth foreseen for the economy will not be achieved.

Source:
IMF – Global Economic Outlook October 2016
Banco BPI - Mercados Financeiros janeiro 2017

TURKEY

The Turkish economy recorded a growth of 3.3% in 2016, linked to a climate of greater confidence from the economic agents, although a return in 2017 to a growth of 3.0% is predicted.

These expectations are implicit not only of the political uncertainty that is being experienced in the country - with the possibility of support spreading to more extremist and isolationist movements - but also the volatility we have been seeing in the financial markets.

As is the case in other emerging economies, inflation remains above the maximum levels defined by the Central Bank (8.4% in 2016 and 8.2% for 2017), but it is expected that it will gradually decrease, as the effects of the past devaluation of the currency are dissipated.

Source:
IMF – Global Economic Outlook October 2016
World Bank – Global Economic Prospects January 2017

MEXICO

2016 in Mexico was a year of GDP growth slowdown, with a foreseen fall of 0.4 p.p. to 2.1%, very much justified by a weak export performance during the first half of the year. The outlook for 2017 is that the Mexican economy will accelerate moderately to 2.3%, considering the recovery in foreign demand, with medium-term growth standing at 2.9%, given the structural reforms which are in progress.

As in 2015, and notwithstanding the exchange devaluation, inflation remained within the Central Bank's objectives, but now around 3.2%.

CZECH REPUBLIC

After coming out of the recession in 2013, the Czech economy posted a growth in GDP of 4.5% in 2015. In 2016, the growth in the Czech economy slowed down to 2.5%, with a slight recovery to 2.7% in 2017 being predicted.

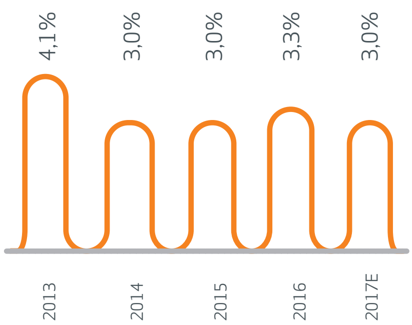
The growth in consumer prices remained low, although it increased in 2016 to 0.6% (0.3% in 2015), an inflation rate of 1.9% being projected for 2017.

AUSTRIA

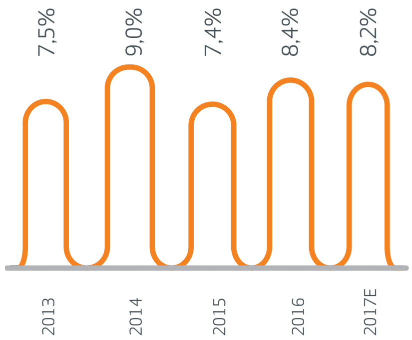
Following a period of stagnation in 2012 and 2013, the Austrian economy witnessed a growth in 2016, which stood at 1.4%, supported by the increase in consumption, investments and exports. It is currently expected to stand at 1.2% in 2017.

Inflation remained at levels close to zero, rising only 0.1 p.p. in 2016 to 0.9%. It is estimated that the growth in consumer prices will reach 1.5% in 2017.

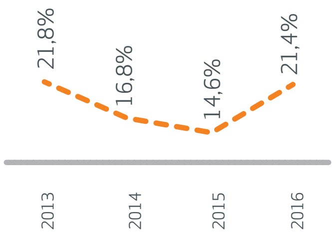
GDP GROWTH RATE IN TURKEY



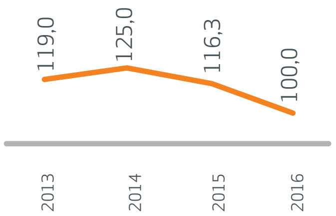
INFLATION RATE IN TURKEY



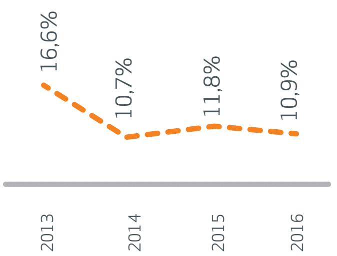
EVOLUTION OF CONSTRUCTION EQUIP. MARKET SHARE IN PORTUGAL



EVOLUTION OF TURNOVER IN PORTUGAL (M€)



EVOLUTION OF CONSTRUCTION EQUIP. MARKET SHARE IN SPAIN



PERFORMANCE OF THE MARKET AND THE GROUP

The turnover of the Ascendum Group in the Portuguese market decreased by 14% compared to the value recorded in 2015, reaching 100 million euros.

In Spain, following the return to economic growth in 2014 and 2015, 2016 was marked by a strong growth in the economy, through consolidated gross fixed capital formation and the good performance in the construction sector.

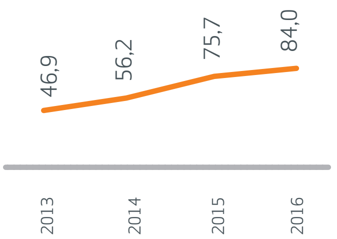
As such, in 2016, we saw a slight increase (4%) in demand for construction equipment equivalent to the product portfolio sold by Volmaquinaria compared to the previous year.

The Group's turnover in the Spanish market was in line with 2015 figures, reaching 84 million euros in 2016.

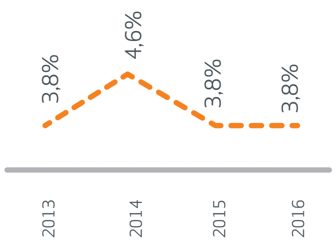
In the U.S.A. the Group achieved a turnover of 311 million euros, representing a growth of 15% compared to the 270 million euros recorded in 2015. The consolidation of the US housing market, as well as the 7% growth in the construction equipment market (new Volvo machines) compared to 2015, contributed towards the Ascendum Group's positive performance in this country.

In Turkey, as was the case in recent years, the activity was conditioned by the geopolitical tensions in the Middle East, the devaluation of the Turkish Lira, as well as the high inflation. Notwithstanding the tough geopolitical environment, the demand for construction equipment, equivalent to the product portfolio sold by Ascendum Makina, increased by approximately 9% compared to 2015, resulting in an additional turnover for the Ascendum Group in this market, of approximately 2% compared to 2015, standing at 189 million euros.

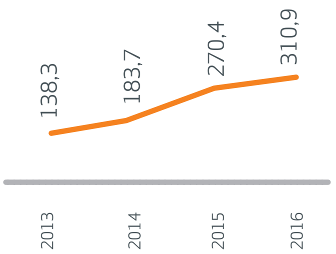
EVOLUTION OF TURNOVER IN SPAIN (M€)



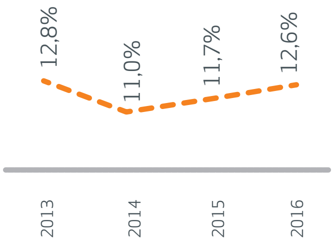
EVOLUTION OF CONSTRUCTION EQUIP. MARKET SHARE IN USA



EVOLUTION OF TURNOVER IN USA (M€)



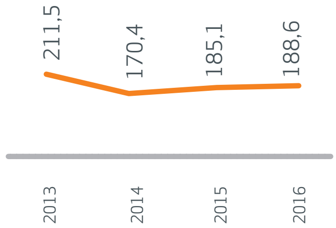
EVOLUTION OF CONSTRUCTION EQUIP. MARKET SHARE IN TURKEY



In Mexico, despite the economic slowdown, Ascendum once again posted a growth rate of 28% for a turnover of around 32 million euros. With regard to the territory where Ascendum Maquinaria México operates, the number of units sold increased by around 2% in 2016, in comparison to 2015, demand having amounted to around 1,675 units.

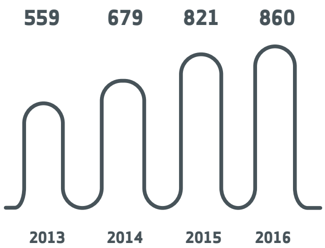
With regard to the operation in Central Europe, the Ascendum Group achieved a turnover of around 134 million euros, the biggest contributors being Austria (59% of the total turnover for Central Europe), followed by the Czech Republic (20% of the total turnover for Central Europe).

EVOLUTION OF TURNOVER IN TURKEY (M€)

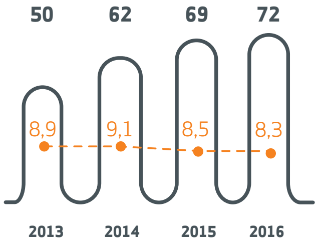


In consolidated terms, the Ascendum Group's turnover increased by 5% compared to 2015, amounting to 860 million euros, and EBITDA reached 72 million euros, with a growth of around 4% compared to 2015. The positive performance that the Ascendum Group achieved throughout 2016 is the result not only of all the efforts made over the last few years related to optimising the structure and consequentially improving the levels of efficiency, but also of the consolidation of its position in the market where it operates.

ASCENDUM GROUP SALES IN M EUR



ASCENDUM GROUP EBITDA IN M EUR AND IN % SALES



EVOLUTION OF SALES BY PRODUCT (QUANTITY AND VALUE)*

QUANTITIES					VALUES IN K EUR			
2013	2014	2015	2016		2013	2014	2015	2016
2 026	2 414	2 604	2 545	CONSTRUCTION EQUIP.	523 647	641 012	779 803	809 961
375	439	536	718	CARS	18 440	20 406	24 397	28 378
109	108	98	146	TRUCKS	16 836	17 167	16 302	21 688

*Not included all the Ascendum Group's business.

CONSOLIDATED PERFORMANCE

Thousands of euros	2016	2015
TURNOVER[1]	**550 462**	**563 263**
Impairment of inventories	(407)	(1 411)
Impairment of debts receivable	5 314	2 453
Provisions	(604)	(245)
Impairment of non-depreciable/amortizable investments	(1 235)	0
EBITDA[2]	**45 230**	**23 463**
% Turnover	*8,2%*	*4,2%*
Depreciations	(9 985)	(11 239)
EBIT	**35 245**	**12 223**
% Turnover	*6,4%*	*2,2%*
Investment activities[3]	4 127	3 905
Funding activities[4]	(19 189)	(23 453)
INCOME BEFORE TAX	**20 183**	**(7 325)**
% Turnover	*3,7%*	*-1,3%*
NET INCOME FROM DISCONTINUED OPERATIONS	**0**	**(1 771)**
NET INCOME, WITH NON-CONTROLLING INTERESTS	**11 706**	**(17 348)**
% Turnover	*2,1%*	*-3,1%*
Non-controlling interests	1 690	(455)
NET INCOME	**10 015**	**(16 893)**
% Turnover	*1,8%*	*-3,0%*

[1] Sales + services rendered + own work capitalized.
[2] Income before depreciation, financial expenses and taxes.
[3] Costs and gains associated with financial investments. Essentially refer to rents, dividends received and gains on exchange differences.
[4] Costs and gains associated with Group's financing activity itself.

TURNOVER

The Nors Group's business volume comes from a diverse portfolio of geographically dispersed operations, which enables the incorporation and mitigation of different risks associated with unfavorable economic cycles of various regions.

In 2016 this indicator recorded a negative variance in the order of 2%, which is the equivalent of 12.8 million euros. This decrease is the result of a different breakdown of contributions by region to the consolidated result. As such, despite recording an increase of 30% in the turnover generated in Portugal and Spain, in 2016 there was still a contraction in the markets in Angola and Brazil, causing the Group's operations in those countries to decrease their activity by 27%. The above-mentioned businesses now represent 38% of the Group's consolidated turnover, when it stood at 51% in 2015 and 69% in 2014. The Africa Region decreased its turnover by 6.6 million euros.

The volume of business distribution by geography and product is as follows:

TURNOVER BY COUNTRY	2016	% WEIGHT	2015	% WEIGHT	VARIATION M EUR
PORTUGAL	306	56%	233	41%	73
ANGOLA	79	14%	109	19%	(30)
BRAZIL	132	24%	181	32%	(49)
SPAIN	9	2%	9	2%	(0)
OTHER COUNTRIES	26	5%	32	6%	(7)
TOTAL	**550**		**563**		**(12,8)**

TURNOVER BY PRODUCT	2016	%	2015	%
TRUCKS	302	55%	310	55%
CARS	85	15%	67	12%
BUSES	18	3%	17	3%
GLASS	3	1%	3	1%
PARTS	90	16%	91	16%
ENVIRONMENT	3	1%	5	1%
CONSTRUCTION EQUIP.	24	4%	29	5%
AGRICULTURAL EQUIP.	13	2%	23	4%
GENSETS	11	2%	15	3%
SERVICES	1	0%	2	0%
TOTAL	**550**		**563**	

GROSS MARGIN

The Group maintained the gross margin levels it had recorded in 2015, standing at 21.5% of turnover. This performance implies stability both of the gross margin obtained from the commercial activity as well as the gross margin originating from After Sales.

EBITDA

In 2016, the Group posted an EBITDA of 45.2 million euros, meaning an increase of 21.8 million euros (93%) compared to the figure achieved in 2015.

This increase is a recovery and goes against the performance last year, which was caused by the decrease in turnover in the Angolan and Brazilian markets. Due to the contraction of these markets, the management carried out a series of actions in 2015 to adjust to the changes in the environment, causing EBITDA of that year to come under particular strain.

In 2016, the Group began the year by benefiting from a more streamlined structure, suited to the size of the markets in which it operates, thereby returning to normal levels of operational performance.

NET INCOME

The Nors Group ended 2016 with a Net income of 11.7 million euros, when it had posted losses of 17.3 million euros in 2015. The variance against last year's results is the consequence of the above-mentioned recovery of consolidated EBITDA, as well as the rationalisation of resources allocated to the businesses, and consequently, of the consolidated net debt, which enabled financing expenses to be decreased by 4.3 million euros.

EQUITY PERFORMANCE

Thousands of euros	2016	2015
ASSETS	**594 508**	**621 939**
Non-current assets	344 787	346 783
Inventories	114 649	108 708
Customers	65 766	66 234
Other current assets	28 407	40 991
Cash and cash equivalents	40 898	59 223
LIABILITIES	**403 327**	**446 830**
Financial liabilities	222 793	278 363
Provisions	4 586	6 627
Suppliers	99 149	91 981
Other current liabilities	76 799	69 859
EQUITY with non-controlling interests	**191 181**	**175 109**
Capital	30 000	30 000
Global reserves	136 460	148 828
Net Income	10 015	(16 893)
Non-controlling interests	14 705	13 174
Financial autonomy	32,2%	28,2%

The Group's consolidated assets amount to 595 million euros, which compared to the value recorded at the end of 2015, means a decrease in the order of 4%.

CAPITAL EMPLOYED

As in 2015, when there was a market decrease in some of the countries where the Group is present, that trend was maintained in 2016, linked to further rationalisation measures regarding the allocation of resources to the Group's businesses. Following a reduction of 7% in the capital employed in 2015, the Group once again made a reduction in 2016, this time by 5%.

In terms of working capital requirements, there was a decrease of 10%, following a reduction of those needs by around 23% in 2015.

Consolidated fixed assets decreased by 7.5 million euros, which is essentially due to the disposal of non-strategic real estate assets.

As a total for the Group, and regarding the variation in the working capital needs, there was also a reduction in such working capital needs in sales days, which went from 28 to 20 days.

NET DEBT

The Nors Group's consolidated Net Debt was 160 million euros, compared to 207 million euros in 2015. This 47 million euros (23%) reduction is essentially the result of the monitoring throughout the year of the level of resources used by the Group's businesses. Through this rationalisation it was possible to optimise the consolidated capital employed, with direct repercussions on the financing needs.

RELEVANT FACTS AFTER THE CLOSURE OF THE ACCOUNTS

During 2017, before issuing this document, the shares that the Group held in Banco Português de Investimentos and in Banco Millennium BCP were sold on the regulated market, for a price higher than the price at 31 December 2016 and the historic acquisition price.

In November 2016, an agreement was signed between the Nors Group and Necs Motors East Africa, Limited, whereby the Nors Group will sell its operations in Tanzania, Kenya and Uganda to this economic group. The operation will take place through the disposal of assets in Tanzania and Kenya and the disposal of the legal company Auto Sueco Uganda, Ltd.

The assets to be disposed of in Tanzania and Kenya are Tangible Fixed Assets (whose position in the consolidation financial position at 31 December 2016 amount to 581 thousand euros) and Inventories (to the sum of 5,586 thousand euros), which will be sold at their carrying value at the time of completing the deal.

The sale of the group's company in Uganda will be carried out for the sum of 1 euro, its contribution to the consolidated financial position at 31 December 2016 being immaterial.

In addition, the import rights on products of the AB Volvo group will be sold to these markets for an indicative amount of 4 million euros, having received at the time of signing the contract, 833 thousand euros as an advance (shown in the consolidated financial position in "Other accounts payable - other creditors") This operation is conditioned by the completion of the asset deals in Tanzania and Kenya, and the share deal in Uganda.

The indicative deadline for sealing these transactions in Kenya and Uganda is the end of March 2017, and the deal in Tanzania will occur in June 2017, while it is not possible, at this date, to reliably guarantee the final position of the deals.

In the beginning of 2017, the Group started formal and organized processes with a view to the sale of other non-core assets, wich should be completed in the first half of 2017, providing an estimated inflow of more than 20 million euro. Some real estate assets of significant value are also in the process of being put on the market, which should allow an aggregate of more than 10 million euro in 2017.

2017
OUTLOOK FOR

Through the dynamics displayed in the markets where the Nors Group is present the outlook for 2017 is that it will be a year requiring close monitoring of the evolution of the environment variables, with a special focus on Angola and Brazil.

As was the case in 2016, the Group will continue to benefit from the actions carried out in 2015, which enabled it to have a more suitable, streamlined and capable structure to fit the new market realities.

As far as Portugal and Spain are concerned, we still have a bright outlook for the future of the operations in the Iberia region, considering the positive signals that these market have been sending over the last four years, and which have substantiated in these businesses having very favourable performances.

In line with the strategy defined for the Group, the process of disposing of some of the real estate assets that are not allocated to the operations, is planned to be concluded in 2017.

With the same regard, the process of the disposal of the Auto Sueco Kenya, Auto Sueco Tanzania and Auto Sueco Uganda operations is planned for 2017, as referred to in the previous chapter "Relevant Facts after the Closure of the Accounts".

CORPORATE AND MANAGEMENT INFORMATION

CORPORATE GOVERNANCE

SHAREHOLDERS BOARD	
GENERAL BOARD	
MANAGEMENT BOARD	
BOARD OF DIRECTORS NORS IBERIA	BOARD OF DIRECTORS NORS ANGOLA
BOARD OF DIRECTORS NORS BRAZIL	BOARD OF DIRECTORS NORS AFRICA
BOARD OF DIRECTORS NORS VENTURES	BOARD OF DIRECTORS ASCENDUM

GENERAL BOARD

Competences:
It approves the Nors global strategy as outlined by the Management Board, regularly monitoring its implementation.
It sets growth and profitability goals for the Group. Management of relationships with shareholders and major corporate partners.

GENERAL BOARD
Tomaz Jervell (Chairman)
Paulo Jervell
José Manuel Bessa Leite de Faria

MANAGEMENT BOARD

Competences:
This is the main executive body of the Group. It defines and implements across-the-board Group policies for achieving the overall strategy approved by the General Board.
It manages the Group's business portfolio and monitors the performance of the regions that comprise it. It decides and proposes investment/divestiture decisions to the General Board. It is also at this level that the main human and financial resources (own and third party) of the Group are managed.
It focuses on creating value for shareholders.

MANAGEMENT BOARD	
Tomás Jervell (CEO)	
José Manuel Bessa Leite de Faria	Paulo Jervell
Francisco Ramos	José Jensen Leite de Faria
Rui Miranda	Jorge Guimarães
Júlio Rodrigues	

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

The Ascendum Group and Sotkon and MasterTest Groups are joint ventures accounted for using the equity method.

MANAGEMENT BOARD

JÚLIO RODRIGUES
Executive Director
Nors Iberia

TOMÁS JERVELL
CEO

JOSÉ JENSEN LEITE DE FARIA
Executive Director
Nors Ventures

JORGE GUIMARÃES
Executive Director
Nors Brazil

JOSÉ MANUEL BESSA LEITE DE FARIA

STATUTORY AUDITOR S
PRICEWATERHOUSECOOPERS & ASSOCIADOS - SOCIEDADE DE REVISORES OFICIAIS DE CONTAS, LDA.

MANAGEMENT BOARD

TOMÁS JERVELL
CEO

YEAR OF BIRTH 1971
YEAR OF ADMISSION 2000

FRANCISCO RAMOS
MANAGEMENT BOARD MEMBER, CSO AND EXECUTIVE DIRECTOR OF NORS AFRICA & NORS ANGOLA

YEAR OF BIRTH 1972
YEAR OF ADMISSION 1996

JORGE GUIMARÃES
MANAGEMENT BOARD MEMBER AND EXECUTIVE DIRECTOR OF NORS BRAZIL

YEAR OF BIRTH 1956
YEAR OF ADMISSION 1978

JOSÉ JENSEN LEITE DE FARIA
MANAGEMENT BOARD MEMBER AND EXECUTIVE DIRECTOR OF NORS VENTURES

YEAR OF BIRTH 1971
YEAR OF ADMISSION 1998

JOSÉ MANUEL BESSA LEITE DE FARIA
GENERAL BOARD MEMBER

YEAR OF BIRTH 1942
YEAR OF ADMISSION 1970

JÚLIO RODRIGUES
MANAGEMENT BOARD INVITED MEMBER AND EXECUTIVE DIRECTOR OF NORS IBERIA

YEAR OF BIRTH 1972
YEAR OF ADMISSION 2001

PAULO JERVELL
GENERAL BOARD MEMBER

YEAR OF BIRTH 1946
YEAR OF ADMISSION 1972

RUI MIRANDA
MANAGEMENT BOARD MEMBER AND CFO

YEAR OF BIRTH 1975
YEAR OF ADMISSION 1999

GENERAL BOARD

TOMAZ JERVELL
CHAIRMAN

YEAR OF BIRTH 1944
YEAR OF ADMISSION 1981

JOSÉ MANUEL BESSA LEITE DE FARIA
GENERAL BOARD MEMBER

YEAR OF BIRTH 1942
YEAR OF ADMISSION 1970

PAULO JERVELL
GENERAL BOARD MEMBER

YEAR OF BIRTH 1946
YEAR OF ADMISSION 1972

BOARD OF DIRECTORS OF THE REGIONS

Competences:
It defines and implements across-the-board regional policies for achieving the overall strategy approved by the General Board and the Management Board. It manages the Region's businesses and monitors the performance of the companies that comprise it. It decides and/or prepares and justifies investment/divestiture decisions and proposes them to the General Board. It is also at this level that the main human and financial resources (own and third party) of the Region are managed. It focuses on creating value for shareholders.

NORS IBERIA
Júlio Rodrigues (President and Executive Director)
Francisco Ramos
Rui Miranda

NORS ANGOLA
Francisco Ramos (President and Executive Director)
Júlio Rodrigues
Rui Miranda

NORS BRAZIL
Jorge Guimarães (President and Executive Director)
José Jensen Leite de Faria
Rui Miranda

NORS AFRICA
Francisco Ramos (President and Executive Director)
Afonso Martins
José Jensen Leite de Faria
Rui Miranda

NORS VENTURES

José Jensen Leite de Faria (President and Executive Director)
José Manuel Bessa Leite de Faria
Francisco Ramos
Paulo Jervell
Rui Miranda

ASCENDUM BOARD OF DIRECTORS

Ernesto Vieira (President)	Ricardo Mieiro
Carlos Vieira	Paulo Mieiro
Tomás Jervell	João Mieiro
Paulo Jervell	Ângela Vieira
José Manuel Bessa Leite de Faria	Rui Faustino
Pedro Mieiro	

ASCENDUM EXECUTIVE COMMITTEE

Ricardo Mieiro (President)
Paulo Mieiro
João Mieiro
Ângela Vieira
Rui Faustino

CORPORATE POLICIES

Considering its Governance Model, the Nors Group introduced Corporate Policies with the fundamental objective of ensuring that management, actions and processes are aligned with its core values, contributing to the effectiveness of the organization.

Nors Corporate Policies, covering all areas of activity, define the main responsibilities, decisions and approvals of the Governing Bodies, the Corporate Structure and Business Units or Group Companies, setting clear and transparent performance rules.

In addition to the Corporate Policies, the new governance model includes the Regional Regulations, Work Orders and Information.

CORPORATE STRUCTURE

PEOPLE AND COMMUNICATION

In 2016, the People and Communication Division (PCD) still included three major activity areas: "Talent Management, Training and Development", "Organisational Structures, Performance and Compensation", and "Communication, Brand and Institutional Relations". The activities carried out throughout the year helped to optimise the people management and to increase the value of the Group's human capital, increasing the employee's alignment with the strategy and organisational culture, while at the same time they made the Nors Group's reality visible to benchmark external stakeholders, thereby firmly imprinting its global recognition.

