IMPRESA

Annual Report 2017

IMPRESA – SGPS, S.A.
Publicly Held Company
Share Capital Eur 84,000,000
Rua Ribeiro Sanches, 65
1200–787 Lisbon
NIPC 502 437 464
Commercial Registry Office of Lisbon

SINGLE MANAGEMENT REPORT 2017

In compliance with the requirements imposed by law regarding public companies, the Board of Directors of IMPRESA – Sociedade Gestora de Participações Sociais, S.A. hereby presents its SINGLE MANAGEMENT REPORT relative to the financial year of 2017. In doing so, the Board was careful to include sufficient elements and information for the shareholders and investors in general to be able to assess the activity of the IMPRESA GROUP in a clear and objective manner within the respective horizon of intervention.

A. Consolidated Accounts

The consolidated financial statements were prepared according to IAS/IFRS provisions, as adopted by the European Union, which include the International Accounting Standards (IAS) issued by the International Standards Committee (IASC), the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and the respective SIC and IFRIC interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC) and Standing Interpretation Committee (SIC).

1. Executive Summary

- The consolidated EBITDA for 2017, adjusted for restructuring charges and impairments, was 19.2 M€, representing an increase of 5.6% over the 2016 EBITDA.

- The net remunerated debt, including financial leases, fell by 4.8 M€ compared to December 2016, to 178.4 M€, its lowest level in the last 10 years.

- IMPRESA's total turnover was 201.8 M€ in 2017, a fall of 2.0%, due to the reduction of multimedia revenues.

- IMPRESA advertising revenues rose 2.6% in 2017.

- The strategy of reducing operating costs continues, independent of restructuring charges, has produced a cost reduction of 2.8% in 2017. The restructuring charges have reached 5.3 M€, twice that recorded in 2016.

- The pre-tax result, without restructuring costs and impairments, stood at 8.8 M€ in 2017, representing an increase of 20.1%, compared to 2016.

- SIC obtained an average audience share of 17.6%, maintaining its leadership position in the commercial target (A/B CD 25/54) during prime time, with a share of 21.4%.

- SIC Notícias stood out once again as the leading news channel, with an average share of 2.0% in 2017.

- EXPRESSO newspaper was again the most sold publication in Portugal, with an average close to 93,000 units, according to APCT, in 2017.

- The digital version of Expresso reached close to 25,000 buyers at the end of 2017, between digital subscribers and sales, representing nearly 28% of the paper's total sales.

- In 2017 SIC celebrated its 25th anniversary, which started in June and continued throughout the 3rd quarter. SIC, supported by various sponsors, organised a tour through the 18th district capitals, ending with a big event in Lisbon on October 6th.

- In January 2018, IMPRESA disposed of its magazine portfolio for 10.2 M€. The 2017 annual accounts will record a provision for an impairment loss of 21.9 M€. The sale follows Strategic Plan for the period 2017-2019, which pursues the repositioning of IMPRESA with a greater focus on audiovisual and digital components.

- The net profit, not including the provisions for impairment, stood at 1.5 M€, compared to 2.8 M€, at the end of 2016.

- The net profit for 2017 was a loss of 21.6 M€, penalised by due to 23.2 M€ impairments charge.

Table 1. Main Indicators

(Values in €)	Dec/17	Dec/16	ch %	4th Qt 2017	4th Qt 2016	ch %
Total Revenues	**201 821 209**	**205 997 090**	**-2,0%**	**55 384 590**	**56 171 416**	**-1,4%**
Television	153 704 664	156 192 486	-1,6%	42 584 433	42 565 142	0,0%
Publishing	46 170 642	48 424 634	-4,7%	12 126 070	13 090 270	-7,4%
InfoPortugal & Others	2 319 889	1 847 448	25,6%	696 091	537 000	29,6%
Intersegments	-373 986	-467 478	20,0%	-22 004	-20 995	n.a
Operating Costs	**188 005 778**	**190 471 192**	**-1,3%**	**50 192 910**	**49 382 981**	**1,6%**
EBITDA	**13 815 431**	**15 525 898**	**-11,0%**	**5 191 679**	**6 788 436**	**-23,5%**
EBITDA Margin	6,8%	7,5%		9,4%	12,1%	
EBITDA Television	17 617 403	18 897 128	-6,8%	8 322 422	7 656 954	8,7%
EBITDA Publishing	-975 714	-74 600	n.a.	-2 184 505	-182 374	n.a
EBITDA Infoportugal & Others	-2 826 258	-3 296 630	14,3%	-946 238	-686 145	-37,9%
EBITDA (2) (w/reestructuring)	**19 176 794**	**18 157 261**	**5,6%**	**8 826 467**	**8 411 563**	**4,9%**
Net Profit (w/impairements) (3)	**1 545 582**	**2 759 895**	**-44,0%**	**1 710 641**	**3 345 538**	**-48,9%**
Net Profit	**-21 654 037**	**2 759 895**	**n.a.**	**-21 488 978**	**3 345 538**	**n.a.**
Net Debt & Leasings (M€)	**178,4**	**183,2**	**-2,6%**	**178,4**	**183,2**	**-2,6%**

Note: EBITDA = Operating Results + Amortisations and Depreciation + Impairment Losses. Net Debt = Loans (ST+MLT) - Cash and Cash Equivalents + Financial Leases. (1) Does not consider Amortisations and Depreciation and Impairment Losses. (2) Adjusted for 5.31 M€m of restructuring costs in 2017 and 3.58 M€ in the 4th quarter of 2017, and 2.63 M€ in 2016, of which 1.62 M€ were recorded in 4th quarter 2016.

2. Analysis of the Consolidated Accounts

In 2017, IMPRESA achieved consolidated revenues of 201.8 M€, corresponding to a decrease of 2.0% from 206 M€ recorded in 2016. In the 4th quarter of 2017, consolidated revenues reached 55.4 M€, a 1.4% decrease.

The following should be noted relative to business in 2017:

- Rise of 2.6% in the Group's total advertising revenues, with an increase in television ad revenues and a substantial jump in the Digital area, while the paper advertising declined.

- Slight decline of 0.5% in circulation revenues, despite a rise in the sale price of most publications and growing in subscription revenues.

- A fall of 0.8% in channel subscription revenues, despite a slight increase in the domestic market; international revenues were hit by the devaluation of the dollar during 2017.

- A fall of 29.1% in other revenues, mainly affected by the decline in IVRs and alternative products, however this contrasts with the growth of InfoPortugal, the SIC technical services and content sales.

Table 2. Total Revenues (Values in €)	Dec-17	Dec-16	ch %	4th Qt 2017	4th Qt 2016	ch %
Total Revenues	**201.821.209**	**205.997.090**	**-2,0%**	**55.384.591**	**56.171.417**	**-1,4%**
Advertising	119.275.588	116.219.951	2,6%	34.840.849	34.042.462	2,3%
Channel Subscriptions	43.129.491	43.488.469	-0,8%	10.737.544	10.926.146	-1,7%
Circulation	22.910.919	23.019.578	-0,5%	5.418.323	5.677.291	-4,6%
Others	16.505.212	23.269.092	-29,1%	4.387.876	5.525.519	-20,6%

2017 was marked by a profound reorganisation of the IMPRESA Group, culminating in the sale of the magazine portfolio in January 2018, which penalised the evolution of operating costs. Although IMPRESA generated operating saving's in areas, like personnel, total costs were affected by restructuring charges and higher provisions. Restructuring charges total 5.3 M€, nearly twice that recorded in 2016. Overall operating costs in 2017, discounting amortisations and impairments, fell by 1.3% year-on-year. If restructuring costs are adjusted, the fall in 2017 was 2.8%. In the 4th quarter, adjusted operating costs declined by 2.5%.

The consolidated EBITDA in 2017, adjusted for restructuring costs, was 19.1 M€, which represents an increase of 5.6% in relation to the EBITDA of the same period of the previous year, with gains reflected across all the Group's segments. In 2017, the consolidated

EBITDA was 13.8 M€, representing a fall of 11.0% against 2016. In the 4th quarter of 2017, the EBITDA fell by 23.5% to 5.8 M€, while the adjusted value rose by 4.9% to 8.3 M€.

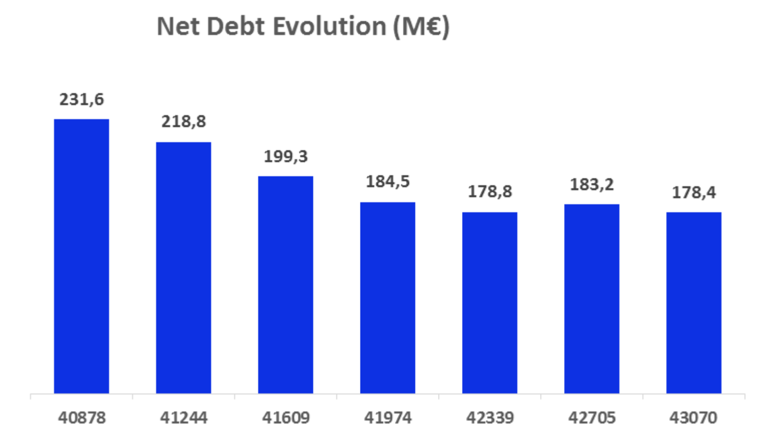
In 2017 the total capital expenditure was 3.7 M€, value which includes the expansion of the IMPRESA building, which has started in March 2017, which will allow the concentration in the same premises of all IMPRESA activities in Lisbon. The expansion is expected to be completed by the end of 2018. The depreciation charges rose by 4.3% to 3.6 M€ in 2017, as a result of the recent rise in investments.

Table 3. Profit & Loss

(Values in €)	Dec/17	Dec/16	ch %	4th Qt 2017	4th Qt 2016	ch %
Total Revenues	**201 821 209**	**205 997 090**	**-2,0%**	**55 384 590**	**56 171 416**	**-1,4%**
Television	153 704 664	156 192 486	-1,6%	42 584 433	42 565 142	0,0%
Publishing	46 170 642	48 424 634	-4,7%	12 126 070	13 090 270	-7,4%
InfoPortugal	2 319 889	1 847 448	25,6%	696 091	537 000	29,6%
Intersegments & Outras	-373 986	-467 478	20,0%	-22 004	-20 995	n.a
Operating Costs (1)	**188 005 778**	**190 471 192**	**-1,3%**	**50 192 910**	**49 382 981**	**1,6%**
Total EBITDA	**13 815 431**	**15 525 898**	**-11,0%**	**5 191 679**	**6 788 436**	**-23,5%**
EBITDA margin	**6,8%**	**7,5%**		**9,4%**	**12,1%**	
Television	17 617 403	18 897 128	-6,8%	8 322 422	7 656 954	8,7%
Publishing	-975 714	-74 600	n.a	-2 184 505	-182 374	n.a
Infoportugal & Others	-2 826 258	-3 296 630	14,3%	-946 238	-686 145	-37,9%
Total EBITDA (w/ reest) (2)	**19 176 794**	**18 157 261**	**5,6%**	**8 826 467**	**8 411 563**	**4,9%**
EBITDA margin	**9,5%**	**8,8%**		**15,9%**	**15,0%**	
Depreciation	3 651 544	3 501 245	4,3%	924 687	893 630	3,5%
EBIT	**10 163 886**	**12 024 653**	**-15,5%**	**4 266 992**	**5 894 806**	**-27,6%**
EBIT Margin	**5,0%**	**5,8%**		**7,7%**	**10,5%**	
Financial Results (-)	6 729 500	7 332 479	-8,2%	1 528 516	1 310 649	16,6%
Res. bef.Taxes & Minorities	**3 434 386**	**4 692 174**	**-26,8%**	**2 738 476**	**4 584 157**	**-40,3%**
Res. bef.Taxes (w/reest) (3)	**8 795 750**	**7 323 537**	**20,1%**	**6 373 264**	**6 207 284**	**2,7%**
Taxes (IRC)(-)	1 888 804	1 932 279	-2,2%	1 027 835	1 238 619	-17,0%
Net Profits (w/impairements)	**1 545 582**	**2 759 895**	**-44,0%**	**1 710 641**	**3 345 538**	**-48,9%**
Impairements (4)	**23 199 619**	**-**	**n.a.**	**23 199 619**	**-**	**n.a.**
Net Profit	**-21 654 037**	**2 759 895**	**n.a.**	**-21 488 978**	**3 345 538**	**n.a.**

Note: EBITDA = Operating Results + Amortisations and Depreciation + Impairment Losses. (1) Does not consider Amortisations and Depreciation and Impairment Losses. (2) Adjusted for €5.31m of restructuring costs in 2017 and €3.58m in the 4th quarter of 2017, and €2.63m in 2016, of which €1.62m were recorded in 4th quarter 2016. (3) adjusted restructuring charges of 5.31 M€ in 2017 and 2.63 M€ in 2016. (4) represented by two impairment charges: 1.23 M€ due to the sale of real estate and 21.96 M€ from sale of the magazine portfolio.

During 2017, the financial results reached 6.7 M€, an improvement of 8.2% over 2016. These is due of the reduction of 6.4% in interest payments, and along with better results from associated companies - VASP underwent a restructuring process which penalised the net results for 2017, however LUSA made a positive contribution, allowed the Group to compensate for the increase in foreign exchange losses.



In terms of the balance sheet, net debt, including financial leases, stood at 178.4 M€ at the end of 2017, i.e. a year-on-year decrease of 4.8 M€ compared to 2016.

At the end of 2017, a promissory sale and purchase contract was signed for one of the plots of land owned by SIC, and it is estimated that the deed of sale will be signed in 2018 for a value of 3.2 M€. A second plot remains for sale. It should be noted that the sale operation resulted in an impairment of the order of 1.2 M€, including a similar adjustment for the second plot.

In January 2018, IMPRESA disposed of its magazine portfolio for 10.2 M€. The sale is part of the Strategic Plan for the period 2017-2019, which pursues the repositioning of IMPRESA with a greater focus on audiovisual components and digital operations. The sale required a provision to be made for an impairment loss of 21.9 M€ in the 2017 accounts, reflecting the difference between the sale and the goodwill value recorded in the balance sheet for these assets.

In total, impairement charges amount to 23.3 M€, in 2017

The pre-tax result, without re-structuring costs and impairments, was 8.7 M€ in 2017, representing an increase of 20.1% compared to 2016.

The net profit, not including the provisions for impairment, stood at 1.5 M€, compared to 2.8 M€ at the end of 2016.

Including the provisions for all the impairments, totalling 23.2 M€, the net loss was 21.6 M€ at the end of 2017.