TALENT MANAGEMENT, TRAINING AND DEVELOPMENT

In 2016, the Nors Group implemented a "Mentoring Programme" for the first time, creating conditions for its high potential employees to be able to build worthwhile and successful career paths. The initiative arose from the "To Be Programme", which is involved in this area of internal talent development and which in the three editions previously held, had already identified this particular group of professionals.

Developing Nors' Senior Management's competencies also continued with the "Top Level Programme", which in 2016, had an innovative approach with all its training being structured and put into operation exclusively with internal resources. This new approach therefore benefited from sessions that were more geared towards the reality and practices of each of the Group's companies.

In addition, new methodologies and solutions were used which make it possible to continue identifying and developing our internal talent, namely investing in decision-makers, with a view to reducing the risk and cost of losing talent and increasing the retention of high potential professionals.

Along with this approach, the Group reinforced its commitment to increasing and developing its group of employees and once again listened to them through the Organisational Climate Survey, a strategic tool which provided information about the professionals' levels of satisfaction and made it possible to collect important opinions and suggestions in order to optimise the Human Resources policies and practices. This survey has been carried out every two years, and as in previous editions, once again involved all the employees, from all the regions where Nors is present.

ORGANISATIONAL STRUCTURES, PERFORMANCE AND COMPENSATION

Following the major restructuring that has taken place over the last few years, in 2016 the Group began updating and streamlining the information that is used as a basis for its human resources management, a fundamental step in boosting people management and the collective performance of the organisation.

It therefore began a global review of the positions and their respective job descriptions, optimising the organisational structure in accordance with the reality of the Group and its strategic objectives. The new structure will be in force across all the Nors regions, providing the management and each professional with a clear, integrated and comprehensive vision of the responsibilities, requirements and contributions linked to each position.

In the same context, a review of the Group's Competency Profiles began, which is an essential process for attracting, developing and retaining critical talent for the businesses in the different regions and for a differentiated Human Resources management that can amass real value.

The work carried out in 2016 also encompassed the Performance Management System (PMS), with the implementation of a new incentive model linked to results, using the logic of rewarding performance through a bonus for meeting objectives. As such, the performance appraisal began to be acknowledged as a variable bonus intrinsically linked to the results achieved by the Group. So that the use of this new model would be more effective, an internal training session was held, involving all the professionals who are responsible for defining objectives and carrying out performance appraisals.

Among the initiatives carried out, within the scope of "Organisational Structures, Performance and Compensation", also of note is the "Nors HR Report", a management tool which makes it possible to obtain an objective and detailed picture of the costs of each member of staff, taking into consideration the regular and variable salary components, and to find out the impact of the fluctuation and movement of professionals in the salary costs of the Group's companies. It should be mentioned that this "Nors HR Report" is based on the systematic input of the indicators of each employee, the payroll of each business and the support structure, while also including the consolidated values of each region and of the Group.

COMMUNICATION, BRAND AND INSTITUTIONAL RELATIONS

For the fifth year running the Nors Action Awards took place, an initiative that every year awards the employees whose talent, dedication, ability to innovate and entrepreneurship were most evident.

This edition was widely publicised and was the most highly-competitive ever and had the largest number of employees involved in supporting the nominees in the various categories. This aspect was partly triggered by an unprecedented supporters contest, where there was also an award for their originality and energy. The initiative closed in a festive atmosphere with the awards ceremony that took place in Porto and was shared via streaming with all the Group's regions.

Among the events promoted this year, particularly noteworthy was the Action and Performance Meeting: an annual management meeting that evaluates the activities carried out and presents the outlook for the future. After presenting the outcome of the previous year, the 2016 Ambitions were also a focal point. These are part of the 2015-2018 Nors Strategy, and were later made available in the Group's various communication channels.

In 2016, the Group implemented the WE.NORS internal communication brand, which aims to unite the employees and all the initiatives and internal support that help to strengthen the Group's identity and culture. This brand, a symbol of the organisation's vitality, optimism, humanism and passion, is now the name of the internal newsletter, the Group's Intranet and its corporate magazine - WE.NORS Flash, WE.NORS Connect and WE.NORS Magazine - and will continue to be gradually applied to new types of support and internal initiatives.

With regard to external relations, the Group continued with its open strategy towards the Media, by regularly sharing and disclosing information. The return generated is very positive and covers all the market in which the Group operates.

Continuing on with its Corporate Social Responsibility policy, the Nors Group provided support to various organisations in the so-called tertiary sector, through donations and partnerships, particularly in the field of culture and social action. In the first case, Casa da Música and Fundação de Serralves should be mentioned, while the second included Banco Alimentar Contra a Fome do Porto (Food Bank), the associations Vida Norte (Support to vulnerable pregnant women) and Encontrar-se (Support to the mental patient), the IPO (Cancer Institute) of Porto and various fire brigades.

INFORMATION TECHNOLOGY

The I.T. department proposes the strategic policy for the Group's information systems and technology and coordinates the operational activities for implementing them. It sees to the soundness, reliability and security of the systems and technologies used by the Group.

LEGAL DEPARTMENT

The Legal Department aims to enhance the active, systematic and formal approach to the Group's strategic matters, ensuring that the decisions at a Holding and global operations level or those that involve the Nors Group's key structures, have an appropriate legal grounding. At the same time, the main functions of this area are to coordinate and follow up the Group's judicial and legal affairs, taking into account the wide variety of needs and interests of the companies involved, to guarantee abidance with the legislation in force, to ensure that the operations have the right structure, that the economic objectives are suitable and ultimately, that shareholder value is maximised.

PERFORMANCE PLANNING AND MANAGEMENT

This body is responsible for supporting the Group's Management Board in defining and reviewing strategy, as well as ensuring the alignment of the business with the strategic objectives established. PPM is also responsible for ensuring the production and dissemination of statutory information to stakeholders.

INTERNAL AUDIT

Internal Audit aims to develop the organisation through a systematic and disciplined approach to evaluating and improving the efficiency of risk management, control and governance processes. It analyses the existence, appropriateness and application of internal controls, as well as contributing to their improvement.

COMPANY STRUCTURE

STRATEGIC DEVELOPMENT

The Strategic Development Department has the main responsibility of supporting the compilation and execution of the Group's strategy, by cooperating with the CEO and CFO and the Executive Directors. In a more detailed way, it is its responsibility to collect information on the market and the Regions, to participate in compiling the strategy, by taking a critical view of the strategic lines proposed by the CEO, to plan the strategic execution in cooperation with the CFO and to coordinate its implementation.

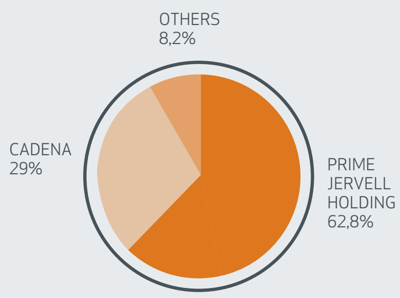
AFTERMARKET DEVELOPMENT

The Aftermarket Development department aims to establish and enforce action policies in the core areas of the aftermarket parts/glass business, ensuring homogenous organisational development and exploring new geographical areas/ markets for the international expansion of these business. It is also up to this body to undertake networking with potential customers of the Nors product range in geographical areas where the Group does not currently operate.

CORPORATE STRUCTURE OF THE REGIONS

The corporate structures of the regions are designed to provide support to these, with hierarchical reporting to the regional administrative and financial director. These structures include the areas of planning and management control, legal advice, shared services and human resources, with this last area reporting directly to the director of the region. All these areas respond functionally to their corresponding structures in the Group holding.

The share capital of Auto Sueco Lda. is fully paid-up and amounts to 30.000.000,00 euros. There was no change in 2015 and 2016 and as at 31 December 2016, the composition of the share capital of the company was as follows:



STATEMENT ON INTERNAL CONTROL OVER FINANCIAL INFORMATION

The financial management of the Nors Group is responsible for maintaining an appropriate internal control system. The company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of information and the preparation of financial statements for internal and external purposes, in accordance with the prudential criteria determined by the top management and in compliance with the international accounting principles and standards issued by the IASB.

The company's internal control includes policies and procedures which:

(i) pertain to keeping reasonably detailed records that accurately and fairly reflect the transactions and changes in the company's assets, minimising its asset risk;

(ii) provide reasonable assurance that transactions are recorded as is required in order to make it possible to prepare the financial statements in compliance with the IFRS, allowing for the standardization of accounting of all the financial information obtained in the different Group companies located in different countries;

(iii) assure, with a high degree of confidence, that company income and expenditure are in accordance with authorization from the management and the administration;

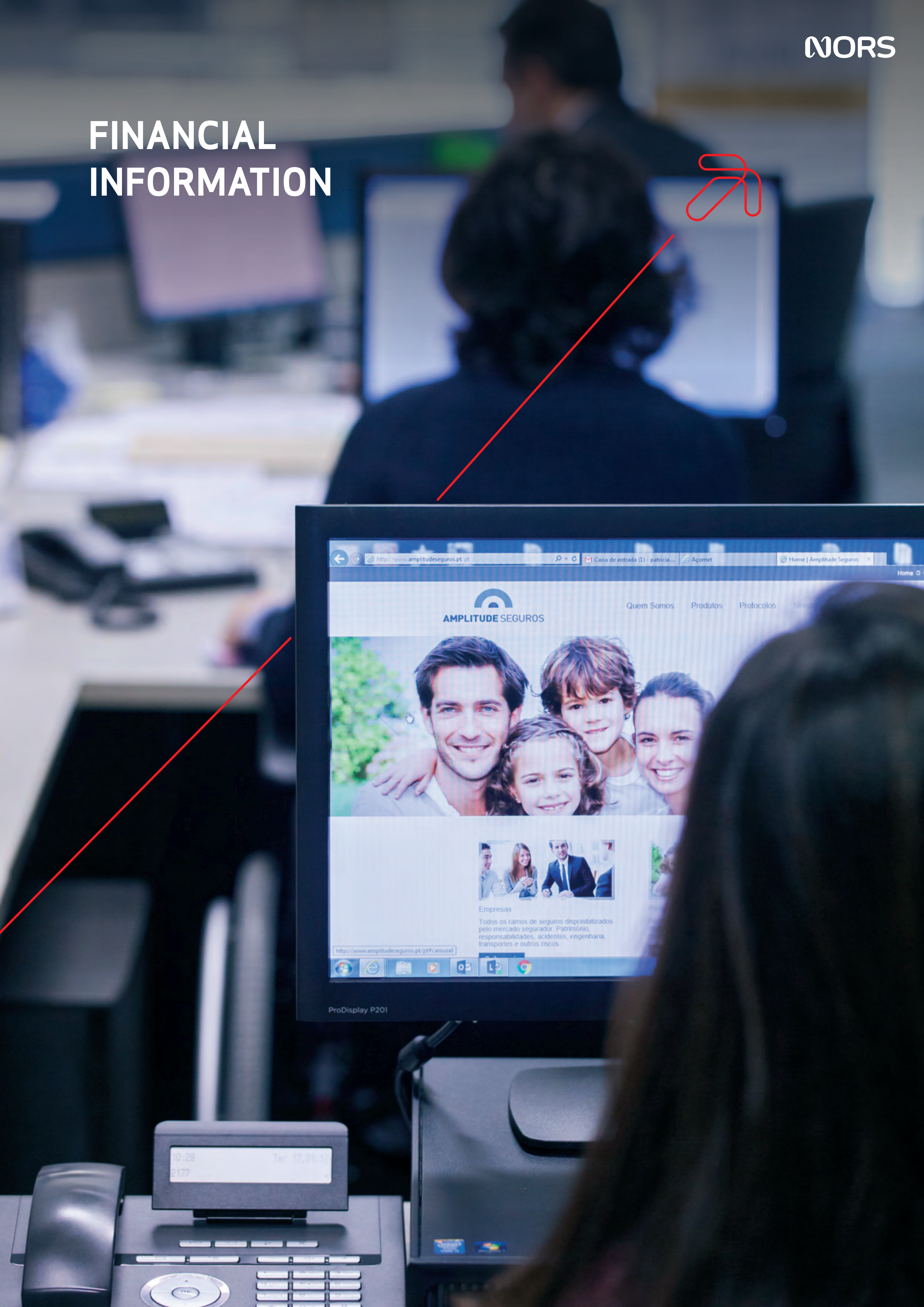
(iv) provide reasonable assurance regarding prevention and timely detection of the misuse of Nors Group's Assets.

Due to the inherent limitations, any and all internal controls over financial reporting may not prevent the existence of errors. Additionally, projections of any evaluation of effectiveness in the future are subject to the risk that these controls may become inadequate due to changes in conditions or because the degree of compliance with policies and procedures may deteriorate.

Porto, 14 March 2017

The Management Board
Tomás Jervell - CEO
Francisco Ramos
Jorge Guimarães
José Jensen Leite de Faria
José Manuel Bessa Leite de Faria
Paulo Jervell
Rui Miranda

FINANCIAL INFORMATION



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF AUTO SUECO, LDA. (IN THOUSANDS OF EUROS)

	NOTE	31.12.2016	31.12.2015
ASSETS			
Non-current assets			
Intangible assets	6.	448	884
Tangible fixed assets	7.	138 252	145 330
Investment properties	8.	22 027	23 925
Goodwill	9.	53 618	51 290
Investments in associated companies and in companies excluded from the consolidation	10.1.	93 332	96 017
Investments available for sale	10.2.	21 844	12 161
Other accounts receivable	13.	38	28
Deferred tax assets	15.	15 228	17 148
		344 787	346 783
Current assets			
Inventories	11.	114 649	108 708
Customers	12.	65 766	66 234
State and other public bodies	23.	12 181	10 317
Shareholders / partners		276	247
Other accounts receivable	13.	12 191	14 265
Deferrals	14.	3 759	4 994
Assets of discontinued operations	40.	0	11 168
Cash and bank deposits	16.	40 898	59 223
		249 721	275 156
TOTAL ASSETS		**594 508**	**621 939**
EQUITY AND LIABILITIES			
Equity			
Share capital	17.	30 000	30 000
Legal reserves	18.	6 000	6 000
Fair value reserves	18.	(167)	(516)
Adjustments in financial assets	18.	62 994	66 184
Results carried over and Other reserves	18.	55 155	64 682
Revaluation surpluses	18.	12 478	12 478
		166 460	178 828
Net income for the year		10 015	(16 893)
		176 475	161 935
Non-controlling interests	19.	14 705	13 174
TOTAL EQUITY		**191 181**	**175 109**
Non-current liabilities			
Provisions	25.	4 586	6 627
Funding obtained	20.	131 300	150 373
Deferred tax liabilities	15.	2 811	2 682
Other accounts payable	22.	3 465	6 712
		142 162	166 394
Current liabilities			
Suppliers	21.	99 149	91 981
State and other public bodies	23.	16 232	12 036
Funding obtained	20.	91 493	127 990
Other accounts payable	22.	46 928	45 361
Deferrals	24.	6 643	2 289
Financial assets held for trading	26.	721	780
		261 166	280 437
TOTAL LIABILITIES		**403 327**	**446 830**
TOTAL EQUITY AND LIABILITIES		**594 508**	**621 939**

The Certified Accountant
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Rui Miranda

CONSOLIDATED STATEMENT OF INCOME

CONSOLIDATED STATEMENT OF INCOME OF AUTO SUECO, LDA. (IN THOUSANDS OF EUROS)

	NOTE	2016	2015
INCOME AND EXPENSES			
Turnover	**31.**	550 462	563 263
Operating subsidies		13	48
Gains/Losses allocated to subsidiaries, associated companies and joint ventures	**10.1.**	10 305	8 702
Variations in production inventories		433	(715)
Cost of goods sold and materials consumed	**11.**	(406 096)	(409 516)
External supplies and services	**32.**	(49 112)	(56 681)
Staff costs	**33.**	(65 831)	(75 633)
Inventory impairments (losses/reversals)	**25.**	(407)	(1 411)
Impairments of receivables (losses/reversals)	**25.**	5 314	2 453
Provisions and impairment losses (increases/decreases)	**25.**	(604)	(245)
Impairment of non-depreciable / amortizable investments (losses / Reversals)	**9.**	(1 235)	
Other income and gains	**34.**	23 753	19 023
Other expenses and losses	**34.**	(21 763)	(25 826)
EARNINGS BEFORE DEPRECEATION, INTEREST AND TAXES		**45 230**	**23 463**
Depreciation and amortization costs/reversals	**6., 7. e 8.**	(9 985)	(11 239)
Impairment of depreciable/amortizable investments (losses/reversals)			
OPERATING INCOME (BEFORE INTEREST AND TAXES)		**35 245**	**12 223**
Interest and similar income obtained	**36.**	4 127	3 905
Interest and similar charges incurred	**36.**	(19 189)	(23 453)
INCOME BEFORE TAX		**20 183**	**(7 325)**
Income tax for the year	**28.**	(8 477)	(8 252)
NET INCOME FOR THE YEAR		**11 706**	**(15 577)**
NET INCOME FROM DISCONTINUED OPERATIONS	**40.**	**0**	**(1 771)**
NET INCOME FOR THE PERIOD ATTRIBUTABLE TO:			
Shareholders of the parent company		10 015	(16 893)
Non-controlling interests		1 690	(455)
NET INCOME FOR THE FINANCIAL YEAR		**11 706**	**(17 348)**

The Certified Accountant
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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OF AUTO SUECO, LDA. (IN THOUSANDS OF EUROS)

	2016	2015
CONSOLIDATED NET INCOME FOR THE FINANCIAL YEAR, INCLUDING NON-CONTROLLING INTERESTS	**11 706**	**(17 348)**
Charge in fair value or investments available for sale	367	682
Tax impact of the change in the fair value of investments available for sale	(77)	(115)
Variation in currency translation reserves	9 640	(4 333)
Other comprehensive income allocated to subsidiaries, associates and joint ventures	(2 338)	(2 154)
Late entries regarding the 2014 financial year		
Settlement of tax impacts on previous periods	0	(2 998)
Impact of accounting for the fair value of interest rate risk hedging instruments	58	(44)
Impact of accounting for exchange rate risk hedging instruments	0	(1 547)
Impact of accounting for exchange rate risk hedging instruments	(1 547)	(2 143)
COMPREHENSIVE CONSOLIDATED INCOME FOR THE PERIOD	**19 355**	**(27 857)**
Shareholders of the parent company	17 175	(28 597)
Non-controlling interests	2 181	741

The Certified Accountant
Maria Elvira Santos

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Rui Miranda

CONSOLIDATED STATEMENT OF CASH FLOWS

CONSOLIDATED STATEMENT OF CASH FLOWS OF AUTO SUECO, LDA. (IN THOUSANDS OF EUROS)

	NOTE	2016	2015
CASH FLOWS FROM OPERATIONAL ACTIVITIES			
Receivables from customers		551 899	589 476
Payments to Suppliers		(455 679)	(457 233)
Payments to Staff		(61 467)	(78 396)
CASH FLOW GENERATED BY OPERATIONS		**34 753**	**53 847**
Income tax payments/receivables		(2 384)	(3 947)
Other receivables/payments	**16.**	3 959	(2 820)
CASH FLOW FROM OPERATING ACTIVITIES (1)		**36 327**	**47 080**
CASH FLOWS FROM INVESTMENT ACTIVITIES			
PAYMENTS CONCERNING:			
Acquisition of Tangible Fixed Assets		(7 368)	(14 660)
Acquisition of Intangible Assets		(177)	(197)
Acquisition of Financial Investements	**10.2. E 16.**	(14 039)	(25 207)
PAYMENTS FROM INVESTMENT ACTIVITIES		**(21 585)**	**(40 063)**
RECEIVABLES FROM:			
Divestments of Tangible Fixed Assets		12 103	2 997
Divestments of Intangible Assets		0	0
Financial divestments	**16., 40. E 44.**	12 001	0
Interest and similar income		1 846	308
Dividends	**16.**	8 000	8 100
RECEIVABLES FROM INVESTMENT ACTIVITIES		**33 950**	**11 405**
CASH FLOW FROM INVESTMENT ACTIVITIES (2)		**12 365**	**(28 658)**
CASH FLOWS FROM FUNDING ACTIVITIES			
RECEIVABLES FROM:			
Funding obtained		61 506	89 167
RECEIVABLES FROM FUNDING ACTIVITIES		**61 506**	**89 167**
PAYMENTS CONCERNING:			
Funding obtained		(117 076)	(86 114)
Interest and similar expenses		(16 124)	(20 664)
Dividends			
PAYMENTS FROM FUNDING ACTIVITIES		**(133 200)**	**(106 778)**
CASH FLOW FROM FUNDING ACTIVITIES (3)		**(71 694)**	**(17 611)**
NET CHANGE IN CASH AND CASH EQUIVALENTS (4)=(1)+(2)+(3)		**(23 002)**	**811**
Perimeter variation		0	0
Impairments of financial assets		0	0
Net foreign exchange effect		4 677	(9 404)
Net cash and cash equivalents - Beginning of period		59 223	67 816
NET CASH AND CASH EQUIVALENTS - END OF PERIOD	**16.**	**40 898**	**59 223**

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY OF AUTO SUECO, LDA. (IN THOUSANDS OF EUROS)

	CAPITAL ATTRIBUTABLE TO PARENT COMPANY										
		RESERVES									
	SHARE CAPITAL	LEGAL RESERVES	REVALUATION SURPLUSES	ADJUSTMENTS IN FINANCIAL ASSETS	FAIR VALUE RESERVES	RESULTS CARRIED OVER AND OTHER RESERVES	TOTAL RESERVES	NET PROFIT	SUBTOTAL	NON-CONTROLLING INTERESTS	TOTAL
BALANCE AT 1 JANUARY 2015	**30 000**	**6 000**	**12 478**	**66 260**	**(1 039)**	**70 808**	**154 507**	**6 795**	**191 301**	**12 388**	**203 689**
CHANGES IN THE PERIOD:											
Appropriation of the consolidated income for 2014				5 905		890	6 795	(6 795)	-		-
Change in fair value of investments available for sale					567		567		567		567
Change in fair value of interest hedging instruments					(44)		(44)		(44)		(44)
Variation in currency translation reserves						(5 529)	(5 529)		(5 529)	1 196	(4 333)
Impact of accounting for foreign exchange risk hedging instruments						(1 547)	(1 547)		(1 547)		(1 547)
Other comprehensive income allocated to subsidiaries, associates and joint ventures				(2 154)			(2 154)		(2 154)		(2 154)
Other				(3 827)		60	(3 767)		(3 767)	45	(3 721)
	-	**-**	**-**	**(76)**	**524**	**(6 126)**	**(5 679)**	**(6 795)**	**(12 474)**	**1 241**	**(11 232)**
NET PROFIT FOR THE PERIOD								**(16 893)**	**(16 893)**	**(455)**	**(17 348)**
CONSOLIDATED COMPREHENSIVE INCOME FOR THE YEAR								**(28 597)**	**(28 597)**	**741**	**(27 857)**
TRANSACTIONS WITH EQUITY HOLDERS IN THE PERIOD:											
Distributions							-		-	-	-
	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(1 987)**	**(1 987)**
BALANCE AT 31 DECEMBER 2015	**30 000**	**6 000**	**12 478**	**66 184**	**(516)**	**64 682**	**148 828**	**(16 893)**	**161 935**	**13 174**	**175 109**
BALANCE AT 1 JANUARY 2016	**30 000**	**6 000**	**12 478**	**66 184**	**(516)**	**64 682**	**148 828**	**(16 893)**	**161 935**	**13 174**	**175 109**
CHANGES IN THE PERIOD:											
Appropriation of the consolidated income for 2015				9 818		(26 712)	(16 893)	16 893	-		-
Change in fair value of investments available for sale					290		290		290		290
Change in fair value of interest hedging instruments					58		58		58		58
Variation in currency translation reserves						9 149	9 149		9 149	491	9 640
Other comprehensive income allocated to subsidiaries, associates and joint ventures				(2 338)			(2 338)		(2 338)		(2 338)
Other				(10 669)		8 036	(2 634)		(2 634)	(650)	(3 283)
	-	**-**	**-**	**(3 190)**	**349**	**(9 527)**	**(12 368)**	**16 893**	**4 526**	**(159)**	**4 366**
NET PROFIT FOR THE PERIOD								**10 015**	**10 015**	**1 690**	**11 706**
CONSOLIDATED COMPREHENSIVE INCOME FOR THE YEAR								**17 175**	**17 175**	**2 181**	**19 355**
TRANSACTIONS WITH EQUITY HOLDERS IN THE PERIOD:											
Distributions							-		-	-	-
	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
BALANCE AT 31 DECEMBER 2016	**30 000**	**6 000**	**12 478**	**62 994**	**(167)**	**55 155**	**136 460**	**10 015**	**176 475**	**14 705**	**191 181**

The Certified Accountant
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. INTRODUCTORY NOTE

Auto-Sueco, Lda. is a limited company founded in 1949, which has its headquarters in Porto, Portugal, and mainly conducts economic activities in the motor vehicle business sector, namely, cars, trucks, machinery and other industrial equipment, parts for these and workshop services.

The corporate and institutional designation suits the Nors Group as it is a set of companies with specific trade names according to each company's business.

The Nors Group's main operations are in Portugal, Brazil and Angola. It also operates in Turkey and the United States of America via joint ventures.

As at 31 December 2016, the subsidiaries of the Nors Group, their registered offices and main businesses were:

COMPANY AND REGISTERED OFFICE	BUSINESS ACTIVITY
COMPANIES BASED IN PORTUGAL	
Amplitude Seguros - Corretores de Seguros, S.A. Sede: Rua Brito Capelo, 97 4º A 4450-072 Matosinhos	Insurance Mediation
AS Parts - Centro de Peças e Acessórios, S.A. Sede: Rua Conde Covilhã, 1637 4100 - 189 Porto	Trade in parts and accessories for vehicles
AS Service, S.A. Sede: Rua Manuel Pinto de Azevedo, 711 - 2 4100-321 Porto	Insurance Management
Asinter - Comércio Internacional, Lda. Sede: Via Marechal Carmona,1637 4100 - 189 Porto	International Trade
ASMOVE - Consultoria e Projectos Internacionais, S.A. Sede: Rua Manuel Pinto de Azevedo, 711 - 2 4100-321 Porto	Import and export Provision of consultancy services
Auto-Sueco II Automóveis, S.A. Rua Manuel Pinto de Azevedo, 711 - 2 4100-301 Porto	Trade and Repair of vehicles
Auto-Sueco,Lda Sede: Via Marechal Carmona, 1637 4100 - 801 Porto	Import, sale and after sale of Volvo Trucks, Buses, Generators, marine engines and components
Biosafe - Indústria de Reciclagens, S.A. Sede:E.N. 109, km 31 - Pardala 3880-728 Ovar	Provision of services: Waste treatment and recycling and public cleaning in general
Civiparts - Comércio de Peças e Equipamentos, S.A. Sede: Rua D. Nuno Àlvares Pereira, Armaz 13/14/15 Parque Oriente, Bobadela, 1990-502 Sacavém	Trade, import and export of autoparts and provision of services
Galius - Veiculos, S.A. Sede: Rua Conde Covilhã, 1637 4100 - 189 Porto	Import, sale and after sale of Renault Trucks and components
Grow - Formação Profissional, S.A. Sede: Rua Manuel Pinto de Azevedo, 711 - 2 4140 - 010 Porto	Vocational Training Services
Holding ExpressGlass, S.A. Sede: Via Adelino Amaro da Costa, Armazém nº 6, Lugar de Godim 4470-557 Maia	Management of shareholdings in other companies
Imosócia – Sociedade Imobiliária, S.A. Sede: Rua Conde da Covihã, 1637 4100-189 Porto	Purchase, sale, management and administration of real estate
NewOneDrive, S.A. Sede: Parque Industrial do Seixal, 2ª Fase-Lote1, Quinta Nova 2840-068 Paio Pires	Trade in Parts and Accessories for vehicles

COMPANY AND REGISTERED OFFICE	BUSINESS ACTIVITY
Norsócia SGPS, S.A. Sede: Rua Conde Covilhã, 1637 4149-010 Porto	Management of shareholdings in other companies
Plurirent – Serviços de Aluguer, S.A. Sede: Rua Conde da Covihã, 1637 4100-189 Porto	Purchase, sale and rental of passenger and goods vehicles without driver
Promotejo - Compra e Venda de Propriedades, S.A. Sede: Estrada Nacional 10, n.ºs 2-A e 2-B 2810-801 Almada	Purchase, sale and rental of land and buildings
SARI Serviços Aftermarket Região Ibéria, S.A. Sede: Rua Manuel Pinto de Azevedo, 4 4100-320 Porto	Provision of management support services
Soma – Sociedade de Montagem de Automóveis, S.A. Sede: Lugar da Pardala - Ap 49 3884-909 Ovar	Assembly of special vehicles for refuse collection
SGNT, SGPS, S.A. Sede: Rua da Restauração, 348 Miragaia - Porto	Management of shareholdings in other companies
COMPANIES BASED IN OTHER COUNTRIES	
Agro New Máquinas Agrícolas, Ltda Sede: Rua Martinópolis nº 720, Jardim Del Rey 15802-040 Catanduva, São Paulo (Brasil)	Trade, Import and Export of agricultural equipment, parts, lubricating oils and after sales services
Amplitude Brasil Corretora de Seguros, Ltda. Sede: RDV BR 364, Km 16,3, Distrito industrial, Cuiabá, Brasil	Insurance Mediation
ASGlass Angola Sede: Estrada do Cacuaco, Bairro Petrangol, Km 4,3, Ed.5 Município do Sambizanga, Luanda (República Popular de Angola)	Trade in glass for construction
AS Parts Angola, Lda. Sede: Estrada do Cacuaco, Bairro Petrangol, Km 3,4, Ed.2 Município do Sambizanga, Luanda (República Popular de Angola)	Trade in parts and accessories for vehicles
AS Parts Cabo Verde, S.A. Sede: Achada Grande Frente, Edi. Oásis Motors Cidade da Praia (Cabo Verde)	Trade in parts and accessories for vehicles
Auto-Maquinaria, Lda. Rua da Volvo, Bairro Candua, Município do Cacuaco Luanda (República Popular de Angola)	Trade, import and distribution of industrial and construction equipment, parts, tyres, fuel and after sales services
Auto Power Angola, Lda. Sede: Estrada do Cacuaco, Bairro Petrangol, Km 3,4, Ed.1 Município do Sambizanga, Luanda (República Popular de Angola)	Trade in parts and accessories for vehicles
Nors International, B.V. Sede: Amsteldijk 166 - 6HG 1079LH Amsterdam (Holanda)	Management of shareholdings in other companies
Auto Sueco (Lobito), Ltd. Estrada Nacional Lobito-Benguela Lobito (República Popular de Angola)	Sale and after sale of Trucks and Buses
Auto Sueco Centro-Oeste Concessionária de Veículos Ltda. Sede: RDV BR 364, Km 16,3, Distrito industrial, Cuiabá, Brasil	Sale and after sale of new and used trucks
Auto Sueco São Paulo Concessionária de Veículos, Ltda. Sede: Av. Otaviano Alves de Lima, Nº4694 029.0001-000 São Paulo (Brasil)	Sale and after sale of new and used trucks and buses
Auto-Sueco (Angola), S.A.R.L. Sede: Av. 4 de Fevereiro, 95-3º, Apartado 34 Luanda (República Popular de Angola)	Import, trade and distribution of Volvo products
Auto-Sueco Kenya, Ltd. Plot 12080 - Units 6 & 7 Apex Business Centre, Mombasa Rd, Industrial Area, Nairobi (Quénia)	Import, export, sale of motor vehicles, industrial equipment, engines, components and after sales
Auto-Sueco (Tanzania) - Trucks, Buses and Const. Eq., Ltd. Sede: Kipawa Industrial Area Plot Nr. 92 Nyerere (Pugo) Road, P.O.Box 9303, Dar Es Salaam (Tanzania)	Import, export, sale of motor vehicles industrial equipment, engines and components
Auto Sueco Moçambique, S.A. Sede: Av. Da Namaacha nº 8274 Maputo, Moçambique	Sale and after sale of new and used trucks and buses

COMPANY AND REGISTERED OFFICE	BUSINESS ACTIVITY
Auto-Sueco Vehicles, Spare Parts & Services (Botswana)(Pty) Ltd. Sede: Plot 47 - Gaborone International Commerce Park Gaborone, Botswana	Sale and after sale of new and used trucks and trailers
Auto Sueco Vehicles, Spare Parts & Services (Namibia) (Pty), Ltd. Sede: 344 Independence Avenue 3º Windhoek (Namibia)	Sale and after sale of Trucks and Buses
Auto Sueco Uganda, Ltd. Kampala (Uganda)	Import, export, sale of vehicles, industrial equipment, engines, components and after sales
Civipartes Angola, SA. Sede: Estrada do Cacuaco, Km 3,4 Luanda - Angola	Trade in parts and equipment
Civipartes Maroc, SA. Sede: Chemin Tertiaire 1015 Sidi Moumen 20400 Casablanca - Marrocos	Trade in parts and equipment
Civipartes España Sede: Av. Castilla nº 32 Nave 58 28850 Madrid San Fernando Henr - Espanha	Trade in parts and equipment
Expressglass Angola Sede: Estrada do Cacuaco, Bairro Petrangol, Km 4,3, Ed.5 Município do Sambizanga, Luanda (República Popular de Angola)	Trade and Assembly of parts and accessories for vehicles
Expressglass Participações, Ltda. Sede: Rua Gomes de Carvalho 1629, 10 Andar, 101 São Paulo	Management of shareholdings in other companies
Holding Expressglass, BV. Sede: Claude Debussylaan 24 1082 MD Amsterdam (Holanda)	Management of shareholdings in other companies
Nors Brasil Participações, Ltda. Sede: Rua Pamplona 818, 9º, Conj. 92 01405-001 São Paulo (Brasil)	Management of shareholdings in other companies
Norshare Prestação de Serviços, Ltda. Sede: Rua Pamplona 818, 9º, Conj. 92 01405-001 São Paulo (Brasil)	Provision of management services
Socibil - Imobiliária, SARL. Sede: Avª 4 de Fevereiro nº.95, 3º., Apº.34. Luanda (República Popular de Angola)	Purchase and sale of properties
Sogestim, Lda. Sede: Estrada do Cacuaco, Km 3,4 Luanda (República Popular de Angola)	Acquisition and sale of properties and land, construction of buildings and land development
Tecnauto Vehiculos, S.L. Sede: Polígono Ind. El Montavo c/Nobel 37008 Salamanca (Espanha)	Real Estate Management

As of 31 December 2016, the joint ventures and associates of the Nors Group, their registered offices and main businesses were:

COMPANY AND REGISTERED OFFICE	BUSINESS ACTIVITY
COMPANIES BASED IN PORTUGAL	
Air Rail Portugal, Sociedade Unipessoal, Lda Sede: Estrada Nacional 10, Apartado 2094 2696-801 São João da Talha - Loures	Trade and distribution of industrial equipment
Ascendum, S.A. Sede: Praça Marquês de Pombal nº3 A-5º 1250 - 161 Lisboa	Management of shareholdings Provision of technical administration and management services
Ascendum II - Veículos, Unipessoal, LDA Sede: Rua Manuel Madeira, Marcos da Pedrulha 3025-047 Coimbra	Sale and after sale of motor vehicles
Ascendum III - Máquinas, Unipessoal, LDA Sede: Rua Vasco da Gama, nº 15 2685-244 Portela	Sale and after sale of construction equipment
Ascendum Portugal - Serviços de Gestão, SA Sede: Rua Vasco da Gama, nº 15 2685-244 Portela	Management of shareholdings Provision of technical administration and management services

ASFC S.G.P.S., S.A. Sede: Rua Conde da Covilhã, 1637 4100-189 Porto	Management of shareholdings
Centrocar, S.A. Sede: Rua Vilar do Senhor, 461 - 1º Andar 4455-213 Lavra - Matosinhos	Sale and after sale of construction equipment
Dalia - Gestão e Serviços, S.A. Sede: Rua da Carreira, 138 9000-042	Management of shareholdings Provision of technical administration and management services
Glomak SGPS, S.A. Sede: Rua Vilar do Senhor, 461 4455-213 Lavra - Matosinhos	Management of shareholdings in other companies
Master Test SGPS, S.A. Sede: Campo Grande, 28 2º Dto 1700-093 Lisboa	Management of shareholdings in other companies
Master Test - Serviços de Gestão, S.A. Sede: Campo Grande, 28 2º Dto 1700-093 Lisboa	Provision of technical administration and management services
Master Test Alfena - Inspecção de Veículos, S.A. Sede: Rua 1º de Maio, 1230/1290 4445-245 Alfena	Vehicle Inspection Centres
Master Test Amoreira (Óbidos) - Inspecção de Veículos, S.A. Sede: Estrada Nacional 114, nº4 2510-425 Amoreira	Vehicle Inspection Centres
Master Test Caldas da Rainha - Inspecção de Veículos, S.A. Sede: Mina-Estrada da Foz 2500 Caldas da Rainha	Vehicle Inspection Centres
Master Test Castro Verde - Inspecção de Veículos, S.A. Sede: Zona Industrial Horta das Figueiras, lote C-7 e lote D-6 7005 Évora	Vehicle Inspection Centres
Master Test Estarreja - Inspecção de Veículos, S.A. Sede: Arrotinha 3860 Beduído - Estarreja	Vehicle Inspection Centres
Master Test Maia - Inspecção de Veículos, S.A. Sede: Zona Industrial da Maia I, Setor X, Lote 384 4470-516 Maia	Vehicle Inspection Centres
Master Test Rio Maior - Inspecção de Veículos, S.A. Sede: Zona Industrial, lotes 62 a 64 e 80 a 82 2040-357 Rio Maior	Vehicle Inspection Centres
Master Test Sul - Inspecção de Veículos, S.A. Sede: Zona Industrial Horta das Figueiras, Rua Geraldo Fernando Pinto, nº7 7005-212 Évora	Vehicle Inspection Centres
Master Test Tondela - Inspecção de Veículos, S.A. Sede: Rua Jerónimo Vieira da Silva, nº 160 3460 Tondela	Vehicle Inspection Centres
TRACTORRASTOS - Soc. Vendedora de Acessórios, Lda. Sede: Estrada Nacional 116, 2615-907 Alverca	Import and sale of parts for industrial and agricultural machinery
Sotkon Portugal - Sistemas de Resíduos, S.A. Sede: Zona Industrial, Lote I - 27 2330-210 Entroncamento	Production and Marketing of underground containers for MSW

COMPANY AND REGISTERED OFFICE	BUSINESS ACTIVITY
COMPANIES BASED IN OTHER COUNTRIES	
Air-Rail, S.L. Sede: Calle Alsasua, 16 28023 Madrid - España	Trade and distribution of industrial equipment
Air-Rail Marrocos Marrocos	Trade and distribution of industrial equipment
AIR-RAIL POLSKA, Sp. z.o.o Szpitalna 8/9, 00-031 Warszawa Polónia	Trade and distribution of industrial equipment
Art Hava VE RAY EKIPMANLARI LTD. STI Sede: Fatih Mahallesi Katip Çelebi Caddesi, nº43 Tuzla - 34940 - Istanbul - Turquia	Trade and distribution of industrial equipment
ASCENDUM MAKINA YATIRIM HOLDING A.S Sede: Fatih Mahallesi Katip Çelebi Caddesi nº43 Tuzla - 34940 - Istanbul - Turquia	Management of shareholdings in other companies
ASC Construction Equipment, INC. Sede: 9115 Harris Corner Parkway, suite 450 Charlotte, NC 28269 USA (Estados Unidos da América)	Sale, after sale and rental of construction equipment
ASCENDUM MAQUINARIA MÉXICO, S.A de C.V Carretera Mexico Queretaro KM 32.5	Sale and after sale of construction equipment

COMPANY AND REGISTERED OFFICE	BUSINESS ACTIVITY
ASC Turk Makina, Limited Sirketi Sede: Fatih Mahallesi Katip Çelebi Caddesi, nº43 Tuzla - 34940 - Istanbul - Turquia	Sale and after-sale of construction equipment
Ascendum España, S.L. Sede: Parque Empresarial San Fernando, Edificio Munich, Planta 3, 28830 Madrid (Espanha)	Management of shareholdings in other companies
Ascendum, GmbH Grafenholzweg 1 5101 Bergheim / Salzburg (Áustria)	Management of shareholdings Provision of technical administration and management services
Ascendum Baumaschinen Österreich GmbH Grafenholzweg 1 5101 Bergheim / Salzburg (Áustria)	Importer of Machinery Sale and after-sale: Construction equipment
Ascendum Épitögépek Hungária KAPCSOLAT 1141 Budapest Nótárius u. 13-15 Hungria	Importer of Machinery Sale and after-sale: Construction equipment
Ascendum Gradevinski Strojevi Karlovacka 94 10250 Zagreb- Lucko (Croácia)	Importer of Machinery Sale and after-sale: Construction equipment
Ascendum Machinery SRL Sos. Odaii, nr. 439, Setor 1 013606 Bucuresti (Roménia)	Importer of Machinery Sale and after-sale: Construction equipment
Ascendum Stavebeni Stroje Czech Plzenská 430 CZ - 267 12 Lodenice (República Checa)	Importer of Machinery Sale and after-sale: Construction equipment
Ascendum Stavebné Stroje Slovensko Pestovatelská 4316/10, 821 04 Bratislava - Ružinov-Ružinov Eslováquia	Importer of Machinery Sale and after-sale: Construction equipment
Centrocar España Sede: Pol. Ind. La Sendilla, Avda. de las Palmeras, esq. C/ del Castaño 28350 Ciempozuelos - Madrid - Espanha	Sale and after sale of construction equipment
Centrocar Moçambique Sede: Avenida da Namaancha, nº 730 Maputo (Moçambique)	Sale and after sale of construction equipment
Hardparts Moçambique, Lda. Moçambique	Import and sale of parts for industrial and agricultural machinery
Importadora Distribuidora de Maquinaria Industrial ZEPHIR, S.L. Sede: Calle Alsasua, 16 28023 Madrid (España)	Import and trade of industrial equipment
Sotkon Anadolu Turquia	Production and Marketing of underground containers for MSW
Sotkon Angola, Lda. Sede: Rua Kwamme Nkrumah, nr. 260/262 Luanda (Angola)	Production and Marketing of underground containers for MSW
Sotkon Brasil Comércio Importação e Exportação, Ltda. Sede: Av. General Furtado Nascimento, 740 3º Andar, Sala 32, São Paulo (Brasil)	Production and Marketing of underground containers for MSW
Sotkon Espanha Sede: C/ Orla Etorbidea 8-10 - Oficina 409 nivel 4º 20160 Lasarte - Oria (Espanha)	Production and Marketing of underground containers for MSW
Sotkon France, S.A. Sede: 93, Rue de la Villette 69003 Lyon (França)	Production and Marketing of underground containers for MSW
Sotkon Marocco, SARLAU Sede: Twin Center, Angle Bds Zerktouni - Al Massira Tour Ouest, 16e étage 20100 Casablanca Maroc	Production and Marketing of underground containers for MSW
Sotkon TR ATIK SISTEMLERI SANAYI VE TICARET ANONIM SIRKETI Sede: Dikilitas Mah. Ayazmadere Cad. Tellioglu Plaza No:6 Kat:4 D:5 34349 Besiktas - Istanbul Turkiye	Production and Marketing of underground containers for MSW
Tea Aloya, Inmobiliaria, S.A.U. Sede: Parque Empresarial San Fernando, Edificio Munich, Planta 3, 28830 Madrid (España)	Acquisition and sale of properties and land, construction of buildings and land development
TRP YEDEK PARÇA ITHALAT IHRACAT VE PAZARLAMA LIMITED SIRKETI Fatih Mahallesi Katip Çelebi Caddesi, nº 43, 34940 - Tuzla, Istambul (Turquia)	Import and sale of parts for industrial and agricultural machinery
Volmaquinaria de Construcciòn España, S.A.U. Sede: Parque Empresarial San Fernando, Edificio Munich, Planta 3, 28830 Madrid (Espanha)	Importer of Machinery Sale and after-sale: Construction equipment
Volrental Atlântico, S.A.U Sede: Carretera de Castilla nº167 Betanzos - La Coruña (España)	Rental of construction equipment

The attached financial statements are presented in thousands of euros, and the euro currency is used preferentially in the economic environment in which the Group operates. Foreign operations are included in the consolidated financial statements in accordance with the policy described in 2.2 d).

2. MAIN ACCOUNTING POLICIES

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

2.1. BASIS FOR PRESENTATION

The attached Financial Statements were prepared on a going concern basis, using the historical cost principal, with some financial instruments at fair value, based on the profits and accounting records of the companies included in the consolidation (note 4).

The Board of Management considers that the continuity principle is not undermined by the fact that the value of current liabilities (249.721 thousand euros) exceeds the value of current assets (261.166 thousand euros). This is due to two main factors:

- The prospect of generating cash flow from the activity in 2017 corresponds to a higher positive value than the verified difference;

- As described in note 20, the Group has contracted credit lines in the amount of 335.897.000 Euros, 113.104 thousand euros are still available for use, and that 49.300 thousand euros of the latter amount correspond to Commercial Paper programs with average maturities greater than one year and 14.176 thousand euros of Floor Plan lines contracted with the main suppliers of the Group.

These financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) and the International Accounting Standards (IAS) issued by the International Accounting Standards Board (IASB) and Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) or by the previous Standing Interpretations Committee (SIC), in force as of 31 December 2016 and approved by the European Union.

For the companies considered to be joint ventures, where Group's Nors' interests are consolidated using the Equity Method, their head offices and the share of capital held are described in notes 1 and 4.

During the 2016 financial year, the following standards and interpretations became applicable for this year or the following years:

a) Impact of adopting the standards and interpretations that came into force on 1 January 2016:

STANDARDS

- IAS 1 (amendment), 'Revision of disclosures'. The amendment gives indications regarding materiality and aggregation, the presentation of subtotals, the structure of the financial statements, the disclosure of accounting policies, and the presentation of items in Other comprehensive income generated by investments measured using the equity method. Adopting this amendment will not have any significant impacts on the Group's financial statements.

- IAS 16 and IAS 38 (amendment), 'Acceptable methods of calculating depreciation and amortisation. This amendment clarifies that the use of methods for calculating depreciation/amortisation of assets based on the revenue obtained are not usually considered appropriate for measuring the consumption pattern of the economic benefits associated with the asset. It has prospective application. Adopting this amendment will not have any impacts on the Group's financial statements.

- IAS 16 and IAS 41 (amendment), 'Agriculture: plants producing biological consumable assets (bearer plants)'. This amendment defines the concept of a bearer biological asset and removes this type of asset from the scope of application of IAS 41 - Agriculture to the scope of IAS 16 - Tangible Assets, with the consequential impact on their measurement. However, the biological assets produced by these bearer plants remain within the scope of IAS 41 - Agriculture. Adopting this amendment will not have any impacts on the Group's financial statements.

- IAS 19 (amendment), 'Defined benefit plans – Employee contributions'. The amendment to IAS 19 is applicable to employee or third party contributions to defined benefit plans, and aims to simplify their accounting, when the contributions are not linked to the number of years' service. Adopting this amendment will not have any impacts on the Group's financial statements.

- IAS 27 (amendment), 'Equity method in separate financial statements'. This amendment enables an entity to apply the equity method when measuring investments in subsidiaries, joint ventures and associates, in separate financial statements. This amendment is applied retrospectively. Adopting this amendment will not have any impacts on the Group's financial statements.

• Amendments to IFRS 10, 12 and IAS 28, 'Investment entities: applying the consolidation exception'. This amendment clarifies that the consolidation exception of an "Investment Entity" is applied to an intermediary holding company that is a subsidiary of an investment entity. In addition, the option to apply the equity method, according to IAS 28, can be extended to an entity that is not an investment entity, but which holds an interest in an affiliate or a joint venture that is an "Investment Entity". Adopting this amendment will not have any impacts on the Group's financial statements.

• IFRS 11 (amendment), 'Accounting for the acquisition of an interest in a joint operation'. This amendment introduces guidance about the accounting for the acquisition of an interest in a joint operation which qualifies as a business, the principles of IFRS 3 - business combinations, being applicable. Adopting this amendment will not have any impacts on the Group's financial statements.

• Improvements to the 2010 - 2012 standards. This cycle of improvements affects the following standards: IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16 and 38 and IAS 24. Adopting this amendment will not have any significant impacts on the Group's financial statements.

• Improvements to the 2012 - 2014 standards. This cycle of improvements affects the following standards: IFRS 5, IFRS 7, IAS 19 and IAS 34. Adopting this amendment will not have any significant impacts on the Group's financial statements.

b) Published standards whose application is mandatory for annual periods which begin on or after 1 January 2017, which the European Union has already endorsed:

STANDARDS

• IFRS 9 (new), 'Financial instruments' (to be applied to the years beginning on or after 1 January 2018). IFRS 9 replaces the requirements of IAS 39 regarding: (i) the classification and measurement of financial assets and liabilities; (ii) the recognition of an impairment of receivables (using the expected loss model); and (iii) the requirements for recognising and classifying hedge accounting. Adopting this amendment will not have any significant impacts on the Group's financial statements.