3. Television – SIC

Table 4. Television Indicators

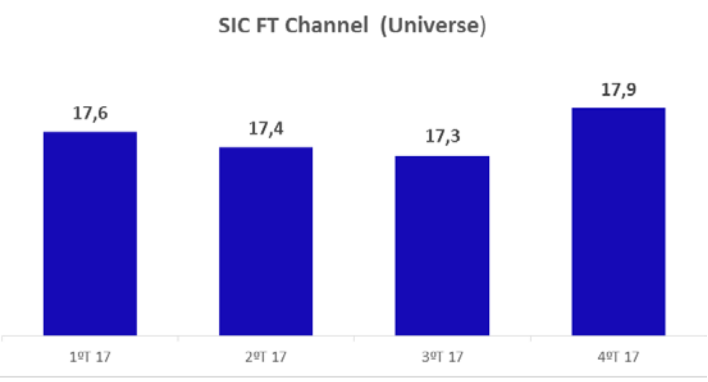
	Dec-17	Dec-16	ch %	4th Qt 2017	4th Qt 2016	ch %
Total Revenues	**153.704.664**	**156.192.486**	**-1,6%**	**42.584.433**	**42.565.142**	**0,0%**
Advertising	98.167.745	94.669.054	3,7%	28.672.695	27.906.836	2,7%
Channel Subscriptions	43.129.491	43.488.469	-0,8%	10.737.544	10.926.146	-1,7%
Multimedia	8.074.602	13.765.265	-41,3%	1.740.517	2.858.812	-39,1%
Others	4.332.827	4.269.698	1,5%	1.433.678	873.348	64,2%
Operating Costs (1)	**136.087.261**	**137.295.358**	**-0,9%**	**34.262.011**	**34.908.188**	**-1,9%**
EBITDA	**17.617.403**	**18.897.128**	**-6,8%**	**8.322.422**	**7.656.954**	**8,7%**
EBITDA (%)	**11,5%**	**12,1%**		**19,5%**	**18,0%**	
EBITDA adjusted (2)	**19.185.519**	**19.036.146**	**0,8%**	**8.436.498**	**7.659.327**	**10,1%**
EBITDA (%)	**12,5%**	**12,2%**		**19,8%**	**18,0%**	

Note: EBITDA = Operating Results + Amortisations and Depreciation + Impairment Losses. (1) Does not consider Amortisations and Depreciation and Impairment Losses. (2) EBITDA adjusted for 1.568 M€ restructuring costs in 2017 and 139,000€ in 2016.

2017 was marked by the celebration of SIC's 25th anniversary, which started in June and continued throughout the 3rd quarter. The company, supported by various sponsors, organised a tour through the 18 district capitals, ending with a big party in Lisbon on 6 October.

SIC reached total revenues of 153.7 M€ in 2017, which is decrease of 1.6% compared to 2016. This decrease is explained essentially by the fall in IVR revenues, despite the increase in advertising income. In the 4th quarter of 2017, total revenues remain at the same level as the year-on-year period.

The total advertising income from all SIC's channels in 2017 was 98.2 M€, an increase of 3.7% over 2016 and higher than the Advertising television market. The main factors in this positive performance were the performance of the generalist channel, the big increase in the thematic channels and digital revenues from the SIC universe, and revenues related to the celebrations of SIC's 25th anniversary. Advertising revenue increased by 2.7% in the 4th quarter of 2017.

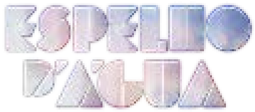


SIC finished 2017 with a mean audience share of 17.6%, 0.4 percentage points less than in 2016, in the universe of generalist channels. Furthermore, SIC maintained its leadership in the main commercial targets (A/B C D 15/54 and A/B C D 25/54), for daytime and prime time. The re-launch of the new programming in September 2017 enabled the company to recover audience share. For prime time, SIC maintained its leadership in the main commercial target (A/B C D 25/54), with 21.4%, despite a fall of 0.6 percentage points from 2016.

This leadership in the commercial targets was helped by the good performance of SIC's Portuguese novelas, which in 2017 started with “Rainha da Flores” and “Amor Maior”, and continued with two new programmes - “Espelho d’Água” in May and the new novela “Paixão” from September.

- “Amor Maior”, which finished in September 2017, drew an average audience of 27.6%, its performance being in line with the previous serial in the same time slot (“Coração de Ouro”); this translates into a figure of 1.3 million viewers.

- “Rainha das Flores”, in the second prime time slot, ended in May 2017, with average audience share of 24.1%, or nearly 1.2 million viewers.



- “Espelho d’Agua”, which replaced “Rainha das Flores”, draws an average audience of 23.7%.

- “Paixão”, the number 1 prime time serial which has replaced “Amor Maior”, will be showing until next September and attracts an average audience of 24.9%, or 1.2 million viewers.

2017 was also marked by the introduction of several entertainment programmes on Sunday evenings, notably “D’Improviso” and the return of “Vale Tudo”, as well as the Brazilian novela “Força do Querer” with an excellent performance, being the market leader in its time slot. SIC's afternoon programming was reformulated, with the Brazilian novela which traditionally came before “Jornal da Noite” being replaced by “Linha Aberta” from September, a change which improved results. “Jornal da Noite”, with average audience share of 19.7%, also led in its commercial targets.

Subscription revenues generated by SIC's 8 channels distributed over cable and satellite, in Portugal and abroad, fell by 0.8% in 2017 to 43.1 M€. This fall was due to the lower revenues from external markets, resulting from the recent devaluation of the US dollar, which was not compensated by the growth in the domestic market. The decline was most marked in the 4th quarter of 2017, with a fall of 1.7% - again due to unfavourable exchange rate fluctuations.

Despite the more difficult conditions, SIC's channels continued to expand their presence, being broadcast on more platforms:

- Launch of SIC International Africa, present in Mozambique and South Africa.
- SIC International and SIC Notícias started to be broadcast in Germany.
- Strengthened presence of SIC International and SIC Notícias in Luxembourg.
- Strengthening of SIC International coverage in Australia.

Thematic channels Audiences

	(%)	2017
1º	CMTV	2,4
2º	Hollywood	2,1
3º	SIC Noticias	2,0
4º	Disney Channel	2,0
5º	Globo	2,0
6º	Panda	1,8
7º	TVI24	1,8
8º	FOX	1,5
15º	SIC Mulher	0,9
32º	SIC Radical	0,4
43º	SIC Caras	0,3
49º	SIC K	0,2

Source: GfK, consolidated values

In terms of audiences, SIC's subscription channels reached a collective market share of 3.7%, 0.1 pp lower year-on-year. SIC Notícias stood out once again as the news channel preferred by the Portuguese, with a share of 2.0%, reaching 3rd position in the general ranking of subscription channels.

Of the other themed channels, SIC Mulher performed very well with an increase to 0.9%, 0.3 pp over 2016. SIC Caras also gained ground to 0.3% (+0.1pp), while SIC K maintained its share at 0.2%. SIC Radical, on the other hand, saw a fall in market share to 0.4%, 0.2 pp lower than in 2016.

The falling trend in IVR's revenues continued, closing 2017 with revenues of 8.1 M€, decline of 41.3%. This fall is attributed to the reduction in the number of 'phone-in' competition programmes, especially on Sundays.

Other income for 2017 stood at 4.3 M€, an increase of 1.5% after a better than expected 4th quarter (+64.2%). In 2017, technical services revenues increased by 7.5% (through GMTS), and in content sales, was another very good year for this area, once again reaching the 1M€ mark, with sales to new markets such as Canada.

Operating costs fell by 1.9% in 2017, however this figure does not include restructuring costs, which amounted to 1.5 M€. 2017 also saw investment in programming, across several of SIC's channels. SIC celebrated its 25th anniversary, requiring the strengthening of several areas of operations. Operating costs fell by 1.9% in the 4th quarter.

After good operational performance in the 2nd semester, the EBITDA reached 19.2 M€, adjusted for restructuring charges; this represented an increase of 0.8% compared to 2016. In the 4th quarter, the EBITDA adjusted for restructuring costs was 8.4 M€, representing an increase of 10.1%. This resulted in a margin of 19.8%, the highest for the year in 2017.

4. IMPRESA Publishing

Table 5. Publishing Indicators	Dec-17	Dec-16	ch %	4th Qt 2017	4th Qt 2016	ch %
Total Revenues	**46.170.642**	**48.424.634**	**-4,7%**	**12.126.070**	**13.090.270**	**-7,4%**
Circulation	22.910.919	23.019.578	-0,5%	5.418.323	5.677.291	-4,6%
Advertising	20.821.692	21.514.731	-3,2%	6.086.781	6.313.366	-3,6%
Associated Products	1.130.245	2.136.652	-47,1%	160.327	529.524	-69,7%
Others	1.307.786	1.753.673	-25,4%	460.639	570.089	-19,2%
Operating Costs (1)	**47.146.356**	**48.499.234**	**-2,8%**	**14.310.574**	**13.272.643**	**7,8%**
EBITDA	**-975.714**	**-74.600**	**-1207,9%**	**-2.184.505**	**-182.374**	**-1097,8%**
EBITDA (%)	**-2,1%**	**-0,2%**		**-18,0%**	**-1,4%**	
EBITDA adjusted (2)	**2.549.523**	**1.974.358**	**29,1%**	**1.068.198**	**1.438.381**	**-25,7%**
EBITDA (%)	**5,5%**	**4,1%**		**8,8%**	**11,0%**	

Note: EBITDA = Operating Results + Amortisations and Depreciation + Impairment Losses. (1) Does not consider Amortisations and Depreciation and Impairment Losses. (2) Adjusted for 3.525 M€ restructuring costs in 2017 and 2.048 M€ in 2016.

In the Publishing segment, in January 2018 IMPRESA disposed of its magazine portfolio for 10.2 M€. The operation required a provision to be made for an impairment loss of 21.9 M€ in the 2017 accounts. The Publishing area had to be reorganised, with costs which affected the profitability of this business unit during 2017.

The total turnover of the Publishing area fell by 4.7% to 46.2 M€ by the end of 2017. Over the 4th quarter, total revenues fell by 7.4%, year-on-year.

Circulation income fell by 0.5%, to 22.9 M€, representing 49.6% of the total revenues in 2017; the 4th quarter was relatively weak, with a decline in circulation income of 4.6%. In general terms, 2017 was marked by cover price increases for most publications, higher paid circulation in some publications, and growth from subscription income, mainly in digital subscriptions. The digital version of Expresso performed particularly well, achieving close to 25,000 buyers by the end of 2017, between digital subscribers and sales, representing nearly 28% of the paper's total sales.

Advertising revenues reached 20.8 M€ in 2017, a fall of 3.2% compared to 2016. Advertising revenue fell by 3.6% in the 4th quarter of 2017. The negative trend for paper based advertising revenues was maintained, while digital sales continued to rise - by 11.4% in 2017, representing nearly 19% of all advertising revenues.

Sales of associated products declined by 47.1% in 2017 including a fall of 69.7% in the last quarter of the year. Total sales for the year were 1.1 M€. A new BCBM guide, "Tascas e Petiscos", was launched in 2017 with remarkable success.

In terms of operating costs, the year was marked by the restructuring process as the organisation adjusted to the new business model after the sale of the magazine portfolio. Reestructuring costs totalled 3.5 M€ in 2017, an increase of 72.1% over 2016; nearly 90% resulted from sale of the magazine portfolio. Even with this increase, total operating costs fell by 2.8% in 2017. If restructuring costs are excluded, overall costs fell by 6.1%.

The adjusted EBITDA was 2.5 M€, representing an increase of 29.1% over the 2016 figures.

Last August, IMPRESA reported that it had started an assessment of its Publishing portfolio which could involve the disposal of those assets, in order to carry out strategic repositioning of its activities in that area.

Subsequently, on January 2nd 2018, IMPRESA Publishing signed the sale contract for the following publications: Activa, Caras, Caras Decoração, Courrier Internacional, Exame, Exame Informática, Jornal de Letras, TeleNovelas, TV Mais, Visão, Visão História and Visão Junior, to Trust in News. with effect from January 1st 2018.

The portfolio sale price was 10.2 M€, obliging IMPRESA to make a provision for impairment of the goodwill value for 21.9 M€. The portfolio sold represented 47.6% of the total revenues of the Publishing area in 2017.

5. IMPRESA Other

Table 6. IMPRESA Others Indicators	Dec/17	Dec/16	ch %	4th Qt 2017	4th Qt 2016	ch %
Total Revenues	**1 945 903**	**1 379 970**	**41,0%**	**674 087**	**516 005**	**30,6%**
InfoPortugal	2 319 889	1 847 448	25,6%	696 091	537 000	29,6%
Intersegments & Others	-373 986	-467 478	20,0%	-22 004	-20 995	-4,8%
Operating Costs (1)	**4 772 161**	**4 676 600**	**2,0%**	**1 620 325**	**1 202 150**	**34,8%**
EBITDA	**-2 826 258**	**-3 296 630**	**14,3%**	**-946 238**	**-686 145**	**-37,9%**
EBITDA adjusted (2)	**-2 558 249**	**-2 853 243**	**10,3%**	**-678 229**	**-686 145**	**1,2%**

Note: EBITDA = Operating Results + Amortisations and Depreciation + Impairment Losses. (1) Does not consider Amortisations and Depreciation and Impairment Losses. (2) EBITDA adjusted for 268,010€ restructuring charges in 2017 and 443,387 € in 2016.

This segment includes the management and financial costs of the IMPRESA holding company and also includes the operating activities of InfoPortugal, a company dedicated to aerial photography, cartography and geo-referenced contents, and the operation of the photography website and the Olhares Academy.

2017 was a record year for InfoPortugal, which achieved its highest revenues since it was incorporated into the IMPRESA Group. InfoPortugal achieved total revenues of 2.3 M€ in 2017, which represents an increase of 25.6% over 2016. The area which produced the largest growth was Aerial Photography, confirming that the purchase of a large format camera in 2016 was a good investment. The editorial area also expanded its Electronic Programming Guide (EPG) services to the main domestic operators, as well as signing service provision contracts with international customers. Also in the editorial area, InfoPortugal received international awards for its work, specifically in tourism-related services: for the film “Live a day in Alcácer”, a tourism promotion film made for Alcácer do Sal which received the “Silver Dolphin” award at the Cannes Corporate Media & TV Awards festival; and the “World’s Leading Tourism Authority Website 2017” awarded by “World Travel Awards”, for the Portuguese Tourism site www.visitportugal.com.

In terms of profitability InfoPortugal recorded a significant improvement, obtaining an EBITDA margin to around 13% in 2017.

It should be noted that during 2017, European community subsidy PT2020 was approved for InfoPortugal for a figure in the order of 0.5 M€, which will have impact in 2018 and 2019.

Turning to the consolidated results, in 2017 the EBITDA of this segment was negative, in the amount of 2.8 M€, improvement of 14.3% was recorded as compared to 2016, with the better results recorded by InfoPortugal and the lower restructuring costs. The restructuring costs in 2017 were 268,010€.

6. IMPRESA in the Stock Market

The year of 2017 was a good year for the Portuguese stock market, alongside the favourable economic scenario and the strong rebound of the economy, which ended the year with a gain of 15.2%, representing the greatest recovery among European markets in the current year.

Conversely, the media sector in Europe registered a negative performance, with the DJ EuroStoxx Media losing 7.6% in 2017, after having slipped 9.5% in 2016.

In comparison with 2016, IMPRESA shares registered an increase in 2017, having gained 80%, relative to the fall of 59.7% observed in the previous year. At the same time, in line with the strong appreciation, transaction volumes expanded strongly, having increased from 157 thousand shares/day in 2016 to 745 thousand shares/day in 2017.