• IFRS 15 (new), 'Revenue from contracts with customers' (to be applied to the years beginning on or after 1 January 2018). This standard is only applied to contracts for the delivery of products or provision of services, and requires that the entity recognises the revenue when the contractual obligation to deliver assets or provide services is fulfilled and for the amount that reflects the consideration to which the entity is entitled, as provided for in the "5-stage methodology". Adopting this amendment will not have any significant impacts on the Group's financial statements.

c) Published standards (new and amendments) and interpretations whose application is mandatory for annual periods which begin on or after 1 January 2017, but which the European Union has not yet endorsed:

STANDARDS

• IAS 7 (amendment), 'Disclosure initiative' (to be applied to the years beginning on or after 1 January 2017). This amendment is still subject to being endorsed by the European Union. This amendment introduces additional disclosure on the variations of financing liabilities, separating the transactions that gave rise to cash flow and those that did not, and the way that information conciliates cash flows from financing activities in the Cash Flow Statement. Adopting this amendment will not have any significant impacts on the Group's financial statements.

• IAS 12 (amendment), 'Income taxes – Recognising deferred tax assets for unrealised losses' (to be applied to years beginning on or after 1 January 2017). This amendment is still subject to being endorsed by the European Union. This amendment clarifies the way of accounting deferred tax assets related to assets measured at fair value, how to estimate future taxable profits when there are deductible temporary differences and how to evaluate the recoverability of deferred tax assets when there are restrictions in the tax law. Adopting this amendment will not have any significant impacts on the Group's financial statements.

• IAS 40 (amendment), 'Transfer of investment properties' (to be applied to years beginning on or after 1 January 2018). This amendment is still subject to being endorsed by the European Union. This amendment clarifies that assets can only be transferred from and to the investment property category when there is evidence of their change in use. The change in the management's intention alone is not sufficient to carry out the transfer. Adopting this amendment will not have any significant impacts on the Group's financial statements.

• IFRS 2 (amendment), 'Classification and measurement of share-based payment transactions' (to be applied to years beginning on or after 1 January 2018). This amendment is still subject to being endorsed by the European Union. This amendment clarifies the measuring basis for payment transactions based on cash-settled shares and the accounting and changes to share-based payments plans, which change their classification from cash-settled to equity-settled. In addition, it introduces an exception to the principles of IFRS 2, which now requires that a share-based payments plan be treated as though it were totally equity-settled, when the employer is obliged to withhold a certain amount of tax from the employee and pay that amount to the tax authorities. Adopting this amendment will not have any significant impacts on the Group's financial statements.

• IFRS 4 (amendment), 'Insurance contracts (application of IFRS 4 with IFRS 9)' (to be applied to years beginning on or after 1 January 2018). This amendment is still subject to being endorsed by the European Union. This amendment gives entities who negotiate insurance contract the option to recognise the volatility that may result from applying IFRS 9 before the new standard on insurance contracts is published, in Other comprehensive income in stead of recognising it in the Income statement. Temporary exemption from applying IFRS 9 is given until 2021 to entities whose core activity is as an insurer. This exemption is optional and is not applied to the consolidated financial statements which include an insurance company. Adopting this amendment will not have any impacts on the Group's financial statements.

• Amendments to IFRS 15. 'Revenue from contracts with customers' (to be applied to years beginning on or after 1 January 2018). These amendments are still subject to being endorsed by the European Union. These amendments refer to additional indications to be followed to determine the obligations for contract performance, the time of recognising the revenue from an intellectual property license, the review of indicators for classifying principal versus agent, and the new regimes envisaged for simplifying the transition. Adopting this amendment will not have any significant impacts on the Group's financial statements.

• IFRS 16 (new), 'Leases' (to be applied to years beginning on or after 1 January 2019). This standard is still subject to being endorsed by the European Union. This new standard replaces IAS 17, with a significant impact on accounting by lessees who are now obliged to recognise a lease liability reflecting future lease payments and a "right of use" asset for all leasing contracts, except certain short-term leases and low value assets. The definition of a lease contract was also changed, being based on the "right to control the use of an identified asset". Adopting this amendment will not have any significant impacts on the Group's financial statements.

• Improvements to the 2014 – 2016 standards (to generally be applied to years beginning on or after 1 January 2017). This cycle of improvements is still subject to being endorsed by the European Union. This cycle of improvements affects the following standards: IFRS 1, IFRS 12 and IAS 28. Adopting this amendment will not have any significant impacts on the Group's financial statements.

INTERPRETATIONS

• IFRIC 22 (new), 'Foreign currency transactions and advance consideration' (to be applied to years beginning on or after 1 January 2018). This interpretation is still subject to being endorsed by the European Union. This is an interpretation of IAS 21 (The effects of changes in exchange rates' and refers to determining the "transaction date" when an entity pays or receives an advance consideration for contracts denominated in foreign currency. The "transaction date" determines the exchange rate to be used for converting transactions in foreign currency. Adopting this amendment will not have any significant impacts on the Group's financial statements.

DESCRIPTION	AMENDMENT	EFFECTIVE DATE
AMENDMENTS TO STANDARDS EFFECTIVE ON 1 JANUARY 2016		
• IAS 1 – Presentation of financial statement	Review of the disclosures within the scope of the IASB "Disclosure Initiative" project	1 January 2016
• IAS 16 and IAS 38 Methods of calculating depreciation/amortisation	Revenue-based depreciation/amortisation methods are not permitted.	1 January 2016
• IAS 16 and IAS 41 – Agriculture: Biological bearer plants	Only bearer plants are included within the scope of IAS 16 and are measured using the cost model or the revaluation model.	1 January 2016
• IAS 19 - Defined benefits plan	Accounting of the contributions from employees or other entities	1 February 2015
• IAS 27 – Separate financial statements	Option for measuring investments in subsidiaries, joint ventures and associates using the equity method, in separate financial statements.	1 January 2016
• Amendments to IFRS 10, 12 and IAS 28: Investment entities - applying the consolidating exemption	Consolidation exemption applied to investment entities, extended to a parent company which does not qualify as an Investment entity but is a subsidiary of an investment entity.	1 January 2016
• IFRS 11 - Joint arrangements	Accounting fro the acquisition of an interest in a joint operation which is a business	1 January 2016
• Improvements to the 2010 - 2012 standards	Various clarifications: IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16 and IAS 24	1 February 2015
• Improvements to the 2012 - 2014 standards	Various clarifications: IFRS 5, IFRS 7, IAS 19 and IAS 34	1 January 2016

STANDARDS THAT BECOME EFFECTIVE ON OR AFTER 1 JANUARY 2017, ALREADY ENDORSED BY THE EU		
• IFRS 9 - Financial instruments	New standard for accounting for financial instruments	1 January 2018
• IFRS 15 – Revenue from contracts with customers	Recognition of revenue related to delivering assets and providing services, using the 5-stage method.	1 January 2018

STANDARDS (NEW AND AMENDMENTS) AND INTERPRETATIONS THAT BECOME EFFECTIVE ON OR AFTER 1 JANUARY 2017, NOT YET ENDORSED BY THE EU		
STANDARDS		
• IAS 7 – Cash flow statements	Reconciliation of the changes to financing liabilities with cash flows from financing activities.	1 January 2017
• IAS 12 - Income taxes	Record of deferred tax assets on assets measured at fair value, the impact of deductible timing differences in the estimate of future taxable profits and the impact of restrictions on the ability to recover deferred tax assets	1 January 2017

DESCRIPTION	AMENDMENT	EFFECTIVE DATE
• IAS 40 - Investment properties	Clarification that evidence of change of use is required to make asset transfers from and to the category of investment properties	1 January 2018
• IFRS 2 - Share-based payments	Measurement of cash-settled share-based payments, accounting of modifications, and classification of equity-settled share-based payment plans, when the employer has the obligation to withhold tax.	1 January 2018
• IFRS 4 - Insurance contracts (application of IFRS 4 with IFRS 9)	Temporary exemption from applying IFRS 9 for insurers for years beginning prior to 1 January 2021. Specific regime for assets within the scope of IFRS 4 which qualify as financial assets at fair value through profit or loss in IFRS 9 and as financial assets at amortised cost in IAS 39, whereby it is permitted to classify the measurement difference in Other comprehensive income	1 January 2018
• Amendments to IFRS 15 – Revenue from contracts with customers	Identification of the performance obligations, time of recognising the income from IP licenses, review of the indicators for classifying the principal versus agent relation, and new regimes for simplifying the transition.	1 January 2018
• IFRS 16 - Leases	New definition of lease. New accounting of lease contracts for lessees. There are no amendments to the accounting of leases by lessors.	1 January 2019
• Improvements to the 2014 - 2016 standards	Various clarifications: IFRS 1, IFRS 12 and IAS 28	1 January 2017 / 1 January 2018
	INTERPRETATIONS	
• IFRIC 22 – Transactions in foreign currency and advance consideration	Exchange rate to be applied when the consideration is received or paid in advance	1 January 2018

2.2. CONSOLIDATED PRINCIPLES

The following are the consolidation principles adopted by the Group:

a) Financial Investments in Group companies

Investments in companies in which the Group holds control were included in the accompanying consolidated financial statements using the full consolidation method. The Group has control over a company when it is exposed, or has rights, on preventive variable returns of this company and has the capacity to affect them through the power it has over the investee. This power arises directly (for example, the right to vote in a general meeting and / or board of directors) or in a complex way (for example, through contractual agreements with third parties). The ability to affect returns is determined by the effective power that the Group holds in the investee without having to ally itself with third parties.

The equity and the net income of these companies corresponding to third party holdings in same are presented separately in the consolidated statement of financial position and the consolidated income statement, under “Non-controlling interests”. Group companies included in the consolidated financial statements are broken down in note 4.

The accumulated losses of a subsidiary are allocated to non-controlling interests, in the proportions held, which may imply the recognition of negative non-controlling interests.

The purchase method is used for business combinations prior to 2010. The assets and liabilities of each branch are identified at their fair value on their acquisition date. Any excess in the cost of acquisition against the fair value of the assets and net liabilities acquired is recognised as goodwill (Note 2.2 c)). If the difference between the cost of acquisition and the fair value of the net assets and liabilities acquired is negative, this is recognised as gains in the statements for the financial year following reconfirmation of the fair value assigned. The interests of holders of noncontrolling interests are shown in proportion to the fair value of the identified assets and liabilities.

For business combinations occurred after 1 January 2010, the Group applied the revised IFRS 3. According to this revised standard, the purchase method is still applied in business combinations but with some significant changes:

(i) all amounts that make up the purchase price are valued at fair value, with the transaction-to-transaction option of measuring the "non-controlling interests" by the proportion of the value of the net assets of the entity acquired or the fair value of the assets and liabilities acquired.

(ii) all costs associated with the acquisition are recorded as expenses.

Similarly, the revised IAS 27 has been applied since 1 January 2010. This requires all transactions with "non-controlling interests" to be recorded in equity when there is no change in control over the Entity and no recording of goodwill or gains or losses. When there is loss of the control exercised over the entity, any remaining interest in the entity is remeasured at fair value, and any gains or losses are recognised as income for the period.

The income from the branches acquired or sold during the period are included in the income statement from the date on which control is acquired or on which control is lost.

Whenever necessary, adjustments are made to the financial statements of the branches in order to adapt their accounting policies to those used by the Group. Transactions, margins generated in Group companies, the balances and the dividends distributed in Group companies are eliminated during the consolidation process.

In situations where the Group substantially controls other entities created for a special purpose, even if it does not have a direct shareholding in the capital of these entities, they are consolidated using the full consolidation method.

b) Financial investments in associated companies and joint ventures

Financial investments in associated companies and joint ventures (companies where the Group exercises significant influence but are not under its control through participation in the financial and operational decisions of the Companies - generally investments representing between 20% and 50% of a company's capital and/or for which there are shareholder agreements) are accounted for using the equity method.

Under the equity method, all financial investments are initially recorded at acquisition cost and are then adjusted annually by an amount corresponding to the Group's share in the changes in equity (including net income) of the associated companies against the corresponding gains or losses in that financial year, plus the dividends received and other changes in equity occurred in the associated companies.

The differences between the acquisition cost and the fair value of identifiable assets and liabilities of the associated company at the acquisition date, if positive, are recognised as Goodwill. If these differences are negative, they are recorded as a gain for the period in the income statement item, "Other Income and Gains", after reconfirmation of the fair value assigned.

An assessment of investments in associated companies is conducted whenever there is evidence that the asset may be impaired. Confirmed impairment losses are then recorded as expenses. When the impairment losses recognised in previous years no longer exist, they are subject to reversal.

When the Group's share of accumulated losses in the associated company exceeds the value at which the financial investment is recorded, the investment is recorded as zero as long as the equity of the associated company is not positive, except whenever the Group has entered into commitments with the associated company, in which case, a provision to meet these obligations is recorded.

Unrealized gains on transactions with associated companies are eliminated in proportion to the Group's interest in the associated company, against the financial investment in that same company. Unrealized losses are also eliminated, but only to the extent that they do not demonstrate that the transferred asset is impaired.

c) Goodwill

Following the transition to the IFRS, and as permitted by IFRS 1 - “First-Time Adoption of the IFRS”, the Group chose to maintain the Goodwill resulting from business combinations that occurred before the transition date, recorded under the previous accounting rules used by the Group.

The value of Goodwill is not amortized and is annually tested for impairment losses. The recoverable amount is determined based on the current value of the estimated future cash flows expected to arise from the continued use of the asset and the value of its sale, less the cost of sale. Impairment losses in Goodwill recorded in the year are recorded in the income statement for that year under the “Impairment of non-depreciable assets” item.

Impairment losses relating to goodwill cannot be reversed.

Until 31 January 2009, contingent acquisition prices were determined based on the best estimate of probable payments, with all subsequent amendments being recorded against Goodwill. After 1 January 2010, Goodwill is no longer corrected according to the final determination of the value of the contingent price paid and this impact is recognised against income.

d) Translation of financial statements of foreign entities

Assets and liabilities in the financial statements of foreign entities are translated into euros by using the exchange rates in force at the date of the statement of financial position. The costs and income, as well as the cash flows, are converted into euros using the average exchange rate for the year. Exchange rate differences generated after 1 January are recorded in equity under “Translation reserves”. The accumulated exchange rate differences generated prior to 1 January 2009 (date of transition to the IFRS) were written off against the “Other reserves” equity item.

Whenever a foreign entity is sold, the accumulated exchange rate difference is recognised in the income statement as a gain or loss from the sale.

In the 2016 and 2015 financial years, the exchange rates used in the conversion of the foreign consolidated entities into euros were as follows:

CURRENCY	CLOSING EXCHANGE RATE 2016	AVERAGE HISTORICAL EXCHANGE RATE 2016	CLOSING EXCHANGE RATE 2015	AVERAGE HISTORICAL EXCHANGE RATE 2015
AOA	173,5870	180,0857	146,8420	132,4503
BRL	3,4305	3,8561	4,3117	3,7004
BWP	11,2233	12,0627	12,2850	11,2464
CVE	110,2650	110,2650	110,2650	110,2650
GBP	0,8562	0,8195	0,7340	0,7259
KES	107,0606	112,3566	111,7833	109,0434
MAD	10,6227	10,7742	10,7060	10,7563
NAD	14,4570	16,2645	16,9530	14,1723
MZN	74,9019	69,2823	51,1278	42,6123
TRY	3,7072	3,3433	3,1765	3,0255
TZS	2 295,0121	2 419,2887	2 304,2800	2 237,3958
UGX	3 758,7700	3 743,2772	3 640,5200	3 570,2028
USD	1,0541	1,1069	1,0887	1,1095

2.3. MAIN ACCOUNTING POLICIES

The main accounting policies used by the Nors Group in the preparation of its financial statements are as follows:

a) Tangible fixed assets

Tangible fixed assets acquired prior to 1 January 2009 (date of transition to the IFRS) are recorded at "deemed cost", which corresponds to their acquisition cost or revalued acquisition cost in accordance with the accounting principles generally accepted in Portugal (and in the countries of the Group subsidiaries) until that date, net of depreciation and impairment losses.

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

Impairment losses identified in the realization value of tangible fixed assets are recorded in the year they are estimated, against the "Impairment of depreciable investments" item in the income statement.

Depreciation is calculated from the time the goods are ready to be used, using the straight-line method, according to the following estimated useful lives:

	YEARS
Buildings and other structures	20 - 50
Basic equipment	7 - 16
Transport equipment	4 - 5
Tools and utensils	4 - 14
Office equipment	3 - 14
Other tangible fixed assets	4 - 8

Expenses on repair and maintenance of tangible fixed assets are considered as costs in the year they occur. Significant improvements that increase the estimated period of use of the assets are capitalized and amortized according to the remaining service life of the corresponding assets.

Tangible fixed assets in progress represent tangible assets still under construction/development and are recorded at acquisition cost net of accumulated impairment losses. These assets are transferred to tangible fixed assets and amortized from the time when the underlying assets are available for use and in the condition required for them to operate according to the purpose intended by the management.

The gains or losses arising from the sale or write-off of tangible fixed assets are determined as the difference between the sales price and the net book value at the date of sale/write-off and are recorded in the income statement as "Other income and gains" or "Other costs and losses".

b) Intangible assets

Intangible assets are recorded at acquisition cost, net of accumulated amortization and accumulated impairment losses. Intangible assets are only recorded if future economic benefits are likely to arise and if the Group has the power to control them and can reasonably measure their value.

Research expenses incurred on new technical knowledge are recorded as expenses in the income statement when incurred.

Expenses on developments for which the Group shows that it has the ability to complete their development and begin their marketing and/or use and for which it is likely that the asset created will generate future economic benefits, are capitalized. Development costs that do not meet these criteria are recorded as expenses in the income statement in the year they are incurred.

Internal costs associated with maintaining and developing software are recorded as expenses in the income statement when incurred, except in those situations where these costs are directly related to projects which will probably generate economic benefits for the Group. In these situations, these costs are capitalized as intangible assets.

Intangible assets are depreciated using the straight-line method over a period of three to five years, except for those related to concession rights, which are considered to have an indefinite service life, and, as such, are not amortized and are subject to annual impairment tests.

Amortization of intangible assets is recorded in the income statement under "Expenses/reversals with depreciation and amortization".

c) Investment properties

Investment properties which correspond to real estate assets held to obtain income from their rental or for capital appreciation and not for use in the production or supply of goods and services or for administrative purposes are recorded at acquisition cost, which is their fair value subject to disclosure (Note 8).

Whenever the fair value of these assets is below their acquisition costs, an impairment loss is recorded for the year in which it is estimated, against the "Impairment of depreciable investments" item in the income statement. The moment in which the accumulated impairment losses recorded are no longer significant, they are immediately reversed against impairment under the same item in the income statement up to the predetermined amount, net of depreciation or amortization, if no impairment loss was recognised in previous years.

The fair value of the investment properties which are subject to disclosure was determined on the basis of property valuations performed by a specialised independent real estate entity.

Depreciation is calculated from the time the goods are ready to be used, using the straight-line method, according to the following estimated useful lives:

	YEARS
Buildings and other structures	20 - 50

d) Leases

Lease contracts are classified as (i) financial leases, if they substantially transfer all risks and advantages inherent to the ownership of the leased assets, and as (ii) operating leases, if they do not substantially transfer all risks and advantages inherent to the ownership of the leased assets.

The classification of leases as financial or operating leases is based on the substance and not on the form of the contract.

The tangible fixed assets acquired through financial leasing contracts, as well as the corresponding liabilities, are recorded using the financial method. According to this method, the cost of the asset is recorded in tangible fixed assets and the corresponding liabilities are recorded as accounts payable to investment suppliers.

The rents are the sum of the financial costs plus the financial repayment of the capital. The financial costs are allocated to the years during the term of the lease, taking into account a constant periodic interest rate on the outstanding balance in liabilities, and the fixed tangible asset is amortized as described in Note 2.3.a).

In operating leases, rents are recognised as costs in the income statement for the year to which they pertain (Note 35).

e) Inventories

Goods and raw materials, subsidiaries and consumables are valued at average acquisition cost, which is below their market value.

Finished and intermediate products, as well as products and work in progress, are valued at production cost, which is below the market value. Production costs include the cost of the raw materials used, direct labour, general manufacturing costs and external services.

The accumulated impairment losses for depreciation of inventories reflect the difference between the acquisition/ production cost and the net realizable market value of the inventories.

f) Subsidies from the Government or from other public bodies

State subsidies are recognised at their fair value whenever there is a reasonable assurance that they will be received and that the Company will meet the conditions required for these to be granted.

Non-refundable subsidies and contributions received to fund tangible fixed assets are recorded, only when there is reasonable assurance that these will be received, under "Deferrals". They are recorded as a gain in the income statement in proportion to the depreciation of the subsidised tangible fixed assets.

Subsidies related to expenses incurred are recorded as a gain to the extent that there is reasonable assurance that they will be received, that the company has already incurred the subsidized costs and that they meet the conditions required for these to be granted.

g) Impairment of assets other than Goodwill and concession rights

An impairment assessment of the Group's assets is conducted at the date of each statement of financial position and whenever an event or change in the circumstances, indicating that the amount at which the asset is recorded may not be recoverable, is identified.

Whenever the amount at which the asset is recorded exceeds its recoverable amount (defined as the highest net sale price and value in use, or as the net sale price for assets held for sale), an impairment loss is recognised. The net sales price is the amount obtainable from selling the asset in a transaction between knowledgeable independent entities, net of the costs directly attributable to the sale. The use value is the current value of the estimated cash flows that are expected to arise from the continued use of the asset and from its sale at the end of its service life. The recoverable amount is estimated for each asset individually or, should that not be possible, for the cash-flow-generating unit to which the asset belongs.

The reversal of impairment losses recognised in previous years is recorded when it is concluded that the impairment losses no longer exist or have decreased. This analysis is conducted whenever there are indications that the impairment loss previously recognised has been reversed. The reversal of impairment losses is recorded in the income statement. However, the reversal of impairment losses is carried out up to the amount that would be recognised (net of amortization or depreciation) if the impairment loss had not been recognised in previous years.

Evidence of impairment on receivables arises when:

- the counterparty demonstrates significant financial difficulties;
- there are significant delays in main payments from the counterparty; and
- it is probable that the debtor will go into liquidation or undergo financial restructuring.

For debts receivable, the Group uses historical information and information from its credit control and legal departments, which allow it to make an estimate of the amounts impaired.

In the case of inventories, impairment losses are calculated based on market indicators and on several inventory rotation indicators, which are then reviewed and adjusted by the responsible departments in order to ensure that the value of inventories does not exceed their net realizable value.

h) Financial charges

Financial charges related to loans (interest, premiums, ancillary costs and interest on finance leases) are recorded as costs in the income statement for the period they are incurred using the accruals basis.

If dealing with qualifying assets, the financial burden will be properly capitalized as defined in the applicable IFRS.

i) Provisions

Provisions are recorded when, and only when, the Group has a present obligation (legal or constructive) resulting from a past event, whenever it is likely that there will be an outflow of resources to settle the obligation and the amount of the obligation can be reasonably estimated. Provisions are reviewed at the date of each statement of financial position and are adjusted to reflect the best estimate of their fair value at that date (Note 25).

Provisions for restructuring costs are recorded by the Group whenever there is a detailed, formal restructuring plan and that it has been communicated to the parties involved.

j) Financial instruments

1. Investments

The Group classifies its financial investments in the following categories: 'Investments recorded at fair value through profit or loss', 'Investments held to maturity' and 'Investments available for sale'. The classification depends on the intent underlying the acquisition of the investment.

Investments recorded at fair value through profit and loss

This category is divided into two subcategories: 'financial assets held for trading' and 'investments recorded at fair value through profit or loss'. A financial asset is classified in this category if it is acquired with the purpose of being sold in the short term or if the adoption of valuation by this method eliminates or significantly reduces an accounting mismatch. Derivatives are also classified as held for trading unless they are allocated to hedging operations. Assets in this category are classified as current assets if they are held for trading or if they are expected to mature within less than 12 months from the date of the statement of financial position.

On 31 December 2016, the Nors Group did not have financial instruments in the "financial assets held for trading" or "instruments recorded at fair value through profit or loss" items.

Investments held to maturity

This category includes non-derivative financial assets with fixed or variable repayments, which have a fixed maturity and that the Management Board intends to maintain until their date of maturity. These investments are classified as non-current assets, unless the maturity is less than 12 months from the date of the statement of financial position.

Investments available for sale

These include non-derivative financial assets that are designated as available for sale or those that do not fall under the other categories above. This category is included in non-current assets unless the Management Board intends to sell the investment in less than 12 months from the date of the statement of financial position.

At 31 December 2016 and 2015, the Nors Group held investment classified in this category which correspond to shares in entities listed on the Lisbon Stock Exchange (Euronext Lisbon) and Angolan State Treasury Bonds accepted for negotiation on the Angolan Stock Exchange (BODIVA), the last two only acquired in 2016.

Investments are initially recognised at their acquisition value, which is the fair value of the price paid. The transaction costs are included for investments held to maturity and investments available for sale.