7. Perspectives

With the re-dimensioning of the IMPRESA Group at the beginning of 2018, and the restructuring measures implemented during recent quarters, along with more favourable macro-economic context, it is expected that the Group's profitability in terms of EBITDA and Net Profits will improve, underpinning the objectives of the Strategic Plan.

B. Individual Accounts

1. Analysis of Individual Accounts

The Board of Directors of IMPRESA decided to adopt, in the preparation of its individual financial statements, the IAS/IFRS as endorsed by the European Union, considering 1 January 2008 as the transition date for the purpose of calculating the conversion adjustments. Hence, the individual financial statements presented since then have been prepared in accordance with these accounting standards.

During 2017, in individual terms, the operating results were negative by 12.289 thousand euros, compared with the negative results of 3.862 thousand euros, reached in 2016.

The financial results were positive by 6.307 thousand euros, which compares with the positive value of 6.573 thousand euros achieved in 2016, as a consequence of lower interest charges.

The net profit for 2017 was negative, to the value of 4.797 thousand euros, compared to the 4.392 thousand euros reached in 2016.

2. Proposed appropriation of net profit

It is proposed that the net loss for the year of 4.797.627 euros should be transferred to retained earnings.

C. Activity of the Non-Executive Directors

Non-executive directors, in compliance with the duties entrusted to them by law, participated in the meetings of the Board of Directors, namely in meetings where the quarterly, half-year and annual accounts for the financial year of 2016 were appraised and approved, and in the general meetings of shareholders. These directors did not encounter any constraints in the performance of their duties.

Under the terms of the law and IMPRESA Audit Committee regulations, the activity of the non-executive members of the Audit Committee are described in a separate report, which is an integral part of the IMPRESA 2016 Annual Report.

D. Acknowledgements

The Board of Directors would like to thank the employees for their effort and dedication shown during the year under analysis, which enabled the results presented to be obtained.

The Board of Directors would also like to thank the Statutory Auditor, Deloitte & Associados, SROC and the following banks for the collaboration provided during the financial year of 2016: Banco BPI, Caixa Geral de Depósitos, Caixa Banco de Investimento, Novo Banco, Haitong Bank, Millennium BCP, Banco Santander Totta, Banco Popular, Caixa de Crédito Agricola, Montepio Geral and Banco BIC.

Lisbon, March 6th, 2018

The Board of Directors

Francisco José Pereira Pinto de Balsemão

Francisco Maria Supico Pinto Balsemão

Francisco Pedro Presas Pinto de Balsemão

Alexandre de Azeredo Vaz Pinto

António Soares Pinto Barbosa

Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia

José Manuel Archer Galvão Telles

João Nuno Lopes de Castro

IMPRESA

Individual Report 2017

IMPRESA – SGPS, S.A.
Publicly Held Company
Share Capital Eur 84,000,000
Rua Ribeiro Sanches, 65
1200–787 Lisbon
NIPC 502 437 464
Commercial Registry Office of Lisbon

IMPRESA - SOCIEDADE GESTORA DE PARTICIPAÇÕES SOCIAIS, S.A.

STATEMENTS OF FINANCIAL POSITION AS OF 31 DECEMBER 2017 AND 2016

(Amounts expressed in Euros)

(Translation of statements of financial position originally issued in Portuguese - Note 24)

ASSETS	Notes	31 December 2017	31 December 2016
NON-CURRENT ASSETS			
Investments in group and associated companies	10	288.195.786	302.946.743
Other non-current assets	20.1	261.833	225.647
Total current assets		288.457.619	303.172.390
CURRENT ASSETS			
Other current assets	11	11.527.778	11.441.491
Cash and cash equivalents	12	211.951	75.769
Total current assets		11.739.729	11.517.260
TOTAL ASSETS		300.197.348	314.689.650
EQUITY AND LIABILITIES			
EQUITY:			
Capital	13	84.000.000	84.000.000
Share premium	14	36.179.271	36.179.271
Legal reserve	15	2.001.797	1.782.188
Other reserves	15	15.830.896	11.626.434
Net (loss)/profit for the year		(4.797.627)	4.392.190
TOTAL EQUITY		133.214.337	137.980.083
LIABILITIES:			
NON-CURRENT LIABILITIES			
Bank borrowings	16	68.349.627	116.581.214
Provisions		29.400	29.400
Deferred tax liabilities	8	58.913	50.771
Total non-current liabilities		68.437.940	116.661.385
CURRENT LIABILITIES:			
Bank borrowings	16	70.487.875	42.589.801
Borrowings from group companies	17	25.230.671	14.979.940
Trade and other payables	18	278.125	879.342
Current tax liabilities	8	1.694.568	735.200
Other current liabilities	11	853.832	863.899
Total current liabilities		98.545.071	60.048.182
TOTAL LIABILITIES		166.983.011	176.709.567
TOTAL EQUITY AND LIABILITIES		300.197.348	314.689.650

The accompanying notes form an integral part of the statements of financial position as of 31 December 2017

THE ACCOUNTANT

THE BOARD OF DIRECTORS

IMPRESA - SOCIEDADE GESTORA DE PARTICIPAÇÕES SOCIAIS, S.A.

STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEARS ENDED 31 DECEMBER 2017 AND 2016

(Amounts expressed in Euros)

(Translation of statements of financial position originally issued in Portuguese - Note 24)

	Notes	31 December 2017	31 December 2016
OPERATING REVENUE:			
Other operating revenue	3	20.110	35.893
		20.110	35.893
OPERATING COSTS:			
Supplies and services	4	(648.613)	(533.818)
Personnel costs	5	(2.424.677)	(2.884.781)
Provisions and impairment losses	10	(8.750.957)	(24.716)
Other operating costs	6	(485.355)	(454.226)
Total operating costs		(12.309.602)	(3.897.541)
Operating loss		(12.289.492)	(3.861.648)
NET FINANCIAL ITEMS:			
Net financial costs	7	(4.724.896)	(5.151.040)
Net gain on group companies and associates	7	11.032.268	11.723.873
		6.307.372	6.572.833
Profit before taxes		(5.982.120)	2.711.185
Income tax for the year	8	1.184.493	1.681.005
Net (loss)/profit for the year		(4.797.627)	4.392.190
Other comprehensive income:			
Items that will not be reclassified to the statement of profit and loss			
Actuarial gain/(loss)	8 and 20	31.881	(75.680)
Comprehensive income for the year		(4.765.746)	4.316.510
Earnings per share:			
Basic	9	(0,0286)	0,0261
Diluted	9	(0,0286)	0,0261
Comprehensive income per share:			
Basic	9	(0,0284)	0,0257
Diluted	9	(0,0284)	0,0257

The accompanying notes form an integral part of the statements of profit and loss and other comprehensive income for the year ended 31 December 2017

THE ACCOUNTANT

THE BOARD OF DIRECTORS

IMPRESA - SOCIEDADE GESTORA DE PARTICIPAÇÕES SOCIAIS, S.A.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED 31 DECEMBER 2017 AND 2016

(Amounts stated in Euros)

(Translation of a statement of changes in equity originally issued in Portuguese - Note 24)

	Capital	Share premium	Legal reserve	Other reserves	Net (loss)/profit for the year	Total equity
Balance at 1 January 2016	84.000.000	36.179.271	1.247.348	1.540.167	10.696.787	133.663.573
Pension plan - actuarial gain/(loss) (Note 20.1)	-	-	-	(97.650)	-	(97.650)
Pension plan - deferred tax liability (Note 8)	-	-	-	21.970	-	21.970
Other comprehensive income	-	-	-	(75.680)	-	(75.680)
Other changes:						
Appropriation of net result for the year ended 31 December 2015 (Note 15)	-	-	534.840	10.161.947	(10.696.787)	-
Net profit for the year ended 31 December 2016	-	-	-	-	4.392.190	4.392.190
Balance at 31 December 2016	84.000.000	36.179.271	1.782.188	11.626.434	4.392.190	137.980.083
Pension plan - actuarial gain/(loss) (Note 20.1)	-	-	-	41.138	-	41.138
Pension plan - deferred tax liability (Note 8)	-	-	-	(9.257)	-	(9.257)
Other comprehensive income	-	-	-	31.881	-	31.881
Other changes:						
Appropriation of net result for the year ended 31 December 2016 (Note 15)	-	-	219.609	4.172.581	(4.392.190)	-
Net loss for the year ended 31 December 2017	-	-	-	-	(4.797.627)	(4.797.627)
Balance at 31 December 2017	84.000.000	36.179.271	2.001.797	15.830.896	(4.797.627)	133.214.337

The accompanying notes form an integral part of the statements of changes in equity for the year ended 31 December 2017

THE ACCOUNTANT

THE BOARD OF DIRECTORS

IMPRESA - SOCIEDADE GESTORA DE PARTICIPAÇÕES SOCIAIS, S.A.

CASH FLOW STATEMENTS FOR THE YEARS ENDED

31 DECEMBER 2017 AND 2016

(Amounts stated in Euros)

(Translation of cash flow statements originally issued in Portuguese - Note 24)

	Notes	31 December 2017	31 December 2016
OPERATING ACTIVITIES:			
Cash paid to suppliers		(1.438.854)	(534.227)
Cash paid to employees		(2.450.511)	(3.874.701)
Cash used in operations		(3.889.365)	(4.408.928)
Recovery/(payments) of income tax		2.137.654	4.511.879
Other cash received/(paid) relating to operating activities		(146.540)	37.367
Net cash used in operating activities (1)		(1.898.251)	140.318
INVESTING ACTIVITIES			
Cash received relating to:			
Dividends	7	11.032.268	11.723.873
Supplementary capital contributions granted	10	6.000.000	3.000.000
		17.032.268	14.723.873
Cash paid relating to:			
Loans to group companies	11	-	(7.395.000)
		-	(7.395.000)
Net cash from investing activities (2)		17.032.268	7.328.873
FINANCING ACTIVITIES:			
Cash received relating to:			
Bank borrowings	16	1.050.000	14.615.000
Borrowings from group companies		10.250.732	-
		11.300.732	14.615.000
Cash paid relating to:			
Bank borrowings	16	(21.783.607)	(15.400.000)
Borrowings from group companies		-	(6.743.873)
Interest and similar costs		(4.572.857)	(4.902.090)
		(26.356.464)	(27.045.963)
Net cash (used)/from financing activities (3)		(15.055.732)	(12.430.963)
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		78.285	(4.961.772)
Cash and cash equivalents at the beginning of the year	12	(4.849.835)	111.937
Cash and cash equivalents at the end of the year	12	(4.771.550)	(4.849.835)

The accompanying notes form an integral part of the cash flow statements
for the year ended 31 December 2017

THE ACCOUNTANT

THE BOARD OF DIRECTORS

1. INTRODUCTORY NOTE

Impresa - Sociedade Gestora de Participações Sociais, S.A. ("the Company" or "Impresa") has its head office in Lisbon, it was founded on 18 October 1990 and its main activity is the management of participations in other companies.

Impresa is the parent company of a group made up of Impresa and its subsidiaries ("the Group"). The Group operates in the media business, namely in television broadcasting and publishing in paper and digital format.

The accompanying financial statements were authorized for publication by the Board of Directors of Impresa on 6 March 2018.

The Company has also prepared consolidated financial statements in accordance with current legislation.

2. MAIN ACCOUNTING POLICIES

2.1 Bases of presentation

The financial statements were prepared on a going concern basis, from the Company's accounting records, maintained in accordance with the provisions of the International Financial Reporting Standards as endorsed by the European Union, which include the International Accounting Standards ("IAS") issued by the International Accounting Standards Committee ("IASC"), the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and the related "SIC" and "IFRIC" interpretations issued by the International Financial Reporting Interpretation Committee ("IFRIC") and Standing Interpretation Committee ("SIC"). These standards are hereinafter referred to as "IFRS".

The Board of Directors made an evaluation of the Company's ability to continue as going concern, as disclosed in the notes to the consolidated financial statements considering all the relevant information, facts and circumstances, of financial, commercial or other nature, including subsequent events to the date of the financial statements. As a result of this analysis, considering the financial lines available, the borrowing capacity of its subsidiaries and the finance operations under negotiation, the Board of Directors concluded that the Company has the adequate financial resources to maintain its activities, there being no intentions to cease operations in the short term; therefore, it considered adequate the use of the going concern assumption in the preparation of the financial statements.

Impresa adopted IFRS for the preparation of its separate financial statements for the first time in 2009 and so, in compliance with IFRS 1 – First-time Adoption of International Financial Reporting Standards ("IFRS 1"), the date of transition from Portuguese generally accepted accounting principles to IFRS rules was 1 January 2008.

Therefore, in compliance with IAS 1, Impresa declares that these financial statements and related notes comply with the requirements of IAS/IFRS as endorsed by the European Union, in force for the years beginning on 1 January 2017.

2.2 Adoption of new or revised IAS/IFRS

The accounting policies used in the year ended 31 December 2017 are consistent with those used for the preparation of the financial statements of Impresa for the year ended 31 December 2016 and explained in the corresponding notes.

(Amounts stated in Euros)

The following standards, interpretations, amendments and revisions endorsed by the European Union are of mandatory application for the first time in the year ended 31 December 2017:

Standard / Interpretation	Applicable in the financial years starting on or after	Brief description
Amendments to IAS 12 - Recognition of Deferred Tax Assets for Unrealised Losses	01-jan-17	This amendment clarifies recognition and measurement requirements of deferred tax assets resulting from unrealised losses.
Amendments to IAS 7 - Disclosure Initiative	01-jan-17	This amendment introduces aditional disclosures related to cash-flows from financing activities.

The effect of adopting the above standards, interpretations and amendments on the Group's consolidated financial statements for the year ended 31 December 2017 was not significant.

The following standards, interpretations, amendments and revisions with mandatory application in future years were endorsed by the European Union up to the date of approval of these financial statements:

Standard / Interpretation	Applicable in the European Union in the years starting on or after	Brief description
IFRS 9 – Financial Instruments	01-jan-18	This standard is part of the revision of IAS 39 and establishes the new requirements for the classification and measurement of financial assets and liabilities to the methodology for the calculation of impairment and for the application of hedge accounting rules.
IFRS 15 – Revenue from Contracts with customers	01-jan-18	This standard introduces a structure for recognizing revenue based on principles and a model to be applied to all contracts entered into with clients, substituting IAS 18 – Revenue, IAS 11 – Construction contracts; IFRIC 13 – Customer loyalty programs; IFRIC 15 – Agreements for the constructing of real estate; IFRIC 18 – Transfer of assets from costumers and SIC 31 – Revenue – Barter transactions involving advertising services.
IFRS 16 – Leases	01-jan-19	This standard introduces the principles for the recognition and measurement of leases, substituting IAS 17 – Leases. The standard defines a single model for recording lease contracts, which results in the recognition by the lessor of assets and liabilities for all lease contracts, except for those for periods of less than twelve months or for leases of assets of reduced value. Lessors will continue to classify leases between operating and finance leases, IFRS 16 not requiring substantial changes for such entities in relation to IAS 17.
Amendments to IFRS 4 : Applying IFRS 9 'Financial Instruments' with IFRS 4 'Insurance Contracts'	01-jan-18	This amendment provides guidance when applying IFRS 4 with IFRS 9. The IFRS 4 Insurance Contracts will be superseded by IFRS 17.

The Company did not apply any of these standards early in its financial statements for the year ended 31 December 2017. The Board of Directors believes that the entry into force of IFRS 9 and IFRS 15 will not have significant effects on the Company's financial statements.

Regarding the adoption of IFRS 16, which will come into effect as of January 1, 2019, the Group is still assessing the corresponding impacts on its financial statements, although it is estimated that part of its leases will be within the scope of this standard.

(Amounts stated in Euros)

The following standards, interpretations, amendments and revisions applicable to future years have, to the date of approval of the accompanying financial statements, not been endorsed by the European Union:

Standard / Interpretation	Brief description
Amendments to IAS 40 - Investment Properties	These amendments clarify that the change of classification from or to investment property should only be made when there are evidences of a change in the use of the asset.
Improvements to international financial statement standards (2012-2014 cycle)	These improvements involve the clarification of some aspects related to IFRS 1 - First time adoption of international financial reporting standards: eliminates some short term exemptions; IFRS 12 - Disclosure of interests in other entities: clarifies the scope of the standards to its application to interests classified as held for sale or held for distribution under IFRS 5; IAS 28 - Investments in Associates and Jointly Controlled Entities: introduces clarifications over the fair value measurement of investments in associated or joint ventures held by venture capital companies or investment funds.
Improvements to international financial statements standards (2015–2017 Cycle)	These improvements involve the clarification of some aspects related to IFRS 3 - Business Combinations: clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. IFRS 11 - Joint Arrangements: clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business. IAS 12 - Income taxes: clarify that all income tax consequences of dividends should be recognized in profit or loss, regardless of how the tax arises; IAS 23 - Borrowing Costs: clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings.
IFRIC 22 - Transactions in foreign currency and advances	This interpretation establishes the date for initial recognition of the advance or deferred income as the date of the transaction for the effects of determining the currency translation rate for revenue recognition.
IFRIC 23 - Uncertainty over Income Tax Treatments	The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments.

These standards have not yet been endorsed by the European Union and so have not been applied by the Company in the year ended 31 December 2017.

From the above referred standards, the Group understands that their adoption will not lead to significant changes in its financial statements.

2.3 Investments in group and associated companies

Equity investments in group and associated companies are recorded at cost, which includes the amount paid plus transaction costs or at deemed cost as of the date of transition to IFRS, which corresponds to the amount recorded as of that date in accordance with generally accepted accounting principles in Portugal.

Investments are maintained at cost of acquisition or deemed cost, less any estimated impairment losses, when applicable.

Supplementary capital contributions made by the Company to group and associated companies are recorded at nominal value less any impairment losses. Such contributions are added to the amount of the investment in group and associated companies due to their permanent nature, they do not bear interest and in accordance with the applicable commercial legislation they can only be repaid if, after repayment, equity of the companies is not less than the sum of their capital and non-distributable reserves.

Dividends attributed by group and associated companies are recorded as financial income and decreases in capital are recorded as decreases in the amount of the investment.

2.4 Financial instruments

2.4.1 Other current assets

Other current assets are initially recorded at their nominal value and are presented net of any impairment losses. Impairment losses of these assets are recorded when there is objective evidence that all the amounts due will not be collected in accordance with the terms originally established for settlement of the amounts due. The amount of the loss corresponds to the difference between the nominal value and the estimated recoverable value and is recognized in the statement of profit and loss and other comprehensive income for the year.

2.4.2 Cash and cash equivalents

Cash and cash equivalents comprise cash and term deposits which mature in less than three months that are readily convertible to cash with an insignificant risk of change in value.

2.4.3 Borrowings

Borrowings are initially recognized as liabilities at the amount received, net of expenses relating to their issuance.

Expenses incurred with the issuance of borrowings are recognized in accordance with the amortized cost method, in the statement of profit and loss and other comprehensive income over the period of the borrowings.

Financial costs relating to bank interest and similar costs, such as stamp tax, are recognized in the statement of profit and loss and other comprehensive income on an accruals basis, the amounts due as of the date of the financial statements being classified as “Other current liabilities”.

2.4.4 Borrowings from Group companies

Borrowings from group companies are recorded at their nominal value, the amount corresponding accrued interest as of the date of the financial statements being classified in the caption “Other current liabilities”.

2.4.5 Trade and other payables and other current liabilities

Payables are recorded at their nominal value and do not bear interest.

2.5 Provisions and contingent liabilities

Provisions are recognized when there is a present (legal or implied) obligation resulting from a past event, the resolution of which will probably require expending internal resources, the amount of which can be reasonably estimated.

The amount of provisions is reviewed and adjusted at each statement of financial position date so as to reflect the best estimate at that time.

When any of the above mentioned conditions is not met, the corresponding contingent liability is not recorded but only disclosed, unless a future outflow of funds affecting future financial benefits is remote, in which case it is not disclosed.

2.6 Pension liability

The Company has assumed the commitment to grant its employees and remunerated Board Members hired up to 5 July 1993, pension supplements for retirement due to age and incapacity. The pensions consist of a percentage which increases with the number of years of service to the company, applied to the salary table, or a fixed percentage applied to the base salary in force in 2002.

The liability for the payment of retirement, incapacity and survivor pensions is recorded in accordance with the provisions of IAS 19, which requires companies with pension plans to recognize the cost of granting such benefits as the services are rendered by the benefiting employees and board members.

Therefore, at the end of each accounting period, the Company obtains an actuarial study made by an independent entity, in order to determine its liability at that date and the pension cost to be recognized in the period. The liability thus estimated is compared with the market value of the pension fund assets in order to determine the amount of contributions to be made or recorded.

The effect of changes in the assumptions and differences between the assumptions used and the actual amounts is considered as actuarial gain and loss, being recognized in equity (other comprehensive income).

2.7 Income tax

Income tax for the year consists of current tax and deferred tax and is recorded in accordance with the provisions of IAS 12.

Impresa is covered by the special regime for the taxation of groups of companies (Regime Especial de Tributação dos Grupos de Sociedades - "RETGS"), which covers all the companies in which Impresa has a direct or indirect participation of at least 75% and comply with the other conditions of the regime. The other participated companies not covered by the special regime for the taxation of groups of companies are taxed individually based on their taxable income at the applicable tax rates.

In determining income tax cost for the year, in addition to current tax, the effect of deferred tax is also considered, calculated based on the difference between the book value of assets and liabilities and their corresponding value for tax purposes.

Deferred tax assets and liabilities are calculated and valued annually using the tax rates expected to be in force when the temporary differences reverse.

Deferred tax assets are only recognized when there is reasonable expectation that there will be sufficient future taxable income to use them. At each statement of financial position date, a review of the temporary differences underlying the deferred tax assets is made so as to recognize the deferred tax assets not previously recognized because they did not fulfill the conditions required for them to be recognized, and/or reduce the amount of the deferred tax assets based on the current expectation of their future recovery.

2.8 Accruals basis

Costs and income are recorded in the period to which they relate, independently of the date they are paid or received.

Financial costs and income relating to interest are recognized on an accruals basis in accordance with the applicable effective interest rate.

2.9 Classification of the statement of financial position

Assets realizable and liabilities payable in less than one year from the statement of financial position date are classified as current assets and liabilities, respectively.

2.10 Subsequent events

Events that occur after the end of the year that provide additional information of conditions that existed at that date are reflected in the financial statements.

Events that occur after the end of the year, that provide additional information on conditions that existed after that date, if significant, are disclosed in the notes to the financial statements.

2.11 Impairment of assets

Impairment tests of assets are made whenever events or changes in circumstances are identified that indicate that the amount at which an asset is recorded may not be recovered.

Whenever the book value of an asset exceeds its recoverable amount, an impairment loss is recognized in the statement of profit and loss and other comprehensive income.

The recoverable amount is the higher of the net selling price and value in use.

(Amounts stated in Euros)

Net selling price is the amount that could be obtained from the sale of the asset in a transaction between knowledgeable independent entities, less the costs directly attributable to the sale. Value in use is the present value of the estimated future cash flows from continued use of the asset and its sale at the end of its useful life. Value in use results from future cash flows discounted based on discount rates that reflect the present cost of capital and the specific risk of the asset.

Whenever the book value of an asset exceeds its recoverable amount, an impairment loss is recognized in the statement of profit and loss and other comprehensive income for the period to which it refers. When an impairment loss is subsequently reversed, the book value of the asset is adjusted to its estimated value. However, impairment losses are reversed only up to the amount that would have been recognized had no impairment loss been recognized for the asset in prior years, net of amortization or depreciation. The reversal of impairment losses is recognized immediately in the statement of profit and loss and other comprehensive income.

2.12 Changes in accounting policies and estimates

In 2017 there were no changes in accounting policies in relation to those used in preparing the financial statements for the year ended 31 December 2016, nor were material errors relating to prior years recognized.

As a result of the uncertainties relating to the operations, the basis used for the amounts estimated is the most recent reliable information available, the main estimates being those relating to the impairment analyses of the investments, provisions and pension liability. The revision of a prior period estimate is not considered as an error. Changes in estimates are only recognized prospectively in results and are subject to disclosure when the effect is significant. Estimates are determined based on the best information available at the time of preparing the financial statements.

3. SERVICES RENDERED AND OTHER OPERATING INCOME

Other operating income for the years ended 31 December 2017 and 2016 is made up as follows:

	2017	2016
Other operating income:		
Others	20.110	35.893
	20.110	35.893

4. SUPPLIES AND SERVICES

This caption for the years ended 31 December 2017 and 2016 is made up as follows:

	2017	2016
Specialized works	284.401	150.106
Rents (a)	249.068	269.895
Maintenance and repairs	4.739	5.833
Others	110.405	107.984
	648.613	533.818

(a) This caption for the years ended at 31 December 2017 and 2016 includes 89,784 Euros charged each year by related entities (Note 21).

(Amounts stated in Euros)

5. PERSONNEL COSTS

Personnel costs for the years ended 31 December 2017 and 2016 are as follows:

	2017	2016
Personnel remuneration	1.493.464	1.509.168
Remuneration of the corporate boards (Note 21)	452.927	449.855
Charges on remuneration	452.186	510.119
Indemnities	-	361.349
Others	26.100	54.290
	2.424.677	2.884.781

The Company had an average of 21 employees during the years ended 31 December 2017 and 2016.

6. OTHER OPERATING COSTS

Other operating costs for the years ended 31 December 2017 and 2016 are made up as follows:

	2017	2016
Taxes	376.331	345.171
Subscriptions	109.022	106.928
Other operating costs	2	2.127
	485.355	454.226

7. NET FINANCIAL COSTS

Net financial costs for the years ended 31 December 2017 and 2016 are made up as follows:

	2017	2016
Financial costs:		
Interest (a)	(4.300.345)	(4.687.083)
Other financial costs	(424.551)	(463.957)
	(4.724.896)	(5.151.040)
Net gain on group and associated companies:		
Dividends (b)	11.032.268	11.723.873
	6.307.372	6.572.833

(a) At 31 December 2017 and 2016 this caption includes 2,384,244 Euros and 2,978,050 Euros, respectively, charged by related entities (Nota 21).

(b) This caption at 31 December 2017 and 2016 corresponds to dividends received from the following companies (Note 21):

	2017	2016
SIC - Sociedade Independente de Comunicação, S.A. ("SIC")	10.852.268	11.523.873
Vasp – Distribuidora de Publicações, S.A. ("Vasp")	180.000	200.000
	11.032.268	11.723.873

(Amounts stated in Euros)

8. DIFFERENCES BETWEEN THE ACCOUNTING AND TAX RESULTS

The Company is subject to Corporation Income Tax under the Special Regime for the Taxation of Groups of Companies (Regime Especial de Tributação dos Grupos de Sociedades - "RETGS") together with its subsidiaries: Impresa Publishing, S.A. ("Impresa Publishing"), SIC, GMTS – Global Media Technology Solutions – Serviços Técnicos e Produção Multimédia, Sociedade Unipessoal, Lda. ("GMTS"), IOSS, and InfoPortugal - Sistemas de Informação e Conteúdos, S.A. ("InfoPortugal").

The Company is subject to corporate income tax at the rate of 21% of taxable income plus a municipal surcharge at the rate of 1.5% of taxable income, resulting in a maximum aggregate tax rate of 22.5%.

In addition, taxable income exceeding 1,500,000 Euros is subject to State surcharge at the following rates:

- 3% on taxable profit from 1,500,000 Euros to 7,500,000 Euros;
- 5% for taxable profit from 7,500,000 Euros to 35,000,000 Euros;
- 7% on taxable profit exceeding 35,000,000 Euros.

For the year ended at December 2018, the taxable income exceeding 1,500,000 Euros will be subject to State surcharge at the following rates:

- 3% on taxable profit from 1,500,000 Euros to 7,500,000 Euros;
- 5% for taxable profit from 7,500,000 Euros to 35,000,000 Euros;
- 9% on taxable profit exceeding 35,000,000 Euros.

Net financial costs are deductible for determining taxable income, determined by the Group, are limited to the greater of the following limits:

- 1,000,000 Euros;
- 30% of the profit before amortization and depreciation, net financial costs and taxes.

In accordance with article 88 of the Corporate Income Tax Code, the Company is subject to autonomous taxation on certain charges, at the rates established in the article.

In accordance with current legislation tax returns are subject to review and correction by the tax authorities during a period of four years (five years for social security), except where there have been tax losses, tax benefits have been given or tax inspections, claims or contestations have been made, in which case, depending on the circumstances, the period can be extended or suspended. Therefore the Company's tax returns for the years 2014 to 2017 are still subject to review.

The Board of Directors believes that any corrections resulting from revisions/inspections by the tax authorities of these tax returns will not have a significant effect on the financial statements as of 31 December 2017 and 2016.

In accordance with current legislation tax losses can be carried forward during a period of 5 years after their occurrence for deduction from taxable income generated in that period, limited to 70% of the Group's taxable income in each year, applicable also to tax losses incurred in prior years.

At 31 December 2017 and 2016 Impresa and its subsidiaries did not have any tax losses carried forward.