After the initial recognition, investments measured at fair value through profit or loss and investments available for sale are revalued at their fair values by reference to their market value at the date of the statement of financial position corresponding to their quotation on the stock exchange, without any deduction for transaction costs that may occur up to their sale.

Gains or losses from changes in fair value of the investments available for sale are recognised under equity until the investment is sold, collected or otherwise disposed of, or until the fair value of the investment falls below the acquisition cost and this corresponds to a significant and permanent impairment loss, at which time the cumulative loss is recorded in the income statement.

Financial investments available for sale and representing capital shares in unlisted companies are recorded at acquisition cost, taking into account the existence (or not) of impairment losses.

All purchases and sales of financial investments are recognised at the date of transaction i.e. the date on which the Group assumes all risks and obligations inherent to the purchase or sale of the asset. Investments are initially recognised at fair value plus transaction costs, the only exception being "investments recorded at fair value through profit or loss". In this last case, investments are initially recognised at fair value and the transaction costs are recorded in the income statement.

Investments are recognised when the right to receive cash flows has expired or has been transferred and, consequently, all related risks and benefits have also been transferred.

The "investments available for sale" and the "investments recorded at fair value through profit or loss" are subsequently held at the fair value referent to their market value at the date of the statement of financial position, without any deductions for transaction costs that may occur up to their sale.

"Investments held to maturity" are recorded at depreciated cost using the effective interest rate method.

Gains and losses, realized or not, from a change in the fair value of the 'financial assets recorded at fair value through profit or loss" are recognised in the income statement for the year. Gains and losses, realized or not, from a change in the fair value of non-monetary investments classified as available for sale are recognised in equity until the investment is sold, collected or otherwise disposed of, or until the fair value of the investment falls below its acquisition cost and this corresponds to an impairment loss, at which time the cumulative loss are recorded in the income statement.

The fair value of financial investments available for sale is based on current market prices. If the market in which investments are integrated is not an asset/equity market (non-quoted investments), the Group records at acquisition cost, taking into account the existence (or not) of impairment losses. The Management Council believes that the fair value of these investments does not differ significantly from their acquisition cost. The fair value of quoted investments is calculated based on the closing price of the stock market in which they are traded, at the date of the statement of financial position.

The Group performs assessments, at the date of each statement of financial position, whenever there is objective evidence that a financial asset may be impaired. In the case of equity instruments classified as available for sale, a significant or prolonged decline in fair value below its cost is an indication that the asset is in a state of impairment. If there is any evidence of impairment for 'investments available for sale', the cumulative losses - calculated by the difference between acquisition cost and the fair value less any impairment loss previously recognised in the income statement - are removed from equity and recorded in the income statement.

All purchases and sales of these investments are recognised on the date when the respective sales agreements are signed, regardless of the date of settlement.

2. Third-party debts

Third-party debts that do not earn interest are recorded at their nominal value, less any impairment losses so that they reflect their current net realizable value. These amounts are not discounted because the effect of their financial updating is not considered significant.

Third-party debts which earn interest (including those relating to sales of vehicles by instalments) are recorded as an asset at full value, and the portion relating to interest is recorded in liabilities as a deferred profit and recognised in the income statement according to their maturity.

3. Loans

Loans are recorded as liabilities at their nominal value less the transaction costs which are directly attributable to the issue of these liabilities. Financial charges are calculated according to the effective interest rate and accounted for in the income statement for the period using the accruals basis.

4. Debts owed to third parties

Debts owed to third parties that do not earn interest are recorded at their nominal value, as the effect of the financial activity is not considered material.

5. Derivatives

The Group uses derivatives to manage its financial risks as a way of reducing its exposure to these risks. The derivatives commonly used correspond to interest rate Forwards (Cash flow hedges) and aim to cover the risk of interest rate changes in intercompany transactions, as well as "Swap" from fixed to variable interest rate to cover the risk of interest rate (Cash flow hedges).

Derivatives are initially recognized at fair value at the date that is taken part in their contractual arrangements, and subsequently measured at fair value. The method by which to recognize the changes in fair value depends on the designation (or not) this derivative as a hedging instrument and, in the case of being appointed, the nature of the hedged item.

For each transaction, and at its origin, the Group prepares documentation to justify the relationship between the hedging instrument and the hedged item, as well as the risk management objective and strategy for hedging transaction. The Group also documents whether the trade date of coverage, either on an ongoing basis, its analysis of the effectiveness with which the hedging instrument offsets changes in the fair value or cash flows of hedged instruments. According to IAS 39, the fair value of derivative type option is to separate the intrinsic value and its time value, given that only the intrinsic value of these instruments may be designated as a hedging instrument. Thus, efficacy trials of the option type derivatives include only the intrinsic value of these instruments.

The fair value of derivatives for hedging purposes is shown in Note 26. Movements in the hedging reserve are presented in the consolidated statement of changes in equity. The entire fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged instrument is greater than 12 months, and as an asset or current liability when it is less than 12 months. Trading derivatives are classified as current assets or liabilities.

Derivatives, for which the company applied "hedge accounting", are initially recorded at cost, which corresponds to their fair value and subsequently measured at fair value with changes recorded in this "Fair value reserves" in the case of coverage of cash flows under "Other reserves" in the event of currency hedging in "net investment in a foreign operation" and in the Income Statement in the case of fair value hedge.

Derivatives, for which the company did not apply "hedge accounting", although they were hired with economic hedging purposes, are initially recorded at cost, which corresponds to fair value, if any, and subsequently revalued to fair value, whose variations, calculated by assessments conducted by the banks with which the Group celebrates the respective contracts, directly affect the financial results of items of the consolidated income statement.

6. Cash and bank deposits

The amounts included in the “Cash and bank deposits” item correspond to the amounts of cash, bank deposits, term deposits and other treasury applications falling due in less than three months and which can be immediately transacted with an insignificant risk of change in value.

k) Contingent assets and liabilities

Contingent liabilities are defined by the Group as (i) possible obligations arising from past events and whose existence will only be confirmed by the occurrence, or not, of one or more uncertain future events not entirely within the control of the Group or (ii) present obligations arising from past events, but which are not recognised because it is not probable that there will be an outflow of resources including economic benefits to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised in the consolidated financial statements of the Group. They are disclosed in the Notes to the Consolidated Financial Statements, unless the possibility of an outflow of funds affecting future economic benefits is remote, in which case they are not even disclosed.

Contingent assets are possible assets arising from past events and whose existence will only be confirmed by the occurrence, or not, of one or more uncertain future events not entirely within the Group’s control.

Contingent assets are not recognised in the Group’s consolidated financial statements but are disclosed in the Notes to the Consolidated Financial Statements when there are likely to be future economic benefits.

l) Income tax

The income tax for the year is calculated based on the taxable results of the companies included in the consolidation, according to tax rules in force in the country where the head office of each Group company is registered, and includes deferred taxation.

Current income tax is calculated based on taxable results of the companies included in the consolidation.

Deferred taxes are calculated using the statement of financial position liability method and reflect the temporary differences between the amounts of assets and liabilities for financial reporting and the corresponding amounts for tax purposes. Deferred tax assets and liabilities are not recognised when the temporary differences arise from Goodwill or from the initial recognition of assets and liabilities other than through business combination operations. Deferred tax assets and liabilities are calculated and assessed annually using the tax rates in force, or announced to be in force, in the periods in which the temporary differences are expected to be reversed.

Deferred tax assets are recognised only when there is reasonable expectation that there will be sufficient future taxable income to use them, or when there are taxable temporary differences that offset the deductible temporary differences in the period of the reversal. At the end of each year, there is a review of this deferred taxation, the amount of which is reduced whenever its future use becomes unlikely.

Deferred taxes are recorded as cost or income for the year, except if they relate to items recorded directly in equity, in which case the deferred tax is also recorded in equity.

m) Fiscal consolidation

Income tax for the year is calculated based on the Special Taxation Regime of Groups of Companies ("RETGS"). The Group has one RETGS registered in Portugal and this is made up of the companies with registered offices in this country and in which the Auto Sueco Group has a direct or indirect holding of over 75%.

The other Auto Sueco Group companies, registered abroad or which do not meet the conditions for falling under the RETGS are taxed separately and in accordance with the applicable legislation.

n) Accruals accounting and revenue

Income and expenditure are recorded according to the principle of accrual accounting, under which these are recognised as they are generated, regardless of when they are received or paid. The differences between the amounts received and paid and the corresponding income and costs generated are recorded in the increases and deferrals items included in the "Other accounts receivable", "Other accounts payable" and "Deferrals" items.

Costs and income whose real value is not known are estimated using the best evaluation of the Management Boards and Boards of Directors of the Group companies.

Revenue is recognised, net of taxation and commercial discounts, at the fair value of the amount received or receivable, where:

- Revenue from sales is recognised in the income statement when a significant part of the risks and benefits inherent to the ownership of the assets is transferred to the purchaser, it is probable that economic benefit will arise for the Group and that the amount of the said income can be reasonably quantified;

• Revenue from the provision of services is recognised in accordance with the stage of completion of the provision of services or based on the contract period when the provision of services is not associated with the execution of specific activities, but to the on-going provision of services..

The cost of these repairs includes the materials and labour involved, where the final cost and the price payable by the customers are only known on the date of the conclusion of the repairs, with the issue of the corresponding invoice and delivery of the repaired property to the customer. The revenue is also recognised at this time.

Equipment acquired by customers through leasing contracts they have negotiated with financial entities, in which there is a commitment to repurchase, is recognised as revenue at the time of the delivery thereof to the customers whenever the risks and advantages inherent to the ownership of the property are transferred to the customer. This type of contract is recognised as an operating leasing if the risks are not transferred.

The amount of the revenue is not considered to be reliably measurable until all the contingencies relating to the sale are substantially resolved. The Company bases its estimates on historical results, considering the type of customer, the nature of the transaction and the specific details of each agreement.

Dividends are recognised as revenue in the year in which they are attributed.

o) Subsequent events

Events occurring after the date of the statement of financial position which may provide additional information on conditions that existed at the date of the statement of financial position (adjusting events) are reflected in the consolidated financial statements. Events after the deadline of the statement of financial position which provide information on conditions that occur after the date of the statement of financial position (non-adjusting events), if material, are disclosed in the Notes to the Consolidated Financial Statements.

p) Classification of the statement of financial position

Assets realizable and liabilities payable in more than one year from the date of the statement of financial position are classified as non-current assets and liabilities, respectively, with deferred tax assets and liabilities also being included in these items.

q) Foreign currency balances and transactions

Assets and liabilities expressed in foreign currency were converted to euros using the exchange rates in force at the date of the statements of financial position. Foreign exchange gains and losses arising from differences between the exchange rates in force on the date of the transactions and those in force on the date of collection, payment or at the date of the statement of financial position are recorded as gains and losses in the consolidated income statement of the period.

r) Non-current assets held for sale

Non-current assets (and groups of related assets and liabilities held for sale) are classified as held for sale if their book value is recoverable through sale rather than through continued use. For this to be the case, the sale must be highly probable and the asset (and the groups of related assets and liabilities held for sale) must be available for immediate sale in its present condition. In addition, adequate measures must be in course in order to conclude that the sale is expected to occur within 12 months of the date of classification in this item.

Non-current assets (and groups of related assets and liabilities held for sale) are classified as held for sale and recorded at the lower of their book value or fair value, less the sales costs.

s) Judgements and estimates

In preparing the consolidated financial statements, the Group's Management Board used the best available knowledge and experience of past and/or current events considering certain assumptions relating to future events.

The most significant accounting estimates reflected in the consolidated financial statements for the years ended on 31 December 2016 and 2015 include:

- Useful lives of tangible and intangible assets;
- Recognition of adjustments on assets (accounts receivable and inventories) and provisions;
- Impairment tests performed on Goodwill.

Estimates and underlying assumptions were determined based on the best available knowledge of events and transactions in progress at the date of approval of the financial statements, as well as the experience of past and/or current events. However, situations may occur in subsequent periods that, as they were not foreseeable at the time of approval of the financial statements, were not considered in these estimates. Changes to estimates that occur after the date of the financial statements will be corrected prospectively. For this reason and given the associated degree of uncertainty, the actual income from the transactions in question may differ from the corresponding estimates. Changes to these estimates which occur after the date of the consolidated financial statements will be prospectively corrected in income, in accordance with IAS 8.

The main estimates and assumptions concerning future events included in the preparation of consolidated financial statements are described in the corresponding attached notes.

2.4 RISK MANAGEMENT POLICY

The Nors Group developed a risk management methodology based on best practices, to ensure an independent and objective assessment of organizational risks, enabling the monitoring, management, consolidation and "benchmarking" between the various organizational dimensions of the Group.

The identification of the Group's corporate risks is the responsibility of the Management Board, advised by the Director of Internal Audit, establishing what are the main risks to which the Group as a whole is exposed, defining for each of them which the desired level of exposure. It is from this combination that clears the organizational risk profile, which should guide the actions and initiatives to adopt and implement across the board throughout the Group. In this context the main initiative developed in 2014 was the design of the Corporate Policies Nors. These Corporate Policies define for each theme key responsibilities, decisions and approvals from the Governing Bodies, the Corporate Structures and the Business Units / Group Companies.

a) Surroundings risk

The surroundings risk arises from factors outside the company that may affect the viability of its business model, jeopardizing the fulfillment of the strategy and objectives.

The most critical risks in this category were worked out by the Management Board, the action plan will be monitored and developed over time.

b) Risk and Information Processes for decision making

Process risk is the risk of the Company not be acquiring, managing, renovating and using efficiently and effectively the business assets. The risk in information for decision making is the risk of information used to support the implementation of the business model, for internal or external reporting on performance and continuous evaluation of the business model.

The Risk and Information Processes for decision making will be mitigated either by the actions of Directors on each Business Unit / Company or the standards set out in the Corporate Policies.

c) Exchange rate risk

The risk of exchange rate is related to the Group's exposure to potential economic and financial losses, given the instability and volatility that characterize exchange rates of some currencies and the uncertainty as to its evolution. The Nors Group, being geographically dispersed across various regions and international markets, bases its activity in different currencies, so this risk should be managed properly in a global perspective and centrally. Therefore, solely for the CFO define the measures and preferred initiatives that the Group and the BU / GC should take to mitigate the currency risk.

The currencies with significant exposure are the US dollar and the Brazilian real.

This currency exposure balance is managed through natural hedges, namely hiring financial debt in local currency to the risk assumed.

The exchange effects of businesses are run by Managing Directors and Finance of the Regions through more or less structured finance instruments: fowards and financial debt.

The amount of the Group's assets and liabilities (in thousands of euros) recorded in a currency other than the euro can be summarized as follows:

		ASSETS		LIABILITIES	
CURRENCY		DEC 2016	DEC 2015	DEC 2016	DEC 2015
Brazilian Real	BRL	91 408	80 066	53 302	53 150
Angolan Kwanza	AOA	0	17 894	0	18 306
Cape Verde Escudo	CVE	(14)	(18)	990	940
US Dollar	USD	154 022	159 408	63 968	87 480
Tanzanian Shilling	TZS	6 210	9 236	5 165	7 287
Botswana Pula	BWP	3 013	2 445	1 815	1 053
Moroccan Dinar	MAD	109	109	(267)	(266)
Kenyan Shilling	KES	5 817	6 587	4 283	4 563
Namibian dollar	NAD	7 725	4 917	6 531	3 771
Mozambique metical	MZN	1 170	1 595	3 206	2 811
Uganda shilling	UGX	578	576	1 161	888

d) Price risk

The price risk is related to other assets and financial instruments and presents an exposure level increased, so that the mechanisms to control or minimize may involve the use of more sophisticated hedging instruments. Thus, the sensitivity and the Group's operations before price changes in these "investments available for sale", should be monitored by the Planning and Performance Management Directorate and managed by the CFO , according to the guidelines set by the Management Board, whenever necessary.

The Group's sensitivity to price variation in the above-mentioned "Available-for-sale Investments" (one of the headings that may present a greater price risk) is mitigated by the occurrence of the public share offer for the main asset under this heading, which raises the price compared to that recorded in the financial position at 31 December 2016, as well as by the Group's perspective for maintaining the remaining securities until their maturity, thereby not being exposed to price variations in a regulated market.

e) Interest rate risk

The Group's indebtedness is mainly indexed to variable interest rates, exposing the cost of debt to a high risk of volatility. The impact of this volatility on the results or on the equity of the Group is not significant due to the effect of the following factors: possible correlation between the level of market interest rates and economic growth (natural hedge) and the existence of liquidity or consolidated cash and cash equivalents similarly remunerated at variable rates.

	CHANGE	DEC 2016 INCOME	DEC 2015 INCOME
Obtained funding	+ 1 p.p.	2 228	2 784
Obtained funding	-1 p.p.	(2 228)	(2 784)

Additionally, in 2014, the Nors Group took the decision to hire a swap variable for fixed interest rate, such as "Plain Vannila" to cover part of the risk it is exposed to the variability of the rate used in a number of financing agreements obtained. More details about this contract are referred to in note 26.

f) Liquidity risk

Liquidity risk is defined as the risk of inability to settle or meet its obligations within the established deadlines and at a reasonable price. The this risk management objectives in Nors are mainly three:

- Liquidity, to ensure permanent and efficient access to sufficient funds in order to be able to meet current payments on the due dates as well as any requests for funds within the periods defined for this, even if not foreseen;

- Security, to minimize the probability of non-compliance in the repayment of any application of funds; and

- Financial efficiency, to ensure that the companies maximize the value / minimize the cost of having surplus liquidity in the short term.

In general, responsibility for the management of liquidity risk is the Financial Division of the Regions. However, to ensure that there is liquidity in the Group and the Business Units / Group Companies are defined working capital management parameters to maximize the return obtained and minimize opportunity costs of safe and efficient manner. It should be noted that in Nors Group all existing liquidity surplus should be applied in short-term debt redemption, should be adopted based on the worst case scenario for the analysis of maturity of each class of financial liabilities in order to minimize the liquidity risk associated with these obligations.

On 31 December, 2016 and 2015, the Group had a net debt of 219,141 thousand euros and 181,895 thousand euros, respectively, divided between current and non-current (note 20) and cash and bank deposit (note 16) contracted with of various institutions.

g) Credit risk

Credit risk refers to the risk that counterparty will default on its obligations, resulting in potential losses for the Group, so their exposure is mainly associated with the collection of receivables from customers arising from operating activities. To cover the credit risk, can be contracted credit insurance and other hedging instruments, and, with regard to hiring credit insurance, Accounts Receivable Areas of Norshare of the Regions should make an assessment of need and the cost / benefit of hiring and submit its findings to the Financial Division of the Regions. Regarding the hiring of other hedging instruments, this is the exclusive competence of the CFO. The Management Board adopted a policy of Customers and Credit Management that mitigates this risk, particularly in the following points:

- Mandatory for all the business of the commercial area with credit that the financial area from Accounts Receivable of Shared Services, analyze the credit and deliver an technical opinion;
- Perform monthly analysis of impairments on receivables;
- Monitor the evolution of credit in regular meetings.

3. CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF MISSTATEMENTS

During the financial year ended on 31 December 2016, there were no changes at accounting policies.

4. GROUP COMPANIES INCLUDED IN THE CONSOLIDATION

The Group companies included in the consolidation using the full consolidation method and the corresponding proportion of capital held on 31 December 2016 and 2015, are as follows:

COMPANY	% OF CAPITAL HELD 2015 (1)	% OF CAPITAL HELD 2016 (1)	CONSOLIDATION METHOD
Auto-Sueco,Lda	**Parent company**	**Parent company**	-
Agro New Máquinas Agrícolas, Ltda	99,99%	99,99%	Full
Amplitude Brasil Corretora de Seguros, Ltda.	82,50%	82,50%	Full
Amplitude Seguros - Corretores de Seguros S.A.	82,50%	82,50%	Full
AS Glass Angola	73,50%	73,50%	Full
AS Parts - Centro de Peças e Acessórios, S.A.	100,00%	100,00%	Full
AS Parts Angola, Lda.	98,01%	98,01%	Full
AS Parts Cabo Verde, S.A.	82,50%	82,50%	Full
AS Service, S.A.	100,00%	100,00%	Full
Asinter - Comércio Internacional, Lda.	70,00%	70,00%	Full
ASMOVE - Consultoria e Projectos Internacionais, S.A.	100,00%	100,00%	Full
Auto Power Angola, Lda.	98,01%	98,01%	Full
Auto Sueco (Lobito), Ltd.	79,90%	79,90%	Full
Auto Sueco Centro-Oeste Concessionária de Veículos Ltda.	99,99%	99,99%	Full
Auto Sueco Moçambique, S.A.	100,00%	100,00%	Full
Auto Sueco São Paulo, Ltda.	99,99%	99,99%	Full
Auto Sueco Uganda, Ltd.	100,00%	100,00%	Full
Auto Sueco Vehicles, Spare Parts & Services (Namibia) (Pty), Ltd.	100,00%	100,00%	Full
Auto-Maquinaria, Lda.	99,00%	99,00%	Full

COMPANY	% OF CAPITAL HELD 2015 (1)	% OF CAPITAL HELD 2016 (1)	CONSOLIDATION METHOD
Auto-Sueco (Angola), S.A.R.L.	79,90%	79,90%	Full
Auto-Sueco (Tanzania) - Trucks, Busses and Const. Eq., Ltd.	99,99%	99,99%	Full
Auto-Sueco II Automóveis, S.A.	100,00%	100,00%	Full
Auto-Sueco Kenya, Ltd.	99,99%	99,99%	Full
Auto-Sueco Vehicles, Spare Parts & Services (Botswana)(Pty) Ltd.	99,19%	99,19%	Full
Biosafe - Indústria de Reciclagens, S.A.	100,00%	100,00%	Full
Civiparts - Comércio de Peças e Equipamentos, S.A.	100,00%	100,00%	Full
Civiparts Angola- Comércio de Componentes e Equipamentos, S.A.	100,00%	100,00%	Full
Civiparts Espanha	100,00%	100,00%	Full
Civiparts Marrocos	100,00%	100,00%	Full
Diveraxial S.A.	100,00%	-	Full
Diverservice Prestadora de Serviços Automotivos, Ltda.	99,99%	-	Full
ExpressGlass - Vidros para Viaturas, S.A	100,00%	-	Full
ExpressGlass Angola	98,01%	98,01%	Full
ExpressGlass Brasil Com. e Serv. Automotivos, Ltda.	99,99%	-	Full
ExpressGlass Participações, Ltda.	99,99%	99,99%	Full
Galius - Veiculos, S.A.	100,00%	100,00%	Full
Grow - Formação Profissional, S.A.	100,00%	100,00%	Full
Holding ExpressGlass S.A.	100,00%	100,00%	Full
Holding Expressglass, BV	100,00%	100,00%	Full
Imosócia – Sociedade Imobiliária, S.A.	100,00%	100,00%	Full
NewOnedrive, S.A.	100,00%	100,00%	Full
Nors Brasil Participações, Ltda.	99,99%	99,99%	Full
Nors International B.V.	100,00%	100,00%	Full
Norshare Prestação de Serviços, Ltda.	99,99%	99,99%	Full
Norsócia SGPS, S.A.	100,00%	100,00%	Full
Plurirent – Serviços de Aluguer, S.A.	100,00%	100,00%	Full
Promotejo - Compra e Venda de Propriedades, S.A.	100,00%	100,00%	Full
SARI Serviços Aftermarket Região Ibéria	100,00%	100,00%	Full
SGNT, S.G.P.S.	100,00%	100,00%	Full
Socibil - Imobiliária, SARL.	100,00%	100,00%	Full
Sogestim, Lda.	55,00%	55,00%	Full
Soma – Sociedade de Montagem de Automóveis, S.A.	100,00%	100,00%	Full
Tecnauto Vehiculos, S.L.	100,00%	100,00%	Full

(1) - Directly and Indirectly

These companies were included in the consolidation using the full consolidation method, as established by IFRS 10 – "Consolidated financial statements" (control of the subsidiary through the majority of the voting rights, or other mechanism, being the holder of the company's capital – note 2.2 a)).