Current tax liabilities at 31 December 2017 and 2016 are made up as follows:

	2017	2016
Current tax liabilities		
Payments on account and special payments on account generated under the RETGS	(1.078.917)	(1.470.392)
Corporate income tax generated under the RETGS (i)	2.713.621	2.137.426
Estimated corporate income tax	59.864	68.166
	1.694.568	735.200

(i) This amount was made up as follows at 31 December 2017 and 2016:

(Amounts stated in Euros)

	2017	2016
Accounts receivable generated under the RETGS (Note 11)	3.902.538	3.886.747
	3.902.538	3.886.747
Tax losses carried forward of the Company used under the RETGS	(1.188.917)	(1.749.321)
	2.713.621	2.137.426

a) Temporary differences – Changes in deferred tax assets

31 December 2017:

	Tax losses carried forward
Balance at 31 December 2016	-
Increases	1.188.918
Recovery	(1.188.918)
Balance at 31 December 2017	-

31 December 2016:

	Tax losses carried forward
Balance at 31 December 2015	-
Increases	1.749.321
Recovery	(1.749.321)
Balance at 31 December 2016	-

Deferred tax assets resulting from tax losses carried forward, generated during the years ended 31 December 2017 and 2016 were fully used up in the years then ended as a result of the taxable profit calculated by the companies included in the consolidated tax return (RETGS).

b) Temporary differences – Changes in deferred tax liabilities

31 December 2017:

	Pension plan
Balance at 31 December 2016	50.771
Increase/(decrease) with effect on other comprehensive income	9.257
Increase/(decrease) with effect on profit or loss	(1.115)
Balance at 31 December 2017	58.913

31 December 2016:

	Pension plan
Balance at 31 December 2015	72.591
Increase/(decrease) with effect on other comprehensive income	(21.970)
Increase/(decrease) with effect on profit or loss	150
Balance at 31 December 2016	50.771

(Amounts stated in Euros)

c) Reconciliation of the tax rate

	2017	2016
Net Result before income tax	(5.982.120)	2.711.185
Nominal tax rate	21%	21%
Estimated income tax	(1.256.245)	569.349
Permanent differences (i)	66.212	(2.318.520)
Adjustment to taxable profit (ii)	59.864	68.166
Excess of estimated income tax of previous year	(54.324)	-
Income tax for the year	(1.184.493)	(1.681.005)
Current tax	59.864	68.166
Excess of estimated income tax of previous year	(54.324)	-
Deferred tax generated in the year	(1.190.033)	(1.749.171)
	(1.184.493)	(1.681.005)

(i) At 31 December 2017 and 2016, this caption is detailed as follows:

	2017	2016
Dividends received (Note 7)	(11.032.268)	(11.723.873)
Impairment losses for investments in group companies (Note 10)	8.750.957	-
Non-deductible finance costs under RETGS	2.514.107	1.245.367
Others, net	82.500	(562.066)
	315.296	(11.040.572)
Tax rate	21%	21%
	66.212	(2.318.520)

(ii) This amount corresponds to corporate income tax taxed autonomously.

d) Tax processes in progress

As a result of a tax inspection carried out of Impresa Serviços e Multimédia, S.A. ("ISM") (merged in 2015 into Impresa) and its related tax procedures, in 2011, 2012, 2014 and 2015, Impresa was notified of additional corporation income tax assessments for the years 2008, 2009, 2010, 2011 and 2012, under which the Tax Administration did not accept the tax deductibility of interest on part of the loan from BPI to finance the acquisition of non-remunerated shareholders' loans of BPI (prior shareholder) to Solo (entity merged into ISM in prior years). The reasons alleged by the Tax Administration for this non-acceptance is that the normal and current activities of ISM do not include the granting of loans to subsidiaries (it is not a holding company) and such charges are supposedly not related to loans obtained for its direct operations. The corrections to taxable income amount to 3,415,295 Euros for 2008, 2,105,621 Euros for 2009, 2,161,788 Euros for 2010, 2,334,795 Euros for 2011 and 943,005 Euros for 2012.

During the year ended 31 December 2016, the Tax Authorities annulled the corporate income tax additional assessment related to 2012, in the amount of 943,005 Euros, for which a bank guarantee had been presented, amounting to 325,041 Euros, which was cancelled in April 2016.

During the year ended 31 December 2017 the Group obtained a favorable decision on the claim related to the additional tax assessments for the years ended 31 December 2008 and 2009 related to the deductibility of finance costs incurred. The tax authorities presented an appeal.

(Amounts stated in Euros)

At 31 December 2017 the additional tax assessments referred to above had been legally contested, Impresa having provided bank guarantees of 2,991,811 Euros relating to the years 2010 and 2011 (Note 19). Bank guarantees were not given for the appeals for the years 2008 and 2009 as the tax consolidation for these years presented tax losses carried forward (used in the year 2010) that offset the above additional tax assessments.

The Board of Directors believes, based on the opinion of its lawyers, that the prospects of success of its claims and/or contestations, are reasonable and so no provision has been recorded for that tax contingency.

9. EARNINGS PER SHARE

Earnings per share for the years ended 31 December 2017 and 2016 were calculated as follows:

	2017	2016
Net Result for the year	(4.797.627)	4.392.190
Number of shares (Note 13)	168.000.000	168.000.000
Earnings/Losses for the year per share	(0,0286)	0,0261
Comprehensive income for the year	(4.765.746)	4.316.510
Number of shares (Note 13)	168.000.000	168.000.000
Comprehensive income for the year per share	(0,0284)	0,0257

As there are no situations that involve dilution, diluted earnings per share are the same as basic earnings per share.

10. INVESTMENTS IN GROUP AND ASSOCIATED COMPANIES

The movements in investments in group and associated companies and in the related accumulated impairment losses in the years ended 31 December 2017 and 2016 were as follows:

31 December 2017:

	Investments	Supplementary capital contributions	Total
Investments:			
Balance at 31 December 2016	275.696.743	27.250.000	302.946.743
Increase in impairment losses (a)	(8.750.957)	-	(8.750.957)
Decreases (b)	-	(6.000.000)	(6.000.000)
Balance at 31 December 2017	266.945.786	21.250.000	288.195.786

(a) In the last quarter of 2017, the Group decided to sell a set of news titles that make up a portfolio of magazines, which was held by Impresa Publishing, and started a plan to carry out this operation. Following the implementation of this plan, in view of the ongoing negotiations, it was determined that the estimated value of the sale of that portfolio would amount to approximately 10,200,000 Euros. Therefore, for the purposes of calculating the recoverable value of the stake held by Impresa in Impresa Publishing, the recoverable amount of this asset was determined taking into account the value of evaluation of Impresa Publishing, based on the value of the cash generating unit Publishing, considering only the publications that would remain in the sphere of Impresa Publishing, as defined in the notes to the consolidated financial statements, plus the expected recoverable value arising from the sale of the portfolio of the magazines. As a result of the aforementioned, the Company recognized an impairment loss of approximately, 8,751,000 Euros, corresponding to the difference between the amount determined in the aforementioned terms and the carrying amount of this investment.

(b) The decrease in caption “Supplementary capital contributions” refers to the reimbursement of supplementary capital contributions granted in previous years to Impresa Publishing, in the amount of 6,000,000 Euros.

(Amounts stated in Euros)

31 December 2016:

	Investments	Supplementary capital contributions	Total
Investments:			
Balance at 31 December 2015	275.726.743	30.250.000	305.976.743
Increase in impairment losses (c)	(30.000)	-	(30.000)
Decreases (d)	-	(3.000.000)	(3.000.000)
Balance at 31 December 2016	275.696.743	27.250.000	302.946.743

(c) The increase in impairment losses is recorded in the income statement and other comprehensive income in the caption "Provisions and impairment losses", net of reversals of impairment losses on accounts receivable, in the amount of 30,000 Euros .

(d) The decrease in caption “Supplementary capital contributions” refers to the reimbursement of supplementary capital contributions granted in previous years to Impresa Publishing, in the amount of 3,000,000 Euros.

At 31 December 2017 and 2016, the Company had the following investments in group and associated companies (accounting information of the participations taken from their financial statements)

31 December 2017:

Company	Head office	Net assets	Equity	Total revenue	Net profit/ (loss) for the year	Percentage participation	Book value	Impairment losses	Permanent loans	Total investment
Impresa Publishing (a)	Lisboa	23.518.445	(6.503.134)	46.165.584	(23.289.988)	100%	35.611.372	(18.900.372)	17.500.000	34.211.000
IOSS (a)	Oeiras	21.229.612	8.477.717	6.470.394	(201.842)	100%	5.947.555	-	3.750.000	9.697.555
SIC	Oeiras	104.003.013	21.347.859	151.255.360	8.684.178	100%	239.408.738	-	-	239.408.738
Infoportugal	Matosinhos	1.691.196	450.815	2.319.889	135.742	100%	2.842.435	-	-	2.842.435
Vasp	Cacém	42.763.551	8.526.627	217.326.770	(118.718)	33,33%	1.144.666	-	-	1.144.666
Lusa	Lisboa	11.893.332	3.370.163	16.226.463	720.693	22,35%	890.732	-	-	890.732
Visapress	Lisboa	n.a.	n.a.	n.a.	n.a.	10,00%	5.000	(5.000)	-	-
Nexponor	Porto	n.a.	n.a.	n.a.	n.a.	0,001%	660	-	-	660
Other	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	30.000	(30.000)	-	-
							285.881.158	(18.935.372)	21.250.000	288.195.786

31 December 2016:

Company	Head office	Net assets	Equity	Total revenue	Net profit/ (loss) for the year	Percentage participation	Book value	Impairment losses	Permanent loans	Total investment
Impresa Publishing (a)	Lisboa	48.493.675	22.726.953	48.492.568	(438.750)	100%	35.611.372	(10.149.415)	23.500.000	48.961.957
IOSS (a)	Oeiras	19.109.277	8.679.558	6.261.207	(69.012)	100%	5.947.555	-	3.750.000	9.697.555
SIC	Oeiras	107.078.453	23.515.949	154.531.636	10.852.268	100%	239.408.738	-	-	239.408.738
Infoportugal	Matosinhos	1.263.328	308.730	1.847.448	(83.131)	100%	2.842.435	-	-	2.842.435
Vasp	Cacém	37.917.897	9.221.408	207.309.229	626.613	33,33%	1.144.666	-	-	1.144.666
Lusa	Lisboa	11.893.332	2.572.857	16.226.463	720.693	22,35%	890.732	-	-	890.732
Visapress	Lisboa	n.a.	n.a.	n.a.	n.a.	10,00%	5.000	(5.000)	-	-
Nexponor	Porto	n.a.	n.a.	n.a.	n.a.	0,001%	660	-	-	660
Other	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	30.000	(30.000)	-	-
							285.881.158	(10.184.415)	27.250.000	302.946.743

(a) The equity of these investments includes amounts recorded by the Company as supplementary capital contributions in the caption “Permanent loans”.

During the year ended 31 December 2016, the Company recognized impairment losses for the full investment in IT Example ACE, in the amount of 30,000 Euros.

As previously mentioned, for impairment analyses purposes, investments in group and associated companies were evaluated by the Board of Directors considering the cash generating units controlled by Impresa, as well as the key assumptions of each, in conformity with the information presented in Note 17 to the consolidated financial statements.

(Amounts stated in Euros)

11. OTHER CURRENT ASSETS AND LIABILITIES

Other current assets at 31 December 2017 and 2016 are made up as follows:

	2017	2016
Customers		
Vasp (Note 21)	1.213	1.213
Other current account customers	18.536	18.536
	19.749	19.749
Other current assets		
Group companies - RETGS (Notes 8 and 21):		
SIC	3.688.372	3.673.804
Impresa Publishing	81.177	76.664
GMTS	22.073	113.776
IOSS	60.125	15.616
InfoPortugal	50.791	6.887
	3.902.538	3.886.747
Group companies (Note 21):		
IOSS	7.395.000	7.395.000
Others	210.491	139.995
	11.527.778	11.441.491

During the year ended 31 December 2016, IOSS made the anticipated payment of all the finance lease contract of the building in Paço de Arcos, the Company having granted IOSS a loan in the amount of 7,395,000 Euros, with no defined repayment schedule, and which does not bear interest.

Accounts receivable of Group companies at 31 December 2017 and 2016 in the amounts of 3,902,538 Euros and 3,886,747 Euros, respectively, correspond to estimated taxes, withholdings at source and payments on account of these subsidiaries recorded under the tax consolidation (Note 8).

The caption "Other current liabilities" at 31 December 2017 and 2016 is made up as follows:

	2017	2016
Accrued costs:		
Personnel vacation pay and subsidy	347.036	348.213
Interest	254.733	290.695
Others	53.098	32.501
	654.867	671.409
State and other public entities		
Personal income tax	91.946	89.445
Social security contributions	85.103	80.256
	177.049	169.701
Other liabilities		
Other creditors	21.916	22.789
	853.832	863.899

(Amounts stated in Euros)

12. CASH AND CASH EQUIVALENTS

The caption "Cash and cash equivalents" included in the cash flow statements as of 31 December 2017 and 2016 reflected in the statement of financial position as of those dates are as follows:

	2017	2016
Cash	1.489	-
Bank deposits	210.462	75.769
	211.951	75.769
Bank overdrafts (Note 16)	(4.983.501)	(4.925.604)
	(4.771.550)	(4.849.835)

The caption cash and cash equivalents includes cash and bank deposits repayable on demand.

13. CAPITAL

At 31 December 2017 and 2016 capital was fully subscribed for and paid up and amounted to 84,000,000 Euros, made up of 168,000,000 shares of fifty cents each, held as follows, in accordance with the qualified participations reported to the Stock Exchange Commission (CMVM):

	2017		2016	
	Percentage held	Amount	Percentage held	Amount
Impreger - Sociedade Gestora de participações Sociais, S.A. ("Impreger")	50,31%	42.257.294	50,31%	42.257.294
Madre - SGPS, S.A.	4,63%	3.887.483	4,79%	4.024.345
Santander Asset Management	4,18%	3.507.282	4,70%	3.945.621
Grupo BPI	3,69%	3.100.000	3,69%	3.100.000
Newshold - SGPS, S.A.	2,40%	2.019.382	2,40%	2.019.382
Azvalor Asset Management	2,80%	2.354.481	n.d	n.d
Norges Bank	2,78%	2.336.667	n.d	n.d
Invesco, Ltd. (a)	n.d	n.d	6,78%	5.693.491
Other	29,21%	24.537.412	27,33%	22.959.867
	100,00%	84.000.000	100,00%	84.000.000

(a) During the year ended 31 December 2017, this shareholder ceased having a qualified participation in Impresa's share capital.

14. SHARE PREMIUM

This caption corresponds to premiums obtained in share capital increases made in previous years. In accordance with current legislation, utilization of this reserve is subject to the same rules as the legal reserve and so this amount is not available for distribution to the shareholders but may be used to absorb losses, once all the other reserves and retained earnings have been exhausted, or to increase capital.

15. RESERVES

The caption "Legal reserve" at 31 December 2017 and 2016 corresponds to the Company's legal reserve recorded in accordance with commercial legislation, which provides that at least 5% of annual net profit must be appropriated to a legal reserve until the reserve equals the minimum requirement of 20% of share capital. The reserve is not available for distribution except upon liquidation of the Company, but may be used to absorb losses, once all the other reserves and retained earnings have been exhausted, or to increase capital.

(Amounts stated in Euros)

The movements in reserves in 2017 and 2016 were as follows:

31 December 2017:

	Legal reserve	Other reserves
Balance at 1 January 2017	1.782.188	11.626.434
Increases (a)	219.609	4.172.581
Pension plan - actuarial gains/losses (Note 8 and 20.1)	-	31.881
Balance at 31 de December 2017	2.001.797	15.830.896

(a) The increase in these captions results from the decision of the Shareholders' General Meeting held on 19 April 2017 to appropriate net profit for the year ended 31 December 2016 as follows:

Legal reserve	219.609
Other reserves	4.172.581
	4.392.190

31 December 2016:

	Legal reserve	Other reserves
Balance at 1 January 2016	1.247.348	1.540.167
Increases (a)	534.840	10.161.947
Decreases (b)	-	(75.680)
Balance at 31 de December 2016	1.782.188	11.626.434

(a) The increase in these captions results from the decision of the Shareholders' General Meeting held on 19 April 2016 to appropriate net profit for the year ended 31 December 2015 as follows:

Legal reserve	534.840
Other reserves	10.161.947
	10.696.787

(b) The decrease in this caption results from the actuarial gains and losses regarding the pension plan, in the amount of 75,680 Euros.

16. BANK BORROWINGS

Bank borrowings at 31 December 2017 and 2016 are made up as follows:

	31 December 2017				31 December 2016			
	Book value		Nominal value		Book value		Nominal value	
Lending entities	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current
Banco BPI, S.A. (a)	65.522.391	9.939.999	65.809.837	9.983.606	75.463.173	9.940.102	75.793.443	9.983.607
Banco Popular, S.A. (b)	1.483.491	988.994	1.500.000	1.000.000	2.472.350	988.940	2.500.000	1.000.000
Caixa Central de Crédito Agrícola Mútuo, C.R.L. (c)	1.343.745	1.343.744	1.350.000	1.350.000	2.686.612	895.537	2.700.000	900.000
Banco BIC Português, S.A. (d)	-	6.165.723	-	6.200.000	6.140.598	2.377.005	6.200.000	2.400.000
Caixa Geral de Depósitos, S.A. (e)	-	-	-	-	-	7.362.613	-	7.500.000
Bond loan	-	29.915.914	-	30.000.000	29.818.481		30.000.000	
Guaranteed current account (g)	-	17.150.000	-	17.150.000	-	16.100.000	-	16.100.000
Bank overdrafts (h) (Note 12)	-	4.983.501	-	4.983.501	-	4.925.604	-	4.925.604
	68.349.627	70.487.875	68.659.837	70.667.107	116.581.214	42.589.801	117.193.443	42.809.211

(Amounts stated in Euros)

At 31 December 2017, the movement occurred in the balance of debt in credit institutions, separated by movements with associated cash flows and without cash flow, was as follows:

	31 December 2016	Cashflow for the year		Movements without cashflow	31 December 2017
Lending entities	Book Value	Receivables	(Payments)	Amortized cost	Book Value
Banco BPI, S.A. (a)	85.403.275	-	(9.983.607)	42.722	75.462.390
Banco Popular, S.A. (b)	3.461.290	-	(1.000.000)	11.195	2.472.485
Caixa Central de Crédito Agrícola Mútuo, C.R.L. (c)	3.582.149	-	(900.000)	5.340	2.687.489
Banco BIC Português, S.A. (d)	8.517.603	-	(2.400.000)	48.120	6.165.723
Caixa Geral de Depósitos, S.A. (e)	7.362.613	-	(7.500.000)	137.387	-
Debenture loan (f)	29.818.481	-	-	97.433	29.915.914
Guaranteed current accounts (g)	16.100.000	1.050.000	-	-	17.150.000
	154.245.411	1.050.000	(21.783.607)	342.197	133.854.001
Bank overdrafts (h) (Note 12)	4.925.604	-	57.897	-	4.983.501
	159.171.015	1.050.000	(21.725.710)	342.197	138.837.502

(a) Loan from Banco BPI, S.A. to ISM for the acquisition of all the capital of Solo (merged into ISM) that held an 18.35% share in SIC and a 30.65% stake in SIC. On 1 January 2015, ISM was merged into Impresa having transferred all the inherent liability to that entity. At 31 December 2017 the loan bore interest payable half yearly in arrears at the six month Euribor rate plus 2.5% and is repayable in 38 successive half year instalments, the first having been due on 30 June 2006. The nominal amount of the balance due of the loan is repayable as follows:

2018	9.983.606
2019	9.983.607
2020	9.983.607
2021	9.983.607
2022 and following	35.859.016
	65.809.837
	75.793.444

In guarantee of full compliance with the loan the Group signed a blank promissory note and pledged all the shares of SIC.

As a result of the loan Impresa assumed several covenants and restrictions relating essentially to the acquisition and sale of assets and distribution of dividends.

In accordance with the terms of the loan Impresa must maintain at least 51% of the shares of SIC. In addition, Impreger must not reduce its participation in Impresa to below 50.1%.

(b) Loan contract signed by Impresa with Banco Popular, S.A. in June 2015 to be repaid in 10 successive half year instalments up to 16 June 2020. At 31 December 2017 the loan bore interest payable half yearly in arrears at the six month Euribor rate plus 2.25%. The nominal amount of the loan is repayable as follows:

2018	1.000.000
2019	1.000.000
2020	500.000
	1.500.000
	2.500.000

In guarantee of full compliance with the loan Impresa signed a blank promissory note.

(Amounts stated in Euros)

(c) Loan contracted by Impresa with Caixa Central de Crédito Agrícola Mútuo C.R.L. in September 2015, repayable in 8 half yearly instalments up to 15 September 2019. At 31 December 2017, the loan bore interest payable half yearly in arrears at the six month Euribor rate plus 2.6%. The nominal amount of the loan is repayable as follows:

2018	1.350.000
2019	1.350.000
	2.700.000

In guarantee of full compliance with the loan Impresa signed a blank promissory note.

In addition, Impresa must keep at least 51% of the share capital of SIC and Impresa Publishing.

(d) On 18 September 2015, Impresa signed a loan contract with Banco BIC Português, S.A. to be repaid in six half yearly instalments, the first five of 1,200,000 Euros and the last on 18 September 2018 of 5,000,000 Euros. At 31 December 2017, the loan bore interest payable half yearly in arrears at the Euribor six month rate plus 1.5%.

(e) Issuance of commercial paper under a commercial paper program for a period of 3 years with maturities up to six months, ending on 23 December 2017, with an initial amount of 15,000,000 Euros, which will progressively be reduced to 3,750,000 Euros at the last issuance. At 31 December 2017 this commercial paper issue is totally reimbursed.

(f) On 12 November 2014 the Company issued bonds totaling 30,000,000 Euros, corresponding to 600 bonds of 50,000 Euros each, repayable on 12 November 2018. The bonds bear interest at the Euribor 6 month rate plus a spread of 4%.

In accordance with these bond loan, the Company assumed certain commitments, not ceasing to hold all the share capital of SIC and Impresa Publishing and Impreger must not cease to hold a majority (50.1%) of the Company's capital.

At 31 December 2017 these bonds were listed for trading (Euronext) and its market value was 28,500,000 Euros.

(g) Guaranteed current accounts obtained by Group companies which bear interest at normal market rates for similar operations.

(h) The bank overdrafts bear interest at market rates for similar operations.

In the years ended 31 December 2017 and 2016, the effective interest rates on the loans were as follows:

Lending entities	2017	2016
Banco BPI, S.A.	2,50%	2,50%
Banco Popular, S.A.	2,25%	2,25%
Caixa Central de Crédito Agrícola Mútuo, C.R.L.	2,60%	2,60%
Banco BIC Português, S.A.	1,50%	1,50%
Caixa Geral de Depósitos, S.A.	2,85%	2,85%
Novo Banc, SA. E Banco Espirito Santo de Investimento, SA.	4,00%	4,00%
Guaranteed current account	2,60%	2,60%

If the interest rates had been 0.5% higher or lower in 2017 and 2016, net profit for these years would have decreased or increased by approximately 745,000 Euros and 785,000 Euros, respectively.

(Amounts stated in Euros)

The Board of Directors believes that there are no cases of non-compliance with the requirements of the above mentioned borrowings, both as regards maintenance of the main participations in subsidiary companies, the limitation of investments or the distribution of dividends and the applicable financial covenants, which are detailed in Note 27 to the consolidated financial statements.

17. BORROWINGS FROM GROUP COMPANIES

At 31 December 2017 and 2016 the Company had loans from its subsidiary SIC in the amounts of 25,430,671 Euros and 14,979,940 Euros, respectively (Note 21) which bore interest at market rates for similar operations.

18. TRADE AND OTHER PAYABLES

Trade and other payables at 31 December 2017 and 2016 are made up as follows:

	2017	2016
SIC (Note 21) (a)	201.954	791.825
IOSS (Note 21)	-	243
Impresa Publishing (Note 21)	-	197
Other current account payables	76.171	87.077
	278.125	879.342

(a) As of 31 December 2017, this account payable includes interests incurred for the year 2017 and 2016, in the amount of 188,017 Euros and 247,868 Euros, respectively.

19. CONTINGENT LIABILITIES AND GUARANTEES GIVEN

At 31 December 2017 and 2016 the Company had requested the issuance of bank guarantees totaling 2,991,811 Euros in favor of the Tax Department in guarantee of tax execution processes resulting from the correction of corporation taxable income for the years 2010 and 2011 (Note 8).

20. COMMITMENTS ASSUMED

20.1 Pensions

Impresa has assumed commitments to pay its employees and remunerated members of the Board of Directors hired before 5 July 1993, pension supplements for retirement due to age and incapacity. The benefits are calculated based on a percentage that increases with the number of years of service applied to the salary scale or a fixed percentage applied to the base salary defined as being the amounts in 2002.

In 1987, the Group created an autonomous pension fund to which it transferred its liability for the payment of the above pensions.

In accordance with an actuarial study made by the entity managing the fund, the present value of the above mentioned past service liability for current and retired employees as of 31 December 2017 and 2016 was estimated at 720,465 Euros and 772,998 Euros, respectively, and the amount of the fund on those dates was 982,298 Euros and 998,645 Euros, respectively.

(Amounts stated in Euros)

The changes in the past service liability of its current and retired employees and the amount of the Company's pension fund assets at 31 December 2017 and 2016 were as follows:

	2017	2016
Present value of the liability for defined benefits at the beginning of the year:	772.998	715.179
Benefits paid	(41.686)	(41.687)
Current service cost	8.901	7.718
Interest cost	13.163	18.053
Actuarial (gain) and loss	(32.911)	73.735
Present value of the liability for defined benefits	720.465	772.998
Plan assets at the beginning of the year:	998.645	1.037.806
Benefits paid	(41.686)	(41.687)
Interest of the plan	17.112	26.441
Financial gain/(loss)	8.227	(23.915)
Plan assets at the end of the year	982.298	998.645
Superavit	261.833	225.647

Financial gains and losses resulting from differences between the assumptions used in determining expected income from the assets and the amounts effectively realized and the actuarial gains and losses between the assumptions used in determining the liability were recognized as income and costs directly in equity as other comprehensive income. Actuarial gains in 2017 result essentially from the change in the discount rate. The remaining income and costs were recognized in the statement of profit and loss.

	2017	2016
Amounts recognized in the statement of profit or loss:		
Current service cost	(8.901)	(7.718)
Interest cost	(13.163)	(18.053)
Fund interest	17.112	26.441
	(4.952)	670
Amounts recognized as other comprehensive income:		
Actuarial (gain)/loss	(32.911)	73.735
Financial gain/loss	(8.227)	23.915
	(41.138)	97.650

Other information relating to this matter are included in Note 33.1 to the consolidated financial statements.

20.2 Operating leases

The operating lease contracts in force do not have contingent lease instalments. The operating lease contracts mature as follows:

	2017	2016
Within one year	107.639	106.230
Between one and five years	104.426	153.733
	212.065	259.963

In 2017 and 2016 the Group recognized in the statements of profit and loss and other comprehensive income the amounts of approximately 127,000 Euros and 151,000 Euros, respectively, relating to operating lease contracts.

(Amounts stated in Euros)

21. RELATED PARTIES

All the subsidiaries and associated companies belonging to the Impresa Group identified in the consolidated financial statements and the shareholder Impreger are considered as related parties.

Considering the Company’s governance structure and the decision making process, it only considers as “key management personnel”, the Board of Directors, as the main operating decisions are made by the Managing Director and the Board of Directors. In the years ended 31 December 2017 and 2016, transactions with the Board of Directors corresponded essentially to remuneration paid for performing their functions in the Impresa Group.

The balances at 31 December 2017 and 2016 and transactions during the years then ended with related parties were as follows:

	2017	2016
Transactions:		
Rent cost (Impreger) (Note 4)	89.784	89.784
Personnel costs (Note 5)	452.927	449.855
Interest and similar costs (Note 7)	2.384.244	2.978.050
Dividends received (Note 7)	11.032.268	11.723.873
Balances:		
Cash and cash equivalents (a)	134.098	30.707
Receivables (Note 11)	11.298.751	11.282.960
Borrowings (Note 17)	25.230.671	14.979.940
Payables (Note18)	201.954	792.265
Bank borrowings	80.793.443	90.777.049

(a) These balances correspond essentially to bank deposits at Banco BPI, S.A..

In the years ended 31 December 2017 and 2016, pension supplements of 184,739 Euros were paid each year by the pension fund to the President of the Board of Directors.

In the years ended 31 December 2017 and 2016, no long term benefits for termination of labour contracts or payments in shares were attributed to members of the Board of Directors.

22. RISK MANAGEMENT

Risk is managed on a consolidated basis and so Note 36 of the consolidated financial statements should be consulted on this matter.

23. OTHER INFORMATION

As of 31 December 2017 and 2016, the amount of annual remuneration paid by the Company to the external auditor and other entities or individuals belonging to the same network were as follows:

	2017	2016
Auditing Services	61.500	30.000
Other assurance services	2.700	2.700
Other services	27.500	-
	91.700	32.700

24. NOTE ADDED FOR TRANSLATION

These financial statements are a translation of financial statements originally issued in Portuguese in conformity with International Financial Reporting Standards as endorsed by the European Union. In the event of discrepancies, the Portuguese language version prevails.

THE ACCOUNTANT THE BOARD OF DIRECTORS

STATUTORY AUDIT CERTIFICATION / AUDIT REPORT

(Translation of a report originally issued in Portuguese – in the event of discrepancies, the original version in Portuguese prevails)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Impresa – Sociedade Gestora de Participações Sociais, S.A. ("the Entity"), which comprise the statement of financial position as at 31 December 2017 (that presents a total of Euro 300,197,348 and equity of Euro 133,214,337, including a net loss of Euro 4,797,627, the statement of profit and loss and comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the accompanying notes to the financial statements, including a summary of the significant accounting policies.

In our opinion, the accompanying financial statements present true and fairly, in all material respects, the financial position of Impresa – Sociedade Gestora de Participações Sociais, S.A. as at 31 December 2017 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and further technical and ethical standards and guidelines as issued by Ordem dos Revisores Oficiais de Contas (the Portuguese Institute of Statutory Auditors). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section below. We are independent from the entities that constitute the Group in accordance with the law and we have fulfilled our other ethical requirements in accordance with the Ordem dos Revisores Oficiais de Contas code of ethics.