COMPANY	% OF CAPITAL HELD 2015 (1)	% OF CAPITAL HELD 2016 (1)	CONSOLIDATION METHOD
Air Rail Portugal, Sociedade Unipessoal, Lda	25,00%	25,00%	E.M.
Air-Rail Marrocos	25,00%	25,00%	E.M.
AIR-RAIL POLSKA, Sp. z.o.o	12,50%	12,50%	E.M.
Air-Rail, S.L.	25,00%	25,00%	E.M.
Art Hava VE RAY EKIPMANLARI LTD. STI	22,50%	22,50%	E.M.
ASC Construction Equipment, INC.	50,00%	50,00%	E.M.
ASC Turk Makina, Limited Sirketi	50,00%	50,00%	E.M.
Ascendum Baumaschinen Österreich GmbH	50,00%	50,00%	E.M.
Ascendum Épitögépek Hungária	50,00%	50,00%	E.M.
Ascendum España, S.L.	50,00%	50,00%	E.M.
Ascendum Gradevinski Strojevi	50,00%	50,00%	E.M.
Ascendum II - Veículos, Unipessoal, LDA	50,00%	50,00%	E.M.
Ascendum III - Máquinas, Unipessoal, LDA	50,00%	50,00%	E.M.
Ascendum Machinery SRL	50,00%	50,00%	E.M.
ASCENDUM MAKINA YATIRIM HOLDING A.S	50,00%	50,00%	E.M.
ASCENDUM MAQUINARIA MÉXICO, S.A de C.V	50,00%	50,00%	E.M.
Ascendum Portugal - Serviços de Gestão, SA	50,00%	50,00%	E.M.
Ascendum Stavebeni Stroje Czech	50,00%	50,00%	E.M.
Ascendum Stavebné Stroje Slovensko	50,00%	50,00%	E.M.
Ascendum, GmbH	50,00%	50,00%	E.M.
Ascendum, S.A.	50,00%	50,00%	E.M.
ASFC S.G.P.S., S.A.	73,33%	73,33%	E.M.
Centrocar Moçambique	32,00%	32,00%	E.M.
Centrocar, S.A.	40,00%	40,00%	E.M.
Centrocar España, S.L.	40,00%	40,00%	E.M.
Dalia - Gestão e Serviços, S.A.	28,54%	28,54%	E.M.
Glomak SGPS, S.A.	50,00%	50,00%	E.M.
Hardparts Moçambique, Lda.	50,00%	50,00%	E.M.
Importadora Distribuidora de Maquinaria Industrial ZEPHIR, S.L.	25,00%	25,00%	E.M.
Master Test - Serviços de Gestão, S.A.	70,00%	70,00%	E.M.
Master Test Alfena - Inspecção de Veículos, S.A.	70,00%	70,00%	E.M.
Master Test Amoreira (Óbidos) - Inspecção de Veículos, S.A.	70,00%	70,00%	E.M.
Master Test Caldas da Rainha - Inspecção de Veículos, S.A.	70,00%	70,00%	E.M.
Master Test Castro Verde - Inspecção de Veículos, S.A.	70,00%	70,00%	E.M.
Master Test Estarreja - Inspecção de Veículos, S.A.	70,00%	70,00%	E.M.
Master Test Maia - Inspecção de Veículos, S.A.	70,00%	70,00%	E.M.
Master Test Rio Maior - Inspecção de Veículos, S.A.	70,00%	70,00%	E.M.
Master Test SGPS, S.A.	70,00%	70,00%	E.M.

COMPANY	% OF CAPITAL HELD 2015 (1)	% OF CAPITAL HELD 2016 (1)	CONSOLIDATION METHOD
Master Test Sul - Inspecção de Veículos, S.A.	70,00%	70,00%	E.M.
Master Test Tondela - Inspecção de Veículos, S.A.	70,00%	70,00%	E.M.
Sotkon Anadolu	36,67%	36,67%	E.M.
Sotkon Angola, Lda.	36,67%	36,67%	E.M.
Sotkon Brasil Comércio Importação e Exportação, Ltda.	73,33%	73,33%	E.M.
Sotkon Espanha	73,33%	73,33%	E.M.
Sotkon France, S.A.	73,33%	73,33%	E.M.
Sotkon Marocco, SARLAU	73,33%	73,33%	E.M.
Sotkon Portugal - Sistemas de Resíduos, S.A.	73,33%	73,33%	E.M.
Sotkon TR ATIK SISTEMLERI SANAYI VE TICARET ANONIM SIRKETI	60,86%	60,86%	E.M.
Sotkon UK Limited	73,33%	-	E.M.
Tea Aloya, Inmobiliaria, S.A.U.	50,00%	50,00%	E.M.
TRACTORRASTOS - Soc. Vendedora de Acessórios, Lda.	50,00%	50,00%	E.M.
TRP YEDEK PARÇA ITHALAT IHRACAT VE PAZARLAMA LIMITED SIRKETI	50,00%	50,00%	E.M.
Volmaquinaria de Construcciòn España, S.A.U.	50,00%	50,00%	E.M.
Volrental Atlântico, S.A.U	34,50%	34,50%	E.M.

(1) - Directly and Indirectly
E.M. - Equity Method

These companies were consolidated using the equity method by the existence of agreements that by their conditions determine the existence of joint control, as established by IFRS 11 - "Joint Ventures".

5. CHANGES TO THE CONSOLIDATION PERIMETER

During the year ended 31 December 2016, there were the following variations in the composition of the consolidation perimeter:

- Merger between ExpressGlass Brasil Com. e Serv. Automotivos, Ltda. and ExpressGlass Participações, Ltda., without any impact on the consolidated financial statements.

- Merger between Diverservice Prestadora de Serviços Automotivos, Ltda. and Agro New Máquinas Agrícolas, Ltda, without any impact on the consolidated financial statements.

- Disposal of the car glass business in Portugal through the disposal of the shareholdings in Diveraxial S.A. and ExperssGlass - Vidros para Viaturas, S.A., with an effective date as of 1 January 2016 (see note 40).

During the year ended on 31 December 2015, the following changes occurred in the composition of the consolidation perimeter:

- Acquisition by Galius - Veiculos, S.A of 100% of the import business of Renault Trucks in Portugal, through an Asset Deal, whose acquisition dates 02.03.2015 and paid in full in 2015

	EUROS
Net book value of assets at 02.03.2015	10 428
Acquisition adjustments	(363)
Final net adjusted assets at 02.03.2015	10 065
Acquisition price	14 202
GOODWILL GENERATED	**4 137**

• Constitution of Amplitude Brasil Corretora de Seguros Ltda. engaged in insurance mediation, and headquartered in Cuiaba, Brazil.

• Dissolution and Liquidation of Soluciones Medioambientales Soma, SL with no significant impact on the consolidated financial statements.

• Dissolution and Liquidation of Amplitude Ibérica, SA with no significant impact on the consolidated financial statements.

• Merger of Auto Sueco Empreendimentos, Ltda. in Auto Sueco São Paulo, Ltda with no impact on the consolidated financial statements.

• Merger of Motortejo - Comércio e Industria Automóvel, S.A. in na Auto-Sueco II Automóveis, S.A., with no impact on the consolidated financial statements.

• Sale of the activity of assembly of special vehicles for waste collection by Soma – Sociedade de Montagem de Automóveis, S.A., which came into effect on 21.05.2015.

The contribution of the companies that entered the business in 2015 was:

	GALIUS	
CONTRIBUITION	**INPUT 02.03.2015**	**CONTRIBUITION 31.12.2015**
Tangible fixed assets	6 398	6 256
Inventories	2 714	6 848
Customers	2 944	3 095
Availabilities	0	12
Goodwill	0	4 137
Other assets and accounts receivable	0	901
TOTAL ASSETS	**12 056**	**21 247**
Provisions	1 991	2 527
Funding obtained	0	3 020
Suppliers	0	7 242
Other liabilities and accounts payable	0	4 292
TOTAL LIABILITIES	**1 991**	**17 081**
Sales	0	34 561
CMVMC	0	(26 956)
Supplies and external services	0	(3 112)
Staff costs	0	(2 439)
Others	0	(890)
EBITDA	**0**	**1 164**
Depreciation and Amortization	0	(178)
Net interest	0	(473)
Tax of the financial year	0	(346)
NET INCOME	**0**	**168**

6. INTANGIBLE ASSETS

In the years ended on 31 December 2016 and 2015, the transactions in intangible assets, as well as the corresponding amortization and accumulated impairment losses were as follows:

	DEVELOPMENT PROJECTS	COMPUTER PROGRAMS	INDUSTRIAL PROPERTY	OTHER INTANGIBLE ASSETS	INVESTMENTS IN PROGRESS	TOTAL
1 JANUARY 2015						
Acquisition value net of impairment	353	4 604	352	651	6	5 966
Accumulated depreciation	(297)	(3 311)	(258)	(649	0	(4 515
INITIAL NET VALUE	**56**	**1 293**	**94**	**1**	**6**	**1 451**
MOVEMENTS IN 2015						
Initial net value	56	1 293	94	1	6	1 451
Perimeter variation - Acquisition cost	0	1	0	0	0	1
Perimeter variation - Accumulated depreciation	0	0	0	0	0	0
Translation differences - Acquisition cost	0	(559)	13	75	0	(471)
Translation differences - Accumulated depreciation	6	396	(17)	(75)	0	311
Additions	0	146	5	2	44	197
Transfer, Sales and Write-offs / Acquisition cost	(196)	(135)	21	(2)	(22)	(334)
Transfers, Sales and Write-offs / Accumulated amortization	116	41	(17)	0	0	140
Depreciation for the financial year	(27)	(370)	(13)	0	0	(411)
Impairment Loss/Reversal	0	0	0	0	0	0
CLOSING NET VALUE	**(44)**	**813**	**87**	**1**	**28**	**884**
31 DECEMBER 2015						
Acquisition or revalued cost	157	4 057	392	726	28	5 359
Accumulated depreciation	(201)	(3 244)	(305)	(725)	0	(4 475)
CLOSING NET VALUE	**(44)**	**813**	**87**	**1**	**28**	**884**

	DEVELOPMENT PROJECTS	COMPUTER PROGRAMS	INDUSTRIAL PROPERTY	OTHER INTANGIBLE ASSETS	INVESTMENTS IN PROGRESS	TOTAL
MOVEMENTS IN 2016						
Initial net value	(44)	813	87	1	28	884
Perimeter variation - Acquisition cost	0	256	14	23	0	293
Perimeter variation - Accumulated depreciation	(8)	(195)	(12)	(23)	0	(237)
Additions	0	129	49	0	0	177
Transfer, Sales and Write-offs / Acquisition cost	0	(1 379)	(17)	(16)	(21)	(1 434)
Transfers, Sales and Write-offs / Accumulated amortization	0	1 054	12	16	0	1 082
Depreciation for the financial year	(25)	(267)	(25)	0	0	(317)
CLOSING NET VALUE	**(77)**	**410**	**107**	**1**	**7**	**448**
31 DECEMBER 2016						
Acquisition or revalued cost	157	3 063	437	733	7	4 396
Accumulated depreciation	(234)	(2 652)	(330)	(731)	0	(3 948)
CLOSING NET VALUE	**(77)**	**410**	**107**	**1**	**7**	**448**

7. TANGIBLE FIXED ASSETS

In the years ended on 31 December 2016 and 2015, the transactions in tangible fixed assets as well as in the corresponding depreciation and accumulated impairment losses were as follows:

	LAND AND NATURAL RESOURCES	BUILDINGS AND OTHER CONSTRUCTIONS	BASIC AND TRANSPORT EQUIPMENT	OFFICE EQUIPMENT	OTHER TANGIBLE FIXED ASSETS	INVESTMENTS IN PROGRESS	TOTAL
01 JANUARY 2015							
Acquisition or revalued cost net of impairment	26 816	117 251	48 787	11 995	6 623	25 675	237 147
Accumulated depreciation	0	(56 305)	(31 817)	(7 937)	(3 983)	0	(100 042)
CLOSING NET VALUE	**26 816**	**60 946**	**16 970**	**4 058**	**2 640**	**25 675**	**137 105**
MOVEMENTS IN 2015							
Initial net value	26 816	60 946	16 970	4 058	2 640	25 675	137 105
Perimeter variation - Acquisition cost	1 577	4 730	76	1	14	0	6 397
Perimeter variation - Accumulated depreciation	0	0	0	0	0	0	0
Translation differences - Acquisition cost	127	1 536	(377)	(129)	444	1 827	3 428
Translation differences - Accumulated depreciation	0	758	84	47	(287)	0	602
Revaluation surpluses	0	0	0	0	0	0	0
Acquisitions	0	5 263	2 463	396	50	3 203	11 375
Transfers, Sales and Write-offs - Acquisition cost	107	(639)	(6 424)	(383)	147	(2 579)	(9 771)
Transfers, Sales and Write-offs - Accumulated depreciation	0	1 414	4 543	280	559	0	6 796
Depreciation for the financial year	0	(5 081)	(3 837)	(710)	(974)	0	(10 601)
Impairment Loss/Reversal	0	0	0	0	0	0	0
CLOSING NET VALUE	**28 627**	**68 927**	**13 498**	**3 560**	**2 593**	**28 125**	**145 330**
31 DECEMBER 2015							
Acquisition or revalued cost net of impairment	28 627	128 140	44 525	11 880	7 277	28 125	248 575
Accumulated depreciation	0	(59 213)	(31 028)	(8 320)	(4 685)	0	(103 246)
CLOSING NET VALUE	**28 627**	**68 927**	**13 498**	**3 560**	**2 593**	**28 125**	**145 330**

	LAND AND NATURAL RESOURCES	BUILDINGS AND OTHER CONSTRUCTIONS	BASIC AND TRANSPORT EQUIPMENT	OFFICE EQUIPMENT	OTHER TANGIBLE FIXED ASSETS	INVESTMENTS IN PROGRESS	TOTAL
MOVEMENTS IN 2016							
Initial net value	28 627	68 927	13 498	3 560	2 593	28 125	145 330
Perimeter variation - Acquisition cost	555	5 072	1 445	728	151	(307)	7 643
Perimeter variation - Accumulated depreciation	0	(1 163)	(1 047)	(461)	(97)	0	(2 769)
Acquisitions	0	7 048	1 062	346	81	61	8 597
Transfers, Sales and Write-offs - Acquisition cost	(2 203)	15 296	(6 038)	680	(872)	(26 573)	(19 709)
Transfers, Sales and Write-offs - Accumulated depreciation	0	3 436	4 320	(493)	1 192	0	8 455
Depreciation for the financial year	0	(5 223)	(2 675)	(726)	(672)	0	(9 295)
CLOSING NET VALUE	**26 979**	**93 392**	**10 565**	**3 633**	**2 376**	**1 306**	**138 252**
31 DECEMBER 2016							
Acquisition or revalued cost net of impairment	26 979	155 556	40 994	13 633	6 638	1 306	245 106
Accumulated depreciation	0	(62 164)	(30 429)	(10 000)	(4 261)	0	(106 855)
CLOSING NET VALUE	**26 979**	**93 392**	**10 565**	**3 633**	**2 376**	**1 306**	**138 252**

In 2016, the amounts disclosed in the lines "Transfer, disposals and write-offs" include accounting reclassifications in accordance with Group policies, in particular for Investment Property for change of use of property.

In addition, in 2016, the building of Icolo & Bengo (Angola), which had been under "Investments in progress", was transferred to fixed assets. That occurred when the construction work finished and the Group's operations in Angola began using it.

8. INVESTMENT PROPERTIES

On 31 December 2016 and 2015 the "Investment Properties" item corresponded to real estate assets held by the Group that generate income through rental or capital appreciation. These assets are recorded at acquisition cost or revalued cost on the date of the first application of the IFRS (1 January 2009).

The breakdown of the real estate assets recorded under the "Investment properties" item on 31 December 2016 and 2015 can be presented as follows:

		DEC 2016		DEC 2015	
REAL ESTATE	LOCATION	NET BOOK VALUE	APPRAISAL VALUE	NET BOOK VALUE	APPRAISAL VALUE
Alfragide land	Alfragide	6 920	7 010	6 920	7 010
Algarve house and land	Algarve	324	561	333	561
Porto building and land	Porto	540	1 006	-	-
Coimbra building	Coimbra	725	2 030	725	2 030
S. João da Talha building	S. João da Talha	2 258	5 390	2 322	6 019
Barreiro building and land	Barreiro	435	510	476	510
Laranjeiro building	Laranjeiro	-	-	2 269	2 820
Matosinhos land	Matosinhos	2 925	2 925	2 925	2 925
Figueira da Foz apartment	Figueira da Foz	130	150	133	150
Francos building	Porto	137	138	140	155
Gonçalo Cristóvão building	Porto	162	163	-	-
Tecnauto building	Galiza	639	-	657	-
Clariant building	Porto	3 174	3 451	3 005	3 451
Maia building and land (Moreira da Maia)	Maia	1 695	2 050	1 555	2 050
Brito Capelo	Matosinhos	1 049	1 050	1 050	1 050
Ovar land	Ovar	-	-	1 404	1 418
Almada building and land	Almada	901	1 565	-	-
Monte dos Burgos building and land	Porto	11	12	12	12
		22 027	**28 011**	**23 925**	**30 162**

The Management believes that a possible alteration (under normal circumstances) to the main assumptions used in the calculation of fair value will not lead to impairment losses, aside from the loss already recorded. For properties whose valuation is not presented, Management believes that their book value approximates their fair value.

The fair value of investment properties that are subject to disclosure on 31 December 2016 and 2015 was determined by real estate valuation carried out by an independent expert - J. Curvelo Lda., using the arithmetic average method of the results of the comparative Market method and of the costs method. Despite the changes in book value, the fair value of the property did not change, based on the valuations carried out.

In the years ended 31 December 2016 and 2015, the operating income and expenses directly associated with these investment properties were as follows:

	DEC 2016	DEC 2015
Rents and other income	919	1 002
Depreciation	(373)	(227)
Maintenance and Repairs	(125)	(101)

The transactions in the "Investment Properties" item as at 31 December 2016 and 2015 were as follows:

	LAND AND NATURAL RESOURCES	BUILDINGS AND OTHER CONSTRUCTIONS	TOTAL
1 JANUARY 2015			
Acquisition or revalued cost net of impairment	16 872	10 821	27 693
Accumulated depreciation	0	(3 387)	(3 387)
INITIAL NET VALUE	**16 872**	**7 435**	**24 306**
MOVEMENTS IN 2015			
Initial net value	16 872	7 435	24 306
Acquisitions	84	86	171
Transfer, Sales and Write-offs/Acquisition cost	(209)	(205)	(413)
Transfers, Sales and Write-offs/Accumulated Depreciation	0	89	89
Depreciation for the financial year	0	(227)	(227)
CLOSING NET VALUE	**16 747**	**7 178**	**23 925**
31 DE DEZEMBRO DE 2015			
Acquisition or revalued cost net of impairment	16 747	10 703	27 450
Accumulated depreciation	0	(3 525)	(3 525)
CLOSING NET VALUE	**16 747**	**7 178**	**23 925**

	LAND AND NATURAL RESOURCES	BUILDINGS AND OTHER CONSTRUCTIONS	TOTAL
MOVEMENTS IN 2016			
Initial net value	16 747	7 178	23 925
Transfer, Sales and Write-offs/Acquisition cost	(1 512)	(252)	(1 764)
Transfers, Sales and Write-offs/Accumulated Depreciation	0	239	239
Depreciation for the financial year	0	(373)	(373)
CLOSING NET VALUE	**15 235**	**6 792**	**22 027**
31 DE DEZEMBRO DE 2016			
Acquisition or revalued cost net of impairment	15 235	10 450	25 685
Accumulated depreciation	0	(3 658)	(3 658)
CLOSING NET VALUE	**15 235**	**6 792**	**22 027**

In 2016, the amounts disclosed in the lines "Transfer, disposals and write-offs" include accounting reclassifications in accordance with Group policies, including Fixed Assets Tangible by changing the use of the goods.

9. GOODWILL

During the year ended on 31 December 2015, the following transactions were recorded in the accounts of the participant in accordance with the standards set out in IFRS 3 – Business Combinations:

- Acquisition by Galius - Veiculos, S.A. of 100% of the import business of Renault Trucks in Portugal, through an Asset Deal. This transaction resulted in the recognition of a Goodwill of 4.137 thousand euros, generated as described in note 5.

Goodwill is not amortized. Impairment testing is carried out on an annual basis.

For the purposes of impairment analysis, the recoverable amount was determined based on the value in use, according to the discounted cash flow method and based on business plans developed by the people in charge of the companies and duly approved by the Group's Management Board, using discount rates that reflect the inherent risks of the business or, in the case of real estate companies, the sale value less the costs of sale, as provided for in the standard.

On 31 December 2016, the method and assumptions used to ascertain the existence or not of impairment were as follows:

	DEC 2016		
COMPANY	GOODWILL	GROWTH RATE	"DISCOUNT RATE (AFTER TAX)"
Auto Sueco Centro Oeste	2 184	4,50%	15,68%
NewONEDRIVE	2 258	2,00%	8,95%
Arrábida Peças	913	2,00%	8,95%
Auto Sueco São Paulo	11 902	4,50%	15,68%
ASFC	9 777	2,00%	10,33%
Civiparts S.A.	15 696	2,00%	8,95%
Servitrans			
Amplitude	1 614	2,00%	13,97%
Civiparts Espanha			
Promotejo	812		
Agro New	4 275	4,50%	15,68%
Galius	4 186	2,00%	8,95%
	53 618		

GOODWILL	
1 JANUARY 2015	**62 291**
Additions	4 137
Goodwill for discontinued operations (note 40)	(9 730)
Impact of exchange rate variations	(5 407)
31 DECEMBER 2015	**51 290**
Additions/Revision	50
Impairments fot the financial year	(1 475)
Impact of exchange rate variations	3 753
31 DECEMBER 2016	**53 618**

The Goodwill related to the acquisition of the Holding ExpressGlass, that on 31 December, 2014 amounted to 9.730 thousand euros was reclassified in 2015 for discontinued operations (see note 40).

Based on the value of the 5-year forecast of cash flows discounted at the rate considered to be applicable, the Management Board concluded that at 31 December 2016, the carrying value of the net assets, including Goodwill, was in excess of their recoverable value in the following situations:

- Acquisition of Servitrans by 239 thousand euros
- Acquisition of Civiparts España by 985 thousand euros

Goodwill impairments on these assets were therefore entered. In the remaining cases, it was concluded that the carrying value of the net assets does not exceed their recoverable value.

Cash flow projections are based on the historic performance and on the expectation of improved efficiency. Those responsible for this segment believe that a possible change (within a normal scenario) in the main assumptions used to calculate the recoverable value will not give rise to additional impairment losses.

In the companies with real estate activity, the recoverable value was ascertained using the fair value of the building less the disposal costs, while the latter is lower than the carrying value of the net assets, including Goodwill, by 250 thousand euros, and so a Goodwill impairment in this amount was considered.

10. FINANCIAL INVESTMENTS

10.1. INVESTMENTS IN ASSOCIATED COMPANIES AND IN COMPANIES EXCLUDED FROM THE CONSOLIDATION

The balance of Investments in associated companies and in companies excluded from the consolidation as at 31 December 2016 and 2015 was as follows:

	% SHAREHOLDING	DEC 2016	DEC 2015	CONSOLIDATION METHOD
Dália-Gestão e Serviços, S.A.	28,54%	2 784	2 535	E.M.
Grupo Ascendum	50,00%	74 177	75 980	E.M.
Grupo SOTKON	73,33%	0	0	E.M.
Grupo Mastertest	70,00%	15 944	17 077	E.M.
Grupo Auto Union Espanha GAUE SL	3,44%			Acquisition cost
Aliance Automotive Espanha, S.L.	15,75%	427	424	Acquisition cost
Outras Participações	-			Acquisition cost
		93 332	**96 017**	**-**

The transactions recorded in the two periods are as follows:

	DEC 2016	DEC 2015
BALANCE AS AT 1 JANUARY	**96 017**	**97 885**
Share of profit (loss)	10 305	8 702
Distributed profits	(8 170)	(2 719)
Reimbursement of additional benefits	0	(5 600)
Acquisitions/constitutions	2	0
Reclassification to Provisions	16	727
Other equity transactions	(4 837)	(2 978)
BALANCE AS AT 31 DECEMBER	**93 332**	**96 017**

The amount reclassified to Provisions corresponds to the share value in ASFC, whose equity is negative.

The key indicators of the companies that entered using the equity method are:

	SHARE CAPITAL (LOCAL CURRENCY)	CURRENCY	ASSETS	EQUITY	SALES	NET INCOME	% GROUP
DÁLIA - GESTÃO E SERVIÇOS S.A.	1 354	EUR	9 616	9 754	696	1 059	28,54%
GRUPO MASTERTEST INSPECÇÃO AUTO	50	EUR	42 630	28 491	9 664	1 952	70,00%
GRUPO ASCENDUM	15 000	EUR	542 592	152 448	862 402	17 590	50,00%
GRUPO ASFC (SOTKON)	62	EUR	10 709	(2 913)	9 277	(702)	73,33%

10.2. INVESTMENTS AVAILABLE FOR SALE

The balance of the investment item available for sale in 2015, is the net value of the shares: the Banco Português de Investimento (the subsidiary Norsócia S.G.P.S., S.A.); and the shares of Millennium BCP Bank (in Civiparts S.A. and Promotejo).

During the course of 2016, Angolan State Treasury Bonds were acquired that had been listed on the Angolan Stock Exchange (BODIVA), the 2016 securities being maintained.

	DEC 2016	DEC 2015
BALANCE AS AT 1 JANUARY	**12 161**	**11 479**
Acquisitions for the financial year	9 315	0
Increase/Decrease in fair value	367	682
BALANCE AS AT 31 DECEMBER	**21 844**	**12 161**

Additionally, the effect on equity and on impairment losses in the 2016 and 2015 financial years of stating "Investments available for sale" at fair value can be summarised as follows:

	DEC 2016	DEC 2015
Changes in fair value	367	682
Deferred tax assets (note 15)	(77)	(115)
EFFECT ON EQUITY	**290**	**(567)**

During the course of 2016 the shares that the Group held in Banco Português de Investimentos and in Banco Millennium BCP were sold on the regulated market, for a price higher than the price at 31 December 2016 and the historic acquisition cost.

11. INVENTORIES

On 31 December 2016 and 2015, this item was broken down as follows:

INVENTORIES	DEC 2016	DEC 2015
Raw materials and consumables	126	360
Products and work in progress	1 286	969
Intermediate and finished products	535	419
Goods	120 020	114 635
Accumulated impairment losses on Inventories (note 25)	(7 317)	(7 675)
TOTAL	**114 649**	**108 708**

The cost of goods sold and materials consumed (COGS) for the financial years ended on 31 December 2016 and 2015 was calculated as follows:

COGS	DEC 2016	DEC 2015
Initial Inventories	114 995	167 921
Net Purchases	411 247	356 590
Closing Inventories	120 146	114 995
TOTAL	**406 096**	**409 516**

12. CUSTOMERS

On 31 December 2016 and 2015, this item was broken down as follows:

CUSTOMERS	DEC 2016	DEC 2015
Customers, current account	64 505	83 875
Customers, bills of exchange receivable	1 261	1 158
Customers, doubtful debts	21 475	18 683
	87 241	**103 715**
Accumulated impairment losses on customers (note 25)	(21 475)	(37 481)
	65 766	**66 234**

The amounts presented in the statement of financial position are net of the accumulated impairment losses that were estimated by the Group in accordance with the accounting policy adopted and disclosed, and using an evaluation of the economic environment at the date of statement of financial position. The concentration of credit risk is limited given that the customer base is broad and not relational. The Management Board believes that the book value of the accounts receivable from customers is close to its fair value.

The amounts of customer balances included in assets are not influenced by advances made on account of services/ goods to be acquired, which are presented in liabilities under the "Other accounts payable (advances from customers)" item and which, as at 31 December 2016 and 2015, amounted to 9.152 thousands euros and 10.777 thousands euros, respectively (note 22).

13. OTHER ACCOUNTS RECEIVABLE

On 31 December 2016 and 2015, this item was broken down as follows:

OTHER ACCOUNTS RECEIVABLE	DEC 2016	DEC 2015
Advances to Suppliers	3 413	2 075
Bonus receivable	3 960	3 959
Accrued Income	1 734	5 233
Other Debtors	3 591	3 392
	12 699	**14 658**
Impairment losses (note 25)	(470)	(365)
	12 229	**14 293**
CURRENT ASSETS	**12 191**	**14 265**
NON-CURRENT ASSETS	**38**	**28**

14. DEFERRALS - ASSETS

On 31 December 2016 and 2015, this item was broken down as follows:

DEFERRALS - ASSETS	DEC 2016	DEC 2015
Insurance to be recognised	492	272
Interest to be recognised	11	59
Other Expenses to be recognised	3 256	4 663
TOTAL	**3 759**	**4 994**

The Group recognises expenses on the accruals basis, regardless of their payment. At the end of each period, all expenses already paid but which should only economically affect the following period(s) are deferred in this item.

The balance of other expenses to be recognised relates to deferred invoices awaiting credit notes, sickness allowances and income to be recognised.

15. DEFERRED TAXES

The breakdown of the amounts and the nature of deferred tax assets and liabilities recorded in the consolidated financial statements on 31 December 2016 and 2015 can be summarized as follows:

DEFERRED TAX ASSETS

	REPORTING TAX LOSSES	PROVISIONS AND ADJUSTMENTS NOT ACCEPTED AS TAX COSTS	OTHER	TOTAL
1 JANUARY 2015	**14 501**	**7 472**	**5 353**	**27 325**
Exchange rate variation	(612)	289	(1 714)	(2 037)
Perimeter variation	0	0	0	0
Impact on Income Statement	(4 136)	548	(367)	(3 955)
Impact on Equity	(1 757)	0	(1 355)	(3 112)
Other Adjustments	0	(764)	(310)	(1 074)
31 DECEMBER 2015	**7 996**	**7 545**	**1 607**	**17 148**
Exchange rate variation	1 001	253	0	1 254
Impact on Income Statement	(2 708)	502	(214)	(2 420)
Impact on Equity	0	0	16	16
Other Adjustments	264	(1 032)	(1)	(769)
31 DECEMBER 2016	**6 552**	**7 268**	**1 408**	**15 228**

"Other adjustments" refer to asset reclassifications with medium and long-term public entities moved into current assets.

TAX REPORT THAT ORIGINATED DEFERRED TAX ASSETS ON 31 DECEMBER 2015:

	2011		2012		2013		2014		2015		2016	
	BASE	**DTA**	**BASE**	**DTA**	**BASE**	**DTA**	**BASE**	**DTA**	**BASE**	**DTA**	**BASE**	**DTA**
Portugal			10 200	0	10 769	1 651	1 549	326				
Brazil	0	0	0	0	0	0	0	0	11 847	4 028	5 576	0
Africa	1 826	548	0	0								
	1 826	**548**	**10 200**	**0**	**10 769**	**1 651**	**1 549**	**326**	**11 847**	**4 028**	**5 576**	**0**

In accordance with the terms of the legislation in force in Portugal, tax losses are reportable for a period of five years for the 2012 and 2013 financial years, after their occurrence and can be deducted from tax gains generated during this period. 2014 losses are carried forward for 12 years.

In light of the State Budget for 2013, as of this year the deduction of tax losses will be limited to 70% of the taxable income earned in the period in question, regardless of the period in which the tax loss is determined.

In Spain, tax losses are reportable for a period of 15 years until 2010 and 18 years after 2011 until 2013. The losses generated after 2013 have no time limit for reporting.

In Brazil, tax losses have no time limit for use, even though their annual deduction is limited to 30% of the taxable income earned in the period in question.

DEFERRED TAX LIABILITIES

	DEFERRAL OF CAPITAL GAINS TAX	EFFECT OF FAIR VALUE VALUATION ON LAND	OTHER	TOTAL
1 JANUARY 2015	**135**	**2 483**	**17**	**2 634**
Impact on the Income Statement	0	0	0	0
Impact on Equity	0	0	47	47
31 DECEMBER 2015	**135**	**2 483**	**64**	**2 682**
Exchange rate variation	0	0	15	15
Impact on the Income Statement	0	(142)	119	(22)
Impact on Equity	0	0	137	137
Other adjustments	0	0	0	0
31 DECEMBER 2015	**135**	**2 342**	**335**	**2 811**

Companies in the Nors Group, based in Portugal and held directly or indirectly more than 75% by Auto-Sueco, Lda., Are taxed in tax based on the Income Collective in accordance with the Special Regime for Taxation of Groups companies ("RETGS") provided for in Articles 69 and following of the corporate income tax Code. For the years beginning from January 1, 2010, the taxable income in excess of 2 million euros, added a state surcharge of 2.5%. For tax periods commencing on or after January 1, 2013, the state tax shall be levied on the portion of taxable income subject to and not exempt from corporate income tax exceeding 1.5 million euros, with a rate of 3% to 7.500.000 and 5% is higher than that amount. For tax periods commencing on or after January 1, 2014, the state tax shall be levied on the portion of taxable income subject to and not exempt from corporate income tax exceeding 1.5 million euros, with a 2.5% rate up 7.500.000 euros, with a rate of 4.5% to 35 million euros and 6.5% is higher than the latter amount.

In accordance with the tax legislation presently in force, tax declarations by Group companies with registered offices in Portugal may be reviewed and corrected by the Tax Authorities for a period of four years (five years for Social Security), except when there have been tax losses, tax benefits have been granted, or inspections, claims or appeals are in progress, in which cases, depending on the circumstances, the periods are extended or suspended. Accordingly, the Group's tax returns since 2012 may still be subject to review. The Group's Management Board believes that any corrections resulting from reviews/inspections by the tax authorities of the tax declarations for the years open to inspection should not have a significant effect on the attached consolidated financial statements.

Under Article 88 of the Tax Code about Collective income, companies based in Portugal are subject to autonomous taxation on a series of charges at the rates set out in that Article.

16. CASH AND BANK DEPOSITS

On 31 December 2016 and 2015, the breakdown of cash and cash equivalents was as follows:

CASH AND BANK DEPOSITS	DEC 2016	DEC 2015
Cash	478	309
Bank deposits	40 420	58 914
TOTAL	**40 898**	**59 223**

The explanations of the items in Cash Flow Statement are summarized in the following table:

ITEM	SOURCE OF FLOWS
Other receipts/payments	Payments of Withholding Tax
	Payments of Social Security Contributions Withheld
	Value Added Tax Payments and Receipts
	Receivables from Real Estate Rents
	Compensation Claims

In 2016, the following payments were made relating to the acquisition of financial investments made in previous years:

- Acquisition of Expressglass: 1.749.000 Euros
- Acquisition of Agro New: 1.723.000 Euros
- Acquisition of minority interests Auto Sueco Angola: 2.580.000 Euros

During the year Angolan State Treasury Bonds were acquired to the value of 8,423 thousand euros.

In addition, dividends to the value of 8,000 thousand euros were received from the affiliate Ascendum SA.

In 2016, amounts arising from the disposal of operations were received regarding:

- Disposal of the glass business in Portugal (note 40) in the amount of 11,168 thousand euros, which in 2015 was in "Assets in discontinued operations" in the consolidated financial position
- Disposal of the operations in Tanzania, Kenya and Uganda in the amount of 833 thousand euros (note 44).

17. COMPOSITION OF SHARE CAPITAL

On 31 December 2016 and 2015, the share capital of Auto-Sueco Lda., fully subscribed and paid-up, was 30 million euros.

The legal persons with more than 20% of the subscribed capital is as follows:

COMPANY AND REGISTERED OFFICE	HOLDING	PERCENTAGE OF CAPITAL
PRIME JERVELL HOLDING - CONSULTORIA E GESTÃO, S.A. Sede: Largo do Terreiro, nº4 4150-603 PORTO	18.801.000	62,80%
CADENA - S.G.P.S., S.A. Sede: Rua Alberto Oliveira, 83 4150-034 PORTO	8.700.000	29,00%

18. EQUITY

Dividends
According to the resolution of the Members' Meeting this year was not paid any dividends.

Legal reserve
Portuguese commercial legislation establishes that at least 5% of the annual net profit of each company, calculated in its individual accounts, must be appropriated to the legal reserve until this represents at least 20% of the share capital. This reserve cannot be distributed, except in the event of liquidation of the company, but can be used to absorb losses, after all other reserves have been used up, to increase the share capital.

The figure shown in the Financial Position corresponds to the Legal Reserve of Auto-Sueco, Lda.

Revaluation surpluses
Revaluation reserves relate to the amount of the reserve for the revaluation of tangible fixed assets, net of deferred taxes, performed on the date of the transition to the IFRS.

Fair value reserves
The fair value reserves reflect the changes in fair value of financial instruments available for sale as well as the variation of hedge accounting the market value of the Swap cited in note 26.

Adjustments to financial assets
Adjustments to financial assets contains the variations in the application of the equity method to the associated companies. This reserve cannot be distributed to shareholders.

Results carried over and other reserves
This item includes translation reserves which reflect currency exchange variations occurred in the transposition of the financial statements of branches into a currency other than the euro, and the financial liabilities of hedge accounting identified for such.

The reserves available for distribution to shareholders are determined on the basis of the Separate Financial Statements of Auto-Sueco, Lda.

19. NON-CONTROLLING INTERESTS

The transactions in this item during the years ended on 31 December 2016 and 2015 were as follows:

NON-CONTROLLING INTERESTS	DEC 2016	DEC 2015
OPENING BALANCE AT 1 JANUARY	**13 174**	**12 388**
Income for the year attributable to non-controlling interests	1 690	(455)
Impact of exchange rate variations	491	1 196
Other changes in equity in associated companies	(650)	45
CLOSING BALANCE AT 31 DECEMBER	**14 705**	**13 174**

Information on subsidiaries with a contribution to Non-Controlled Interests is contained in note 4.

20. FUNDING OBTAINED

On 31 December 2016 and 2015, the breakdown of the "Funding obtained" item was as follows:

	DECEMBER 2016		
FUNDING OBTAINED	CURRENT	NON-CURRENT	TOTAL
Debenture Loan	15 000	34 880	49 880
Commercial Paper	43 300	77 500	120 800
Secured Current Accounts	256	0	256
Bank Loan	25 080	12 666	37 747
Bank Overdrafts	2 622	0	2 622
Financial Leases	1 344	5 272	6 616
Floor Plan	3 644	0	3 644
Investment subsidies	247	981	1 229
TOTAL	**91 493**	**131 300**	**222 793**

	DECEMBER 2015		
FUNDING OBTAINED	CURRENT	NON-CURRENT	TOTAL
Debenture Loan	25 000	30 000	55 000
Commercial Paper	39 900	104 100	128 141
Secured Current Accounts	31 195	0	43 093
Bank Loan	20 136	9 651	36 219
Bank Overdrafts	8 609	0	61
Financial Leases	1 731	6 623	9 865
Floor Plan	1 419	0	2 932
TOTAL	**127 990**	**150 373**	**278 363**

The debenture loan existing in 2015 had the following characteristics:

Debenture loan 2013:

- Amount: 30 million euros
- Contract date: 01 July 2013
- Subscription Date: 08 July 2013
- Interest: 6 months Euribor + spread
- Maturity Date: 08 July 2018, with amortization of half that amount on 08 July 2017

Debenture loan 2014:

- Amount: 25 million euros
- Contract date: 07 July 2014
- Subscription Date: 25 July 2014
- Interest: 6 months Euribor + spread
- Maturity Date: 25 July 2018

On 31 December 2016, the Group had 113.104 thousands euros available in lines of credit distributed as follows:

FUNDING OBTAINED	HIRED CREDIT LIMIT	AVAILABLE CREDIT LIMIT
Debenture Loan	49 880	0
Commercial Paper	170 100	49 300
Secured Current Accounts	40 159	39 904
Bank Loan	37 747	0
Bank Overdrafts	12 345	9 724
Financial Leases	6 616	0
Floor Plan	17 820	14 176
Investment subsidies	1 229	0
TOTAL	**335 897**	**113 104**

On 31 December 2016, the maturity of non-current loans obtained is as follows:

FUNDING OBTAINED	2018	2019	2020	2021+
Debenture Loan	34 880	0	0	0
Commercial Paper	77 500	0	0	0
Bank Loan	4 056	4 671	2 647	1 293
Financial Leases	904	905	877	2 586
Investment subsidies	597	385	0	0
TOTAL	**117 936**	**5 960**	**3 525**	**3 879**

21. SUPPLIERS

On 31 December 2016 and 2015, this item was made up of current balances payable to suppliers, which are all due in the short term.

On these dates, the aggregate balance of the suppliers item was not restricted by payment plans that included interest payments and, therefore, the financial risk related to changes in interest rates is slight in this case.

22. OTHER ACCOUNTS PAYABLE

On 31 December 2016 and 2015 this item had the following composition:

CURRENT	DEC 2016	DEC 2015
Advances from Customers	9 152	10 777
Investment Providers	2 735	1 506
Remuneration and Expenses	10 551	6 187
Accrued interest expense	1 404	1 147
Accrued bonus expenses	494	629
Operating Costs payable	1 179	1 838
Other Creditors due to additional expenses	3 956	5 613
Other Creditors	17 457	17 663
TOTAL OTHER ACCOUNTS PAYABLE	**46 928**	**45 361**

NON-CURRENT	DEC 2016	DEC 2015
Other Creditors	3 465	6 712
TOTAL NON-CURRENT OTHER ACCOUNTS PAYABLE	**3 465**	**6 712**

Non-current liabilities at 31 December 2016 mature in 2018.

The sums in non-current liabilities and from other current creditors essentially correspond to existing debt as at 31 December 2016, relating to the business acquisitions of Nortesaga (2012), Agro New (2013) and in the Holding Expressglass (2012 and 2013)

23. STATE AND OTHER PUBLIC BODIES

On 31 December 2016 and 2015, the "State and Other Public bodies" item was broken down as follows:

	ASSETS		LIABILITIES	
STATE AND OTHER PUBLIC BODIES	**DEC 2016**	**DEC 2015**	**DEC 2016**	**DEC 2015**
Withholding tax	0	0	584	833
Value Added Tax	2 984	2 923	9 788	7 340
Corporate Income Tax	4 312	4 633	4 590	2 213
Social security contributions	0	0	1 181	1 104
Other	4 885	2 762	90	546
	12 181	**10 317**	**16 232**	**12 036**

24. DEFERRALS - LIABILITIES

On 31 December 2016 and 2015, the "Deferrals" item was broken down as follows:

DEFERRALS - LIABILITIES	DEC 2016	DEC 2015
Sales to be recognised	3 860	1 872
Other Income to be recognised	2 782	417
TOTAL	**6 643**	**2 289**

In 2016, the value of other income to be recognised, is in the majority revenue from services in maintenance contracts which were recognised in 2015 as Provisions for Guarantees to Customers (note 25).

25. PROVISIONS AND ACCUMULATED IMPAIRMENT LOSSES

On 31 December 2016 and 2015 the "Provisions" item was broken down as follows:

PROVISIONS	DEC 2016	DEC 2015
Tax	287	450
Guarantees to customers	239	2 212
Ongoing legal proceedings	1 428	534
Restructuring	0	458
Equity Method	2 307	2 292
Other provisions	324	682
TOTAL	**4 586**	**6 627**

The Group discloses in the heading Provisions for Guarantees to Customers, its best estimates of present obligations of uncertain timing, related to guarantees provided to customers, arising from the normal course of the operations. The increase seen in 2015, is due to the Galius business entering the perimeter, as explained in note 5, which decreased in 2016, due to the accounting change of these guarantees to deferrals (note 24).

The Legal Proceedings in Progress item also shows the best estimates for the overall amount of outflows are disclosed which may occur in the future due to legal action filed in courts by third parties.

Other Provisions contains an entire set of estimates for other present obligations with uncertain timing and which cannot be included in the other two categories indicated above.

Provisions for Taxes relates to the provisions for dealing with additional tax payments as a result of tax contingencies.

The Restructuring Provision made in 2014 was utilized in 2015 with the sale of Soma – Sociedade de Montagem de Automóveis, S.A.. The value that remains in 2015 corresponds to the ongoing restructuring process in Galius - Veiculos, S.A. after the acquisition was carried out (see note 5).

The provision relating to the Equity Method refers to the shareholding in ASFC, SGPS.

The transactions in provisions and impairment losses during the years ended on December 2016 and 2015 were as follows:

2016

PROVISIONS AND IMPAIRMENT LOSSES	OPENING BALANCE	PARIMETER VARIATION	TRANSLATION DIFFERENCES	INCREASES	REVERSALS	IMPACT OF DISCONTINUED ACTIVITIES	USES / ADJUSTMENTS	E.M.	TOTAL
Accumulated Impairment losses with customers	**37 481**	0	(4 775)	1 603	(7 060)	0	(5 775)		**21 475**
Accumulated Impairment losses in other debtors	**365**	0	18	143	0	0	(56)		**470**
Accumulated Impairment losses on inventories	**7 675**	0	255	1 287	(880)	0	(1 019)		**7 317**
Provisions	**6 627**	0	(254)	789	(184)	0	(2 407)	16	**4 586**

2015

PROVISIONS AND IMPAIRMENT LOSSES	OPENING BALANCE	PARIMETER VARIATION	TRANSLATION DIFFERENCES	INCREASES	REVERSALS	IMPACT OF DISCONTINUED ACTIVITIES	USES / ADJUSTMENTS	E.M.	TOTAL
Accumulated Impairment losses with customers	**39 652**	0	2 169	(3 294)	(5 778)	(20)	(1 836)		**37 481**
Accumulated Impairment losses in other debtors	**1 006**	0	(16)	31	0	0	(656)		**365**
Accumulated Impairment losses on inventories	**8 000**	0	(28)	(2 111)	(701)	(4)	(1 703)		**7 675**
Provisions	**3 878**	1 991	(254)	347	(102)	(15)	54	727	**6 627**

Given the unpredictability of the timing of the reversal of provisions and given the nature of what they may be used for, these were not financially updated by the Group.

26. DERIVATIVES

Interest rate and exchange rate derivatives

The Management Board regularly assesses the degree of exposure of the Group to the different risks inherent to the activity of its different companies, namely, price risk, interest rate risk, and exchange rate risk.

On 31 December 2016 and 2015, the degree of exposure to the risk of variation in interest rates was considered to be low, taking into account that a significant part of the banking liabilities was represented by medium/long term lines of credit, with previously agreed financing conditions.

Given the historically low indices of interest rates during the year 2014 it was decided to hire a "swap floating rate for fixed" like "Plain Vanilla" that variable rate Euribor 1m exchange for fixed rate. The summary of the same conditions are:

TYPE	OPERATION DATE	START	MATURITY DATE	NOMINAL VALUE
Swap Taxa Fixa - Plain Vanilla	13/06/2014	17/06/2014	17/06/2019	30 000

	DEC 2016	DEC 2015
Market value "Market to Market"	(721)	(780)

This instrument is being recorded on a hedge accounting logic, having been made effective tests required, which showed that the hedge is effective.

On the other hand and that an increasing share of Financial Position Consolidated pass to be subject to the impact of changes in exchange rate (Euro / Dollar, Euro / Real and Euro / Turkish Lira), the degree of exposure was still considered limited , the policy followed by "hedging" natural.

Hence, as of December 31, 2016 and 2015 the Group had not negotiated any type of financial derivative instrument for exchange rate.

However the latest changes in the capital markets and at accentuation of the degree of exposure of Financial Position Consolidated Group to exchange rates of the above currencies or other, may lead to short-term, the Board of the Group Management, will incorporating in its risk management, derivatives trading financial instruments properly adjusted to the respective risk type.

27. FINANCIAL COMMITMENTS UNDERTAKEN AND NOT INCLUDED IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

On 31 December, 2016 and 2015, the Nors Group had not made any significant financial commitments that are not included in the consolidated financial statement.

28. INCOME TAX

The income tax recognised in the years ending on 31 December 2016 and 2015 is broken down as follows:

INCOME TAX	DEC 2016	DEC 2015
Current Tax	(6 034)	(4 297)
Deferred Tax (note 15)	(2 442)	(3 955)
	(8 477)	**(8 252)**

The breakdown of Deferred Tax is shown in note 15.

On 31 December 2015 and 2014, the tax rates used for assessing current and deferred taxes were the following:

TAX RATE		
COUNTRY OF ORIGIN OF BRANCH:	**31.12.2016**	**31.12.2015**
Portugal	24,50% / 21%*	24,50% / 21%*
Angola	30%	30%
Brazil	34%	34%
Spain	30% / 25%*	30% / 25%*
Namibia	34%	34%
Botswana	22%	22%
Kenya	30%	30%
Tanzania	30%	30%

* In the case of DTA (deferred taxes for the year) for tax losses.

The effective tax rate by country is:

COUNTRY	PORTUGAL	SPAIN	ANGOLA	BRAZIL	AFRICA	TOTAL
Positive income before tax	17 198	3	20 916	426	0	38 542
Tax for the financial year	(1 969)	0	(5 130)	(148)	0	(7 247)
Effective tax rate	11,5%	0,0%	24,5%	34,7%	0,0%	18,8%
Negative income before tax	(9 110)	(1 103)	(66)	(5 717)	(2 363)	(18 359)
Tax for the financial year	246	(1)	0	(1 475)	0	(1 230)
Effective tax rate	2,7%	-0,1%	-0,1%	-25,8%	0,0%	-6,7%
INCOME BEFORE TAX	**8 088**	**(1 100)**	**20 850**	**(5 291)**	**(2 363)**	**20 183**
TAX FOR THE FINANCIAL YEAR	**(1 723)**	**(1)**	**(5 130)**	**(1 623)**	**0**	**(8 477)**
EFFECTIVE TAX RATE	**21%**	**0%**	**25%**	**-31%**	**0%**	**42%**

29. INFORMATION BY GEOGRAPHICAL MARKETS AND ACTIVITY

The main information on the geographical markets and business activities existing on 31 December 2016 and 2015 is as disclosed in Note 31.