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of the most significant risks of material misstatement identified	Summary of the auditor's responses to the assessed risks of material misstatement
Impairment of investments in group companies (referred to in Notes 2.3, 2.11 and 10 to the financial statements) The statement of financial position as of 31 December 2017 includes investments in group companies and associates in the amount of Euro 288,195,786, recorded at cost or deemed cost, resulting from the acquisition of financial participations in previous years, essentially in entities that control the television and publishing businesses. The realization of these investments depends on the future cash-flows to be generated by the corresponding subsidiaries, thus, there is the risk that these may not be sufficient to realize the amount invested. As referred to in Note 10 to the statements, the Group performs impairment analysis annually, or whenever there are indicators of impairment, using the discounted cash-flows method, based on five years projections for each business, considering a perpetuity from the fifth year onwards, which include several assumption which are detailed in Note 17 to the consolidated financial statements. Considering the amount of this caption, as well as the significant number of the judgements and estimates involved in the impairment tests, the impairment analysis of investments in subsidiaries and associates is a key audit matter.	Our main procedures to mitigate this risk included: • Tests to internal controls deemed relevant related to the impairment analyses; • Obtaining the impairment analyses carried out by the Management resorting to an external entity: (i) analysis of the reasonableness of the assumptions used, (ii) comparison of the cash-flows projected in the analyses, including the main assumptions considered, with the historical performance of the cash generating units and corresponding budgets approved by the management, and (iii) verification of their arithmetical accuracy. • Involving our internal experts to: ▪ Evaluate the assumptions used to compute the discount rates and the perpetuity growth rate; ▪ Evaluate the projections of future cash-flows used in the impairment analyses, in order to determine if they are reasonable considering the current economic and market situation, and the expected future performance of the corresponding cash generating units.

Other matters

As mentioned in the Introductory Note to the financial statements, the financial statements referred to above refer to the Entity's activity on a separate non-consolidated level and were prepared for approval and publication under the terms of current legislation. As allowed by IFRS and disclosed in Note 2.3, financial investments in subsidiaries and associates are recorded at cost or deemed cost deducted by impairment losses, when applicable. Therefore, the accompanying financial statements do not include the effect of the full consolidation of assets, liabilities, equity, revenues and expenses of the companies directly or indirectly participated by the Entity, which will be done in consolidated financial statements to be prepared and approved separately.

Responsibilities of Management and Supervisory Body for the financial statements

Management is responsible for:

- the preparation of financial statements that present true and fairly, in all material respects, the financial position, the financial performance and the cash flows of the Entity in accordance with International Financial Reporting Standards as adopted by the European Union;

- the preparation of a management report, including the corporate governance report, under the applicable legal and regulatory terms;

- the implementation and maintenance of an appropriate internal control system that allows the preparation of financial statements that are free from material misstatements due to fraud or error;

- the adoption of accounting principles and criteria appropriate in the circumstances; and

- the evaluation of the Entity's ability to continue as a going concern, disclosing, whenever applicable, the matters that may cast significant doubt on the continuity of the Entity's operations.

The Supervisory Body is responsible for overseeing the Entity's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our responsibility consists in obtaining a reasonable assurance on whether the financial statements as a whole are free from material misstatements, 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:

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

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

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

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Entity to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- we communicate with those charged with governance, including the Supervisory Body, 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;
- from the matters communicated with those charged with governance, including the Supervisory Body, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter;
- we provide the Supervisory Body with a statement that we have complied with relevant ethical requirements regarding independence, and we communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Our responsibility includes also the verification of the agreement between the information included in the Management report with the financial statements, and the verifications required in article 451, numbers 4 and 5, of the Portuguese Companies' Code ("Código das Sociedades Comerciais").

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

On the management report

In compliance with article 451, number 3.e) of the Portuguese Companies' Code ("Código das Sociedades Comerciais"), in our opinion, the Management report was prepared in accordance with the applicable law and regulations and the information included therein is in agreement with the audited financial statements, and considering our knowledge and appreciation of the Entity, we did not identify material misstatements.

On the non-financial information under the terms of article 508-G of the Portuguese Companies' Code ("Código das Sociedades Comerciais")

In compliance with article 451, number 6, of the Portuguese Companies' Code ("Código das Sociedades Comerciais"), we inform that the entity has prepared a separate report from the management report that includes the non-financial information, as provided for in Article 508-G of Portuguese Companies' Code ("Código das Sociedades Comerciais"), and it has been published together with the management report.

On the corporate governance report

In compliance with article 451, number 4, of the Portuguese Companies' Code ("Código das Sociedades Comerciais"), we conclude that the corporate governance report includes the elements required to the Entity under the terms of article 245-A of the Portuguese Securities Code ("Código dos Valores Mobiliários"), and we have not identified any material misstatements in the information disclosed in such report, which, accordingly, complies with the requirements of items c), d), f), h), i) and m) of that article.

On the additional elements included in article 10 of Regulation (UE) 537/2014

Pursuant to article 10 of Regulation (UE) 537/2014 of the European Parliament and of the Council of April 16th, 2014, in addition to the key audit matters mentioned above, we also report on the following:

- Deloitte & Associados, SROC S.A. as a member of the Deloitte network, has been the Statutory Auditor of the Group over 15 years. We have been appointed/elected in the shareholders' general assembly that took place on 29 April 2015 for the mandate in progress which ends in 31 December 2018.

- The Supervisory Body confirmed to us that is unaware of the occurrence of any fraud or suspected fraud with a material effect in the financial statements. As part of the planning and execution of our audit in accordance with ISAs, we kept professional scepticism and designed audit procedures to respond to the risk of material misstatements in the financial statements due to fraud. As a result of our work, we have not identified any material misstatement in the financial statements due to fraud.

- We confirm that the audit opinion issued is consistent with the additional report that we prepared and delivered to the Entity's Supervisory Body as at 22 March 2018.

- We declare that we have not provided any prohibited services as described in article 77, number 8, of the Ordem dos Revisores Oficiais de Contas statutes (Legal Regime of the Portuguese Statutory Auditors) and we have remained independent from the Entity in conducting the audit.

Lisbon, 22 March 2018

Deloitte & Associados, SROC S.A.
Represented by Tiago Nuno Proença Esgalhado, ROC

HJ/In

IMPRESA

Consolidated Report 2017

IMPRESA – SGPS, S.A.
Publicly Held Company
Share Capital Eur 84,000,000
Rua Ribeiro Sanches, 65
1200–787 Lisbon
NIPC 502 437 464
Commercial Registry Office of Lisbon

IMPRESA - SOCIEDADE GESTORA DE PARTICIPAÇÕES SOCIAIS, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

FOR THE YEARS ENDED 31 DECEMBER 2017 AND 2016

(Amounts stated in Euros)

(Translation of consolidated statements of comprehensive income originally issued in Portuguese - Note 39)

ASSETS	Notes	2017	2016
NON-CURRENT ASSETS			
Goodwill	17	268.622.821	300.892.821
Intangible assets	18	313.863	435.821
Tangible fixed assets	19	29.882.242	28.234.916
Investments	20	3.614.521	3.667.894
Investments properties	21	1.478.489	5.912.440
Program broadcasting rights	22	4.959.298	4.568.154
Other non-current assets	24	5.567.277	4.941.825
Deferred tax assets	15	1.605.884	818.427
Total non-current assets		316.044.395	349.472.298
CURRENT ASSETS:			
Program broadcasting rights	22	12.778.402	15.636.356
Inventories	22	355.302	1.422.658
Trade and other receivables	23	36.573.551	37.631.796
Other current assets	24	5.195.593	6.329.572
Cash and cash equivalents	25	3.824.133	3.491.256
Total current assets		58.726.981	64.511.638
Current assets classified as held for sale	28	13.845.466	-
TOTAL ASSETS		388.616.842	413.983.936

EQUITY AND LIABILITIES	Notes	2017	2016
EQUITY:			
Share capital	26	84.000.000	84.000.000
Share premium	26	36.179.272	36.179.272
Legal reserve	26	2.001.797	1.782.188
Retained earnings and other reserves		22.152.398	19.520.330
Consolidated net profit/(loss) for the year		(21.654.037)	2.759.895
TOTAL EQUITY		122.679.430	144.241.685
LIABILITIES:			
NON-CURRENT LIABILITIES:			
Bank borrowings	27	82.996.798	134.730.289
Finance leases	27	509.849	256.701
Provisions	29.2	4.502.402	3.757.354
Deferred tax liabilities	15	339.650	315.456
Total non-current liabilities		88.348.699	139.059.800
CURRENT LIABILITIES:			
Bank borrowings	27	98.483.960	51.596.359
Trade and other payables	30	32.035.967	29.876.474
Finance leases	27	258.424	113.399
Current tax liabilities	15	1.324.841	253.801
Other current liabilities	31	43.554.780	48.842.418
Total current liabilities		175.657.972	130.682.451
Liabilities related to assets classified as held for sale	28	1.930.741	
TOTAL LIABILITIES		265.937.412	269.742.251
TOTAL EQUITY AND LIABLITIES		388.616.842	413.983.936

The accompanying notes form an integral part of on the consolidated statement of financial position as of 31 December 2017.

THE ACCOUNTANT

THE BOARD OF DIRECTORS

IMPRESA - SOCIEDADE GESTORA DE PARTICIPAÇÕES SOCIAIS, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEARS ENDED 31 DECEMBER 2017 AND 2016

(Amounts stated in Euros)

(Translation of consolidated statements of comprehensive income originally issued in Portuguese - Note 39)

	Notes	2017	2016
OPERATING REVENUE			
Services rendered	9	176.666.775	179.243.775
Sales	9	24.012.138	25.117.542
Other operating revenue	10	1.142.296	1.635.773
Total operating revenue		201.821.209	205.997.090
OPERATING EXPENSES			
Cost of programs broadcast and goods sold	11	(80.691.513)	(80.692.585)
Supplies and services	12	(50.470.090)	(55.801.421)
Personnel costs	13	(53.073.972)	(51.665.160)
Amortization and depreciation	18 and 19	(3.651.545)	(3.501.245)
Provisions and impairment losses	29	(23.949.707)	(677.138)
Other operating expenses	10	(3.020.115)	(1.634.888)
Total operating expenses		(214.856.942)	(193.972.437)
Operating profit		(13.035.733)	12.024.653
NET FINANCIAL EXPENSES			
Gain / (loss) on associated companies	14	126.627	(139.978)
Interest and other financial costs	14	(7.171.619)	(7.287.855)
Other financial income	14	315.492	95.354
Net financial expenses		(6.729.500)	(7.332.479)
Profit before taxes		(19.765.233)	4.692.174
Income tax expense	15	(1.888.804)	(1.932.279)
Consolidated net profit/(loss) for the year		(21.654.037)	2.759.895
Other comprehensive income			
Items that will not be reclassified to the statement of profit and loss			
Actuarial gain/(loss)	15 and 33.1	91.781	(291.074)
Comprehensive income for the year		(21.562.255)	2.468.821
Earnings per share:			
Basic	16	(0,1289)	0,0164
Diluted	16	(0,1289)	0,0164
Comprehensive income per share:			
Basic	16	(0,1283)	0,0147
Diluted	16	(0,1283)	0,0147

The accompanying notes form an integral part of the consolidated statement of profit and loss and other comprehensive income for the year ended 31 December 2017.

THE ACCOUNTANT | THE BOARD OF DIRECTORS

IMPRESA - SOCIEDADE GESTORA DE PARTICIPAÇÕES SOCIAIS, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED 31 DECEMBER 2017 AND 2016

(Amounts stated in Euros)

(Translation of statements of changes in equity originally issued in Portuguese - Note 39)

	Notes	Share capital	Share premium	Legal reserve	Retained earnings and other reserves	Consolidated net profit for the year	Total
Balance at 1 January 2016		84.000.000	36.179.272	1.247.348	16.318.585	4.027.659	141.772.864
Pension plan - actuarial gain/(loss)	33.1	-	-	-	(375.579)	-	(375.579)
Pension plan - deferred tax liability	15	-	-	-	84.505	-	84.505
Other comprehensive income		-	-	-	(291.074)	-	(291.074)
Other changes:							
Appropriation of consolidated net profit for the year ended 31 December 2015	26	-	-	534.840	3.492.819	(4.027.659)	-
Consolidated net profit for the year ended 31 December 2016		-	-	-	-	2.759.895	2.759.895
Balance at 31 December 2016		84.000.000	36.179.272	1.782.188	19.520.330	2.759.895	144.241.685
Pension plan - actuarial gain/(loss)	33.1	-	-	-	118.429	-	118.429
Pension plan - deferred tax liability	15	-	-	-	(26.648)	-	(26.648)
Other comprehensive income		-	-	-	91.781	-	91.781
Appropriation of consolidated net profit for the year ended 31 December 2016	26	-	-	219.609	2.540.286	(2.759.895)	-
Consolidated net loss for the year ended 31 December 2017		-	-	-	-	(21.654.037)	(21.654.037)
Balance at 31 December 2017		84.000.000	36.179.272	2.001.797	22.152.398	(21.654.037)	122.679.430

The accompanying notes for an integral part of the consolidated statement of changes in equity for the year ended 31 December 2017.

THE ACCOUNTANT

THE BOARD OF DIRECTORS

IMPRESA - SOCIEDADE GESTORA DE PARTICIPAÇÕES SOCIAIS, S.A. AND SUBSIDIARIES

CONSOLIDATED CASH FLOW STATEMENTS FOR THE YEARS ENDED

31 DECEMBER 2017 AND 2016

(Amounts stated in Euros)

(Translation of cash flow statements originally issued in Portuguese - Note 39)

	Notes	2017	2016
OPERATING ACTIVITIES			
Cash receipts from customers		198.462.666	201.311.717
Cash paid to suppliers		(128.466.646)	(143.080.504)
Cash paid to employees		(53.881.822)	(52.153.431)
Cash generated from operations		16.114.198	6.077.782
Payments relating to income taxes		(1.546.108)	(277.648)
Other cash paid relating to operating activities		(455.113)	(215.772)
Net cash from operating activities (1)		14.112.977	5.584.362
INVESTING ACTIVITIES			
Cash received relating to:			
Dividends and capital reductions of associates	20	180.000	200.000
Interest		308.640	326.056
Subsidies		256.285	31.394
Tangible fixed assets		13.333	-
Investment property	21	640.000	-
Refund of the excess funding of the Pension Fund	33	211.000	-
		1.609.258	557.450
Cash paid relating to:			
Tangible fixed assets		(4.029.899)	(3.309.133)
Intangible assets		(137.002)	(159.277)
		(4.166.901)	(3.468.410)
Net cash used in investing activities (2)		(2.557.643)	(2.910.960)
FINANCING ACTIVITIES			
Cash received relating to:			
Bank borrowings		22.085.000	20.834.132
Leases		511.572	249.938
		22.596.572	21.084.070
Cash paid relating to:			
Bank borrowings	27	(26.831.774)	(16.199.081)
Payments relating to finance leases		(113.399)	(5.835.722)
Interest and similar costs		(6.391.588)	(7.127.808)
		(33.336.761)	(29.162.611)
Net cash used in investing activities (3)		(10.740.189)	(8.078.541)
Net (decrease)/increase in cash and cash equivalents (4) = (1) + (2) + (3)		815.145	(5.405.140)
Captive fixed-term deposit	25	(640.000)	-
Cash and cash equivalents at the beginning of the year	25	(1.974.513)	3.430.627
Cash and cash equivalents at the end of the year	25	(1.799.368)	(1.974.513)

The accompanying notes form an integral part of the consolidated cash flow statement
for the year ended 31 December 2017.

THE ACCOUNTANT

THE BOARD OF DIRECTORS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2017

(Amounts stated in Euros)

(Translation of notes originally issued in Portuguese – Note 39)

1. INTRODUCTORY NOTE

Impresa – Sociedade Gestora de Participações Sociais, S.A. ("the Company" or "Impresa") has its head-office in Rua Ribeiro Sanches 65, Lisbon and was founded on 18 October 1990, its main activities being the management of investments in other companies.

The Impresa Group ("the Group") is made up of Impresa and subsidiaries (Note 4). The Group operates in the media industry, namely in television broadcasting and publishing in paper and digital format.

Impresa's shares are listed in Euronext Lisbon – Sociedade Gestora de Mercados Regulamentados, S.A..

The Board of Directors of Impresa approved these financial statements for publication on March 6, 2018.

2. MAIN ACCOUNTING POLICIES

(i) Bases of presentation

The consolidated financial statements have been prepared on a going concern basis, from the accounting records of the companies included in the consolidation (Note 4), adjusted in accordance with the provisions of IAS/IFRS as endorsed by the European Union, which include the International Accounting Standards ("IAS") issued by the International Standards Committee ("IASC"), International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and related "SIC" and "IFRIC" interpretations issued by the International Financial Reporting Interpretation Committee ("IFRIC") and Standing Interpretation Committee ("SIC"). These standards are hereinafter referred to as "IFRS".

The Board of Directors made an evaluation of the Group's ability to continue as going concern, considering all the relevant information, facts and circumstances, of financial, commercial or other nature, including subsequent events to the date of the financial statements. As result of this analysis, the Board of Directors concluded that the Group has the adequate financial resources to maintain its activities, there being no intentions to cease operations in the short term; therefore, it considered adequate the use of the going concern assumption in the preparation of the consolidated financial statements (Note 36.d).

Impresa adopted IFRS for the preparation of its consolidated financial statements for the first time in 2005 and so, in compliance with IFRS 1 – First-time Adoption of International Financial Reporting Standards ("IFRS 1"), the date of transition from Portuguese generally accepted accounting principles to IFRS rules was 1 January 2004.

Therefore, in compliance with IAS 1, Impresa declares that these consolidated financial statements and related notes comply with the requirements of IAS/IFRS as endorsed by the European Union, in force for years beginning on 1 January 2017.

During the second half of 2017, the Group decided to sell a range of press titles (portfolio of magazines) as part of a process of repositioning its activity with a primary focus on the audio-visual and digital sectors. The sale of the portfolio of magazines, including a set of related assets and liabilities, was concluded on January 2, 2018, with the signing of the respective sale agreement (Notes 17 and 28). The press tittles, which together constituted the Group's portfolio of magazines, were included in the Publishing segment, sharing various revenues and expenses with the other publications of the segment, and therefore did not constitute a cash-generating unit or an autonomous segment. Thus, the Group concluded that the conditions considered in IFRS 5, for presentation as a discontinued operation are not met, and therefore all the notes reported to profit and loss items include the income and expenses generated by those publications.

2.2 Adoption of new and revised IAS/IFRS

The accounting policies used in the year ended 31 December 2017 are consistent with those used for the preparation of the consolidated financial statements of Impresa for the year ended 31 December 2016 and explained in the respective notes.

(Amounts stated in Euros)

The following standards, interpretations, amendments and revisions endorsed by the European Union are of mandatory application for the first time in the year ended 31 December 2017:

Standard / Interpretation	Applicable in the financial years starting on or after	Brief description
Amendments to IAS 12 - Recognition of Deferred Tax Assets for Unrealised Losses	01-jan-17	This amendment clarifies recognition and measurement requirements of deferred tax assets resulting from unrealised losses.
Amendments to IAS 7 - Disclosure Initiative	01-jan-17	This amendment introduces aditional disclosures related to cash-flows from financing activities.

The effect of adopting the above standards, interpretations and amendments on the Group's consolidated financial statements for the year ended 31 December 2017 was not significant.

The following standards, interpretations, amendments and revisions with mandatory application in future years were endorsed by the European Union up to the date of approval of these financial statements:

Standard / Interpretation	Applicable in the European Union in the years starting on or after	Brief description
IFRS 9 – Financial Instruments	01/jan/18	This standard is part of the revision of IAS 39 and establishes the new requirements for the classification and measurement of financial assets and liabilities, to the methodology for the calculation of impairment and for the application of hedge accounting rules.
IFRS 15 – Revenue from Contracts with customers	01/jan/18	This standard introduces a structure for recognizing revenue based on principles and a model to be applied to all contracts entered into with clients, substituting IAS 18 – Revenue, IAS 11 – Construction contracts; IFRIC 13 – Customer loyalty programs; IFRIC 15 – Agreements for the constructing of real estate; IFRIC 18 – Transfer of assets from costumers and SIC 31 – Revenue – Barter transactions involving advertising services.
IFRS 16 – Leases	01/jan/19	This standard introduces the principles for the recognition and measurement of leases, substituting IAS 17 – Leases. The standard defines a single model for recording lease contracts, which results in the recognition by the lesser of assets and liabilities for all lease contracts, except for those for periods of less than twelve months or for leases of assets of reduced value. Lessors will continue to classify leases between operating and finance leases, IFRS 16 not requiring substantial changes for such entities in relation to IAS 17.
Amendments to IFRS 4 : Applying IFRS 9 'Financial Instruments' with IFRS 4 'Insurance Contracts'	01/jan/18	This amendment provides guidance when applying IFRS 4 with IFRS 9. The IFRS 4 Insurance Contracts will be superseded by IFRS 17.

The Company did not apply any of these standards early in its financial statements for the year ended 31 December 2017. The Board of Directors believes that the entry into force of IFRS 9 and IFRS 15 in the year ending December 31, 2018 may have the following effects on the Group's financial statements at that date:

(i) IFRS 9 – Financial Instruments

Based on an analysis of the Group's financial assets and liabilities at December 31, 2017 and at the known facts and circumstances at that date, the Group's Board of Directors assessed the impact of the adoption of IFRS 9 on the consolidated financial statements as follows:

Classification and measurement

The measurement of all financial instruments (Note 36) will continue to be on the same basis as currently under IAS 39. Therefore, the captions accounts receivable, accounts payable and financing obtained will continue to be measured at amortised cost under IFRS 9.

Impairments

Financial assets measured at amortised cost, as presented in Note 36, will be subject to impairment under IFRS 9.

The Group expects to apply the simplified approach to recognize expected credit losses in trade accounts receivable as required or permitted by IFRS 9.

As regards to other accounts receivable, mainly regarding related parties (Note 34), considering the credit risk profile of those entities, the Board of Directors considers that these have a low credit risk.

Overall, the Board of Directors anticipates that the application of the expected credit loss model will result in the early recognition of credit losses for the corresponding assets and that it will not substantially increase the value of the accumulated impairment losses recognized.

(ii) IFRS 15 – Revenue from Contracts with customers

As referred in Note 2.16, the Group recognizes income from different businesses, and the Board of Directors made the following preliminary assessments for each of these businesses:

- Display of advertisements, ad-serving and value-added services relating to contests and telephone-based initiatives: The business of selling advertising space on television, press or digital media incorporates a unique performance obligation, accomplished in the moment of exhibition or diffusion of their advertisers' campaigns, in line with the current criteria under IAS 18. The same criteria is applicable to multimedia services, whose performance obligation occurs at moment of participation in these contests through a phone call bidding. The moment of recognition of the obligation of performance of each of these services occurs at a specific moment in time, which does not differ substantially from the current practice, when the control of the services provided made to the clients is transferred.

- Television broadcast rights: Concerning agreements with operators for the transfer of the signal from the Group’s channels, it is understood that there are separate performance obligations when such agreements include, in addition to the transfer of the signal, other commitments such as the sale of advertisement space or additional remuneration for agreed compensations. Therefore, the Group believes that such obligations are met at a particular moment in time, with the exception of the transfer of the signal, which is satisfied during the transmission period by the operator. In the recognition of these revenues under IAS 18, the Group already considers these criteria.

- Broadcasting content rights ceded: Regarding the transfer of content rights by the Group to other markets, the Group preliminarily assessed that the performance obligation is fulfilled when the control of the content is transferred through its delivery, and there are no other significant performance obligations to be fulfilled thereafter. Therefore, it is expected that the recognition of the respective income will occur at a moment of time, after the delivery of the contents, similar to what the Group is currently applying under IAS 18.

- Books and publications sales: The business concerning the sale of publications incorporates a single performance obligation that is fulfilled when the newspapers are available in the newsstands or in digital platforms. Therefore, it is expected that the recognition of the corresponding income will occur at a moment of time, after the availability of the publications, similar to what the Group is currently applying under IAS 18.

- Projects implementation in geographic information systems area (GIS): Regarding projects in the GIS area, the Group believes that the obligation to perform the delivery of the production service, due to its nature, occurs throughout the time, as the product is made and delivered. It is understood that there is no significant difference between the deliveries of the respective projects and when the Group incurs the costs of its execution.

The Board of Directors has decided that the Group will adopt the full retrospective method of transition to IFRS 15 in the preparation of the consolidated financial statements for the year ending December 31, 2018.

Besides additional disclosures regarding the Group's recognized revenues expected to be included in the consolidated financial statements, and eventual changes only in respect of the presentation of certain income and costs regarding the above-mentioned transactions, the Board of Directors does not anticipate that the application of IFRS 15 will have a material impact on the Group's consolidated financial position or consolidated financial performance.

(Amounts stated in Euros)

Regarding the adoption of IFRS 16, which will come into effect as of January 1, 2019, the Group is still assessing the corresponding impacts on its consolidated financial statements, although it is estimated that part of its leases will be within the scope of this standard.

The following standards, interpretations, amendments and revisions applicable to future years have, to the date of approval of the accompanying financial statements, not been endorsed by the European Union:

Standard / Interpretation	Brief description
Amendments to IAS 40 - Investment Properties	These amendments clarify that the change of classification from or to investment property should only be made when there are evidences of a change in the use of the asset.
Improvements to international financial statement standards (2012-2014 cycle)	These improvements involve the clarification of some aspects related to IFRS 1 - First time adoption of international financial reporting standards: eliminates some short term exemptions; IFRS 12 - Disclosure of interests in other entities: clarifies the scope of the standards to its application to interests classified as held for sale or held for distribution under IFRS 5; IAS 28 - Investments in Associates and Jointly Controlled Entities: introduces clarifications over the fair value measurement of investments in associated or joint ventures held by venture capital companies or investment funds.
Improvements to international financial statements standards (2015–2017 Cycle)	These improvements involve the clarification of some aspects related to IFRS 3 - Business Combinations: clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. IFRS 11 - Joint Arrangements: clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business. IAS 12 - Income taxes: clarify that all income tax consequences of dividends should be recognized in profit or loss, regardless of how the tax arises; IAS 23 - Borrowing Costs: clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings.
IFRIC 22 - Transactions in foreign currency and advances	This interpretation establishes the date for initial recognition of the advance or deferred income as the date of the transaction for the effects of determining the currency translation rate for revenue recognition.
IFRIC 23 - Uncertainty over Income Tax Treatments	The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments.

These standards have not yet been endorsed by the European Union and so have not been applied by the Group in the year ended 31 December 2017. From the above referred standards, the Group understands that their adoption will not lead to significant changes in its consolidated financial statements.

2.3 Consolidation principles

The consolidation methods used by the Group were as follows:

a) Controlled companies

The financial statements of all the companies controlled by the Group have been included in the accompanying consolidated financial statements by the full consolidation method. Control is considered to exist when the Group is exposed, or has rights, to variable returns resulting from its involvement with the participated companies and has the ability to affect those returns through the power it exercises over the companies. Shareholders' equity and net profit and loss of these companies corresponding to third party participation in them are presented separately in the consolidated statement of financial position and statement of comprehensive income under the caption "Non-controlling interest". The controlled companies included in the consolidated financial statements are listed in Note 4.

The assets and liabilities of subsidiaries are reflected at their respective fair values at the date of acquisition of the subsidiary. Any excess of cost over the fair value of identifiable net assets is recorded as goodwill. Where cost is lower than the fair value of the identified net assets, the difference is recognised as income in the consolidated statement of profit and loss and other comprehensive income for the year of the acquisition.

The results of subsidiaries acquired or sold during the year are included in the consolidated statement of profit and loss and other comprehensive income as from the date of their acquisition or up to the date of their sale.

Changes in the Group's participation in companies already controlled, which do not result in loss of control are recorded in equity. Consequently, the Group's interest and non-controlling shareholders' interest in these companies are adjusted so as to reflect the changes in the control of the subsidiaries.

Differences between the non-controlling interests acquired or sold and the fair value of the purchase or sale, respectively, are recognized in equity.

Transactions, balances and dividends distributed between companies included in the consolidation are eliminated on consolidation. Capital gains resulting from the sale of participated companies within the Group are also eliminated in consolidation.

b) Associated companies

An associated company is one over which the Group has significant influence, but does not have control or joint control over decisions relating to their operating and financial policies.

Investments in associated companies (Note 5) are recorded in accordance with the equity method of accounting, except when the investment is classified as held for sale. Investments in associated companies are initially recorded at cost, which is subsequently increased or decreased by the difference between cost and the proportion of equity held in the companies, as of the acquisition date or the date the equity method is applied for the first time.

In accordance with the equity method, investments are periodically adjusted by the amount corresponding to the Group's share in the net results of the associated companies, by other changes in their equity, as well as by the recognition of impairment losses by corresponding entry to "Net financial gain and loss" (Note 14).

In addition, dividends received from these companies are recorded as decreases in the amount of the investment.

The Group suspends application of the equity method of accounting when the investment in the associated company is reduced to zero, and a liability is recognised only if the Group has a legal or constructive obligation to the associated company or to its creditors. If afterwards the associated company reports profits, the Group only resumes application of the equity method once its share of those profits equals the part of the losses not recognised.

The Group makes impairment assessments of investments in associated companies on an annual basis and whenever there are signs that the asset may be impaired, impairment losses being recognised as expenses. When impairment losses previously recognised cease to exist, they are reversed up to the limit of the impairment loss recognised.

Any excess of cost over the fair value of the identifiable net assets as of the date of acquisition is recorded as goodwill and included in the book value of the investment. Where cost is lower than the fair value of the identified net assets, the difference is recognised as income in the statement of profit and loss and other comprehensive income for the year of the acquisition.

Whenever necessary, adjustments are made to the financial statements of the associated companies to make them consistent with the accounting standards used by the Group.

c) Investments in other companies