30. NUMBER OF STAFF

On 31 December 2016 and 2015, the average number of staff employed by the Group was as follows:

NUMBER OF EMPLOYEES	DEC 2016	DEC 2015
Number of Employees	2 204	2 363
TOTAL	**2 204**	**2 363**

31. SALES AND SERVICES RENDERED

The breakdown of sales and services rendered by product for the financial years ended on 31 December 2016 and 2015 was as follows:

SALES BY PRODUCT	2016	2015
Trucks	54,9%	55,1%
Cars	15,4%	11,9%
Buses	3,4%	3,1%
Glass	0,5%	0,6%
Parts	16,4%	16,2%
Environment	0,6%	0,8%
Construction equipment	4,3%	5,2%
Agriculture equipment	2,3%	4,2%
Gensets	2,0%	2,6%
Service	0,3%	0,4%
TOTAL	**100,0%**	**100,0%**

The distribution of sales and services rendered by geographical market is as follows:

SALES BY REGION	2016	2015
Portugal	55,5%	41,3%
Angola	14,3%	19,3%
Brazil	23,9%	32,1%
Spain	1,6%	1,6%
Others	4,6%	5,7%
TOTAL	**100,0%**	**100,0%**

32. EXTERNAL SUPPLIES AND SERVICES

On 31 December 2016 and 2015, the "External Supplies and Services" item was broken down as follows:

EXTERNAL SUPPLIES AND SERVICES	2016	2015
Subcontracts / Specialised Work	11 177	12 492
Advertising and promotion	769	1 235
Surveillance and security	2 041	3 095
Maintenance and repairs	3 703	4 780
Electricity and Fuel	3 316	3 247
Travel and accommodation	2 074	2 411
Leases and Rents	10 320	12 103
Insurance	1 455	777
Guarantees	3 156	3 420
Contracts	268	396
Transport	3 300	3 346
Communications	1 628	2 244
Other external supplies and services	5 905	7 136
TOTAL	**49 112**	**56 681**

The main changes observed are:

- Reduction in the heading Subcontracts and specialised work, linked to the decrease in activity in 2015 and 2016 with an optimised use of internal resources;
- Rentals with a total impact from the cost control policies initiated in the group in 2015;

33. STAFF COSTS

Staff costs for the years ended on 31 December 2015 and 2014 are broken down as follows:

STAFF COSTS	2016	2015
Remuneration of corporate bodies	2 385	1 575
Staff remuneration	46 781	52 967
Compensation	1 104	2 814
Charges on remuneration	10 074	10 412
Other staff costs	5 487	7 864
TOTAL	**65 831**	**75 633**

34. OTHER INCOME AND GAINS/OTHER COSTS AND LOSSES

On 31 December 2016 and 2015, the "Other income and gains" and "Other costs and losses" items were broken down as follows:

OTHER INCOME AND GAINS	2016	2015
Cash discounts	432	276
Capital gains on sale of tangible fixed assets	2 408	707
Surplus tax estimate	678	430
Interest received from operating activities	437	82
Foreign exchange gains	9 838	11 289
Recoveries of costs and concessions	3 936	2 064
Rents and other income on investment properties	919	1 002
Income under Guarantees	1 262	1 367
Other supplementary income	76	115
Sobras e outras regularizações de inventários	1 033	272
Other	2 734	1 419
TOTAL	**23 753**	**19 023**

OTHER COSTS AND LOSSES	2016	2015
Cash discounts granted	(281)	(309)
Tax	(3 289)	(3 842)
Inventory Losses	(2 085)	(1 806)
Corrections in relation to previous financial years	(401)	(495)
Gifts and inventory samples	(283)	(284)
Interest paid on operating activities	(176)	(637)
Losses on sales of tangible fixed assets	(829)	(1 030)
Foreign exchange losses	(5 590)	(8 134)
Other expenses on funding activities	(1 157)	(1 337)
Donations	(59)	(80)
Other	(7 612)	(7 873)
TOTAL	**(21 763)**	**(25 826)**

35. OPERATING LEASES

The Group companies lease a variety of vehicles and equipment through irrevocable leasing contracts. The contracts have different terms, readjustment clauses and renewal rights.

Additionally, it develops operational leasing activity vehicles, which as at 31 December 2016, the Group had contracts qualified as an operating lease which the value of outstanding rents receivable amounted to 2.326 thousand euros:

< 1 year	650
1-5 years	1 676
TOTAL	**2 326**

The present value of receivables from financial rental in balance sheet date is as follows:

< 1 year	538
1-5 years	170
TOTAL	**707**

36. FINANCIAL PERFORMANCE

At 31 December 2016 and 2015, the financial performance was broken down as follows:

INTEREST AND SIMILAR INCOME	2016	2015
Other Interest and Similar Income	1 478	863
Gains on exchange differences - financial activity	2 649	3 042
TOTAL	**4 127**	**3 905**

INTEREST AND SIMILAR EXPENSES	2016	2015
Interest on Bank Loans - Commercial Paper	(2 982)	(3 223)
Interest on Bank Loans	(6 155)	(9 543)
Loan Interest on Bonds	(2 138)	(2 344)
Interest on Financial Leases	(171)	(240)
Supported Exchange differences - financial activity	(2 761)	(3 391)
Other Interest and Similar Expenses	(4 982)	(4 712)
TOTAL	**(19 189)**	**(23 453)**

37. RELATED ENTITIES

The balances and transactions between the Parent Company and its subsidiaries, which are related entities of the Parent Company, were eliminated in the consolidation process and will therefore not be disclosed in this Note.

a) Transactions

The breakdown of the transactions between the Nors Group and its related entities can be summarised as follows:

SALES OF PRODUCTS AND SERVICES	2016	2015
Ascendum Group	16 802	12 217
	16 802	**12 217**

PURCHASES OF PRODUCTS AND SERVICES	2016	2015
Ascendum Group	(3)	0
	(3)	**0**

OTHER INCOME AND GAINS	2016	2015
Ascendum Group	261	397
Sotkon Group	181	186
MasterTest Group	350	0
Nortesaga Investimentos, SGPS, Lda.	12	16
	804	**599**

OTHER EXPENSES AND LOSSES	2016	2015
Ascendum Group	(456)	0
Nortesaga Investimentos, SGPS, Lda.	(151)	0
	(607)	**0**

INTEREST AND SIMILAR EXPENSES	2016	2015
Nortesaga Investimentos, SGPS, Lda.	0	(246)
	0	**(246)**

Purchases and sales goods and the provision of services to the entities involved were at market prices.

b) Balances

The breakdown of the balances between the Nors Group and its related entities can be summarised as follows:

CUSTOMERS	DEC 2016	DEC 2015
Ascendum Group	5 466	3 286
Sotkon Group	0	344
Nortesaga Investimentos, SGPS, Lda.	2	0
	5 469	**3 630**

SUPPLIERS	DEC 2016	DEC 2015
Ascendum Group	(365)	(325)
Nortesaga Investimentos, SGPS, Lda.	(25)	(13)
	(390)	**(338)**

OTHER ACCOUNTS RECEIVABLE	DEC 2016	DEC 2015
Ascendum Group	0	26
Sotkon Group	0	55
	0	**80**

OTHER ACCOUNTS PAYABLE	DEC 2016	DEC 2015
Ascendum Group	(6)	(6)
Nortesaga Investimentos, SGPS, Lda.	(4 623)	(4 534)
	(4 629)	**(4 540)**

38. CONTINGENT ASSETS AND LIABILITIES

The company has contingent liabilities regarding bank guarantees and other guarantees and other contingences related with its business. This is a summary of the guarantees:

	2016				
COMPANY	GUARANTEES PROVIDED TO BANKING ENTITIES	GUARANTEES PROVIDED TO IMPORTERS OF REPRESENTED BRANDS	GUARANTEES PROVIDED IN PUBLIC TENDERS	OTHER GUARANTEES	TOTAL
Auto Sueco, Lda	700		1 349	25	2 074
Auto Sueco II Automóveis, S.A.		3 771		29	3 800
Auto-Maquinaria	1 897				1 897
Galius, S.A.			109		109
Biosafe, S.A.				370	370
TOTAL	**2 597**	**3 771**	**1 458**	**425**	**8 251**

	2015				
COMPANY	GUARANTEES PROVIDED TO BANKING ENTITIES	GUARANTEES PROVIDED TO IMPORTERS OF REPRESENTED BRANDS	GUARANTEES PROVIDED IN PUBLIC TENDERS	OTHER GUARANTEES	TOTAL
Auto Sueco, Lda	200		1 240	25	1 465
Auto Sueco II Automóveis, S.A.		3 721		29	3 750
Auto Sueco (Angola), S.A.R.L.	6 381			78	6 459
Auto-Maquinaria	5 617				5 617
AS Parts Angola	3 588				3 588
Expressglass				17	17
Galius, S.A.			95	33	128
Biosafe, S.A.				370	370
Soma, S.A.				25	25
TOTAL	**15 786**	**3 721**	**1 335**	**578**	**21 420**

The Bank Guarantees relate primarily to the guarantees provided to public bodies in relation to public tenders and also guarantees to customers and suppliers within the scope of the Group’s operating activities.

39. FINANCIAL ASSETS AND LIABILITIES

On 31 December 2016, the financial assets and liabilities were broken down as follows:

FINANCIAL ASSETS	CATEGORY	ACCOUNTING VALUE	VALUATION METHOD
Investments available for sale	available for sale	21 844	fair value
Other accounts receivable	accounts receivable	10 495	amortized cost
Customers	accounts receivable	65 766	amortized cost
Shareholders / partners	accounts receivable	276	amortized cost
Cash and bank deposits	accounts receivable	40 898	amortized cost
		139 279	

FINANCIAL LIABILITIES	CATEGORY	ACCOUNTING VALUE	VALUATION METHOD
Funding obtained	other liabilities	222 793	amortized cost
Other accounts payable	other liabilities	33 302	amortized cost
Suppliers	other liabilities	99 149	amortized cost
		355 244	

Only the Financial Assets (Customers) have impairment losses, as shown in Notes 12 and 25.

The gains and losses on financial assets and liabilities in 2016 and 2015 were as follows:

	GAINS / (LOSSES)	
GAINS AND LOSSES	2016	2015
Accounts receivable	5 314	2 453
Assets available for sale	0	0
Other assets at amortized	0	0
Cash and bank deposits	0	0
TOTAL	**5 314**	**2 453**

The interest from financial assets and liabilities in 2016 and 2015 was as follows:

	GAINS / (LOSSES)	
INTEREST AND EXPENSES	2016	2015
Accounts receivable	1 915	945
Liabilities at amortized cost	(16 605)	(20 698)
TOTAL	**(14 689)**	**(19 754)**

The exchange rates differences for financial assets and liabilities in 2016 and 2015 were as follows:

	GAINS / (LOSSES)	
EXCHANGE DIFFERENCES	2016	2015
Foreign exchange rate gains	12 487	14 331
Foreign exchange rate losses	(8 351)	(11 525)
TOTAL	**4 136**	**2 806**

40. INCOME FROM DISCONTINUED OPERATIONS

During 2015, the Nors Group began the process for selling Expressglass and Diveraxial, companies responsible for the car glass business in Portugal. During November 2015, the process began for drawing up the share purchase and sale agreement of these entities with the buyers. This agreement was signed on 29th February 2016, and the Competition issued its formal non-opposition on 24th March 2016.

The Management Board considered that on 31st December 2015, the right conditions were met to be able to classify the net assets of these operations as "Assets from discontinued operations" both on the balance sheet and in the income statement. To do so, and in view of the sale price agreed for the operation, a loss was recorded of 2,700 million euros due to goodwill impairment linked to this operation.

This operation did not have any material impact on the group's financial position in 2016.

The breakdown of the "Profit/Loss from Discontinuing Operations" regarding the disposal of the car glass business in 2015 is shown below:

INCOME AND EXPENDITURE	2015
Turnover	17 869
Operating subsidies	
Cost of goods sold and materials consumed	(4 176)
External supplies and services	(9 629)
Staff expenses	(1 944)
Inventory impairments (losses/reversals)	4
Impairment of receivables (losses/reversals)	20
Provisions and impairment losses (increases/reductions)	15
Impairment of non-depreciable/amortizable investments (losses/reversals)	(2 700)
Other income and gains	207
Other costs and losses	(1 129)
INCOME BEFORE DEPRECIATION , INTEREST AND TAXES	**(1 461)**
Depreciation and amortization costs/reversals	(152)
OPERATING INCOME (BEFORE INTEREST AND TAXES)	**(1 614)**
Interest and similar income received	1
Interest and similar charges paid	172
INCOME BEFORE TAX	**(1 441)**
Income tax for the year	(331)
INCOME FROM DISCONTINUED OPERATIONS	**(1 771)**
NET INCOME FOR THE YEAR ATTRIBUTABLE TO :	
Shareholders of the parent company	(1 771)
Non-controlling interests	
	(1 771)

The breakdown of "Assets from Discontinued Operations" regarding the disposal of the car glass business in 2015 is shown below:

ASSETS	31.12.2015
Non-current assets	
Intangible assets	6
Tangible fixed assets	360
Investment properties	129
Goodwill	7 030
Deferred tax assets	38
	7 563
Current assets	
Inventories	915
Customers	2 994
Other accounts receivable	3 436
Deferrals	61
Cash and bank deposits	19
	7 426
TOTAL ASSETS	**14 989**
INTERCOMPANY BALANCES	**(3 821)**
DISCONTINUED OPERATIONS ASSETS	**11 168**
LIABILITIES	
Current liabilities	
Suppliers	2 489
State and other public bodies	228
Funding obtained	14
Other accounts payable	1 089
	3 821
TOTAL LIABILITIES	**3 821**
INTERCOMPANY BALANCES	**(3 821)**
DISCONTINUED OPERATIONS LIABILITIES	

41. REMUNERATION OF THE MEMBERS OF CORPORATE BODIES

The salaries of members of the corporate bodies of the Group in the 2015 and 2014 financial years were as follows:

	2016	2015
Auto-Sueco, Lda.	2 221	1 403
Auto-Sueco (Angola)	164	173
TOTAL	**2 385**	**1 575**

42. REMUNERATION OF THE STATUTORY AUDITOR

The fees paid to statutory audit firms in the various countries where the Group is present and in relation to the companies included in the consolidation in the 2016 and 2015 financial years were as follows:

FEES	2016	2015
TOTAL	519	524

43. INFORMATION RELATING TO THE ENVIRONMENT

The Group adopts the required measures in relation to the environmental area for the purpose of complying with current legislation.

The Group's Management Board does not believe that there are any risks related with environmental protection and improvement and received no notice of administrative proceedings related with this matter in 2016.

44. SUBSEQUENT EVENTS

As already mentioned in note 10, during 2017, before issuing this document, the shares that the Group held in Banco Português de Investimentos and in Banco Millennium BCP were sold on the regulated market, for a price higher than the price at 31st December 2016 and the historic acquisition price.

In November 2016, an agreement was signed between the Nors Group and Necs Motors East Africa, Limited, whereby the Nors Group will sell its operations in Tanzania, Kenya and Uganda to this economic group. The operation will take place through the disposal of assets in Tanzania and Kenya and the disposal of the legal company Auto Sueco Uganda, Ltd.

The assets to be disposed of in Tanzania and Kenya are Tangible Fixed Assets (whose position in the consolidation financial position at 31 December 2016 amount to 581 thousand euros) and Inventories (to the sum of 5,586 thousand euros), which will be sold at their carrying value at the time of completing the deal.

The sale of the group's company in Uganda will be carried out for the sum of 1 euro, its contribution to the consolidated financial position at 31 December 2016 being immaterial.

In addition, the import rights on products of the AB Volvo group will be sold to these markets for an indicative amount of 4 million euros, having received at the time of signing the contract, 833 thousand euros as an advance (shown in the consolidated financial position in "Other accounts payable - other creditors"). This operation is conditioned by the completion of the asset deals in Tanzania and Kenya, and the share deal in Uganda.

The indicative deadline for sealing these transactions in Kenya and Uganda is the end of March 2017, and the deal in Tanzania will occur in June 2017, while it is not possible, at this date, to reliably guarantee the final position of the deals.

In 2017, formal and organized processes were started with a view to the sale of other non-core assets, which should be completed in the first half of 2017, providing an estimated amount of more than 20 million euros. Some real estate assets of significant value are also in the process of being put on the market, which should allow an aggregate amount of more than 10 million euros in 2017.

45. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved by the Management Board on 14 March 2017. The attached financial statements as at 31 December 2016 are pending approval by the General Meeting of Shareholders. However, the Group's Management Board believes that these will be approved without any changes.

Porto, 14 March 2017

KEY INDICATORS BY COMPANY IN THE CONSOLIDATION PERIMETER

COMPREHENSIVE METHOD	SHARE CAPITAL (LOCAL CURRENCY)	FUNCTIONAL CURRENCY	ASSETS	EQUITY	SALES	NET INCOME	% SHARE HOLDING
PORTUGAL				IN EUROS			
AMPLITUDE SEGUROS - CORRETORES DE SEGUROS, S.A.	150	EUR	555	442	696	140	100,00%
AS MOVE - CONSULTORIA E PROJ. INTERN., S.A.	50	EUR	2 401	148	178	(263)	100,00%
AS PARTS - CENTRO DE PEÇAS E ACESSÓRIOS, S.A.	55	EUR	15 461	4 692	24 219	1 128	100,00%
AS SERVICE, S.A.	50	EUR	149	143	0	(14)	100,00%
ASINTER - COMÉRCIO INTERNACIONAL, LDA.	5	EUR	2 442	913	0	(65)	70,00%
AUTO SUECO, LDA.	30 000	EUR	451 873	176 475	100 038	10 015	-
AUTO SUECO II AUTOMÓVEIS, S.A.	3 400	EUR	20 344	4 515	81 689	460	100,00%
BIOSAFE - INDÚSTRIA DE RECICLAGEM, S.A.	1 550	EUR	4 688	1 267	3 088	(347)	100,00%
CIVIPARTS - COM PEÇAS EQUIP., S.A.	501	EUR	27 412	11 546	29 164	1 386	100,00%
SARI SERVIÇOS AFTERMARKET REGIÃO IBÉRIA	1 000	EUR	23 240	7 973	650	325	100,00%
EXPRESSGLASS, S.G.P.S.	22 815	EUR	7 771	7 687	0	(304)	100,00%
GROW - FORMAÇÃO PROFISSIONAL, S.A.	50	EUR	94	72	25	(38)	100,00%
IMOSÓCIA - SOCIEDADE IMOBILIÁRIA, S.A.	50	EUR	6 279	78	398	(370)	100,00%
NEWONEDRIVE - COMÉRCIO DE PEÇAS AUTO, S.A.	2 501	EUR	3 834	1 451	9 128	84	100,00%
NORSÓCIA, S.G.P.S.	50	EUR	12 535	9 998	0	(139)	100,00%
PLURIRENT - SERVIÇOS ALUGUER, S.A.	4 000	EUR	3 994	3 699	2 858	356	100,00%
PROMOTEJO - COMPRA VENDA PROPRIEDADES, S.A.	99	EUR	7 076	357	342	(66)	100,00%
SOMA, S.A.	950	EUR	2 809	1 312	286	17	100,00%
SGNT SGPS S.A.	60	EUR	20 373	7 901	0	923	100,00%
GALIUS - VIATURAS, SA	4 000	EUR	28 524	5 894	62 897	1 678	100,00%
SGNT SGPS S.A.	60	EUR	18 846	6 977	0	881	100,00%
GALIUS - VIATURAS, SA	4 000	EUR	23 087	5 006	33 867	1 008	100,00%
ANGOLA				IN EUROS			
AS PARTS ANGOLA, LDA.	2 581	USD	6 966	2 141	12 324	2 232	98,01%
AUTO-SUECO (ANGOLA), S.A.R.L.	7 059	USD	106 204	62 569	37 826	6 764	79,90%
AS GLASS - ANGOLA	1 578	USD	3 341	1 999	3 174	785	73,50%
AUTO-MAQUINARIA, LDA.	3 000	USD	33 077	18 555	18 096	6 854	99,00%
AUTO POWER ANGOLA, LDA.	22	USD	1 682	(1 243)	0	407	98,01%
AUTO SUECO (LOBITO), LTD.	150	USD	(127)	(143)	0	408	79,90%
CIVIPARTES ANGOLA, SARL	340	USD	9 079	2 504	9 040	(1 420)	100,00%
EXPRESSGLASS ANGOLA	68	USD	27	13	0	(1)	98,01%
SOCIBIL, S.A.R.L.	60	USD	3 378	2 950	0	232	100,00%
SOGESTIM, LDA.	500	USD	6 001	2 680	0	429	55,00%

COMPREHENSIVE METHOD	SHARE CAPITAL (LOCAL CURRENCY)	FUNCTIONAL CURRENCY	ASSETS	EQUITY	SALES	NET INCOME	% SHARE HOLDING
BRAZIL				IN EUROS			
NORS BRASIL PARTICIPAÇÕES, LTDA.	88 820	BRL	49 144	42 489	0	(5 397)	100,00%
AMPLITUDE BRASIL, LTDA	200	BRL	38	13	77	(18)	100,00%
AUTO SUECO CENTRO-OESTE CONCESS. VEIC., LTDA.	24 817	BRL	18 028	7 529	38 375	23	100,00%
AUTO SUECO SÃO PAULO, LTDA.	44 154	BRL	35 644	10 632	80 680	(4 395)	100,00%
AGRO NEW MÁQUINAS AGRÍCOLAS, LTDA	14 835	BRL	19 849	6 246	12 813	(394)	100,00%
EXPRESSGLASS PARTICIPAÇÕES LTDA.	81 610	BRL	6 147	6 032	0	(1 121)	100,00%
DIVERSERVICE PRESTADORA DE SERVIÇOS AUTOM., LTDA.	49 571	BRL	11 320	4 143	0	(2 342)	100,00%
EXPRESSGLASS BRASIL COMÉRCIO E SERV. AUTOM., LTDA.	6 160	BRL	74	73	0	(535)	100,00%
EXPRESSGLASS PARTICIPAÇÕES LTDA.	69 610	BRL	1 206	1 195	0	(4 135)	100,00%
OTHER				IN EUROS			
NORS INTERNATIONAL B.V.	15 050	EUR	102 405	83 089	0	(1 594)	100,0%
HOLDING EXPRESSGLASS B.V.	36	EUR	7 993	7 749	0	(74)	100,00%
CIVIPARTES ESPAÑA, S.L.	1 440	EUR	6 196	(6 494)	8 809	(1 108)	100,00%
TECNAUTO VEHICULOS, S.L.	207	EUR	730	(734)	0	3	100,00%
AUTO SUECO VEHIC., SPARE PARTS & SERV. (BOTSWANA) (PTY), LTD.	27 137	BWP	3 013	1 198	3 892	(369)	99,00%
AUTO SUECO KENYA, LTD.	388 909	KES	5 952	1 534	3 510	(423)	99,99%
AUTO SUECO VEHIC., SPARE PARTS & SERV. (NAMIBIA) (PTY), LTD.	1 094	ZAR	7 725	1 194	10 529	(38)	100,00%
AS PARTS CABO VERDE, S.A.	5 000	CVE	110	(898)	0	(1)	87,50%
AUTO SUECO (TANZANIA) - TRUCKS, BUSSES AND CONST EQ., LTD.	1 411 711	TZS	7 383	497	6 701	(414)	99,99%
AUTO SUECO UGANDA	842 068	UGX	578	(582)	0	(281)	100,00%
AUTO SUECO MOÇAMBIQUE	20 000	MZN	1 752	(1 455)	937	(583)	100,00%
CIVIPARTES MAROC, S.A.	19 077	MAD	613	491	0	(2)	100,00%

EQUITY METHOD	SHARE CAPITAL (LOCAL CURRENCY)	FUNCTIONAL CURRENCY	ASSETS	EQUITY	SALES	NET INCOME	% SHARE HOLDING
OTHER				IN EUROS			
DÁLIA - GESTÃO E SERVIÇOS S.A.	1 354	EUR	9 616	9 754	696	1 059	28,54%
GRUPO MASTERTEST INSPECÇÃO AUTO	50	EUR	42 630	28 491	9 664	1 952	70,00%
GRUPO ASCENDUM	15 000	EUR	542 592	152 448	862 402	17 590	50,00%
GRUPO ASFC (SOTKON)	62	EUR	10 709	(2 913)	9 277	(702)	73,33%

STATUTORY AUDITOR'S REPORT

pwc

Statutory Audit Report

(Free translation from the original in Portuguese)

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Auto Sueco, Lda. (The Group), which comprise the consolidated statement of financial position as at December 31, 2016 (which shows total assets of 594.508 thousand Euro and total shareholders' equity of 191.181 thousand Euro, including a net profit of 10.015 thousand Euro), the consolidated statement of income by nature, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for opinion

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

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

Responsibilities of management for the consolidated financial statements

Management is responsible for:

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

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

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

d) the adoption of appropriate accounting policies and criteria;

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

Auditor's responsibilities for the audit of the consolidated financial statements

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

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

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

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

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

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

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

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

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

Our responsibility also includes verifying that the information included in the Directors' report is consistent with the consolidated financial statements.

Report on other legal and regulatory requirements

Director's report

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

15 March 2017

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

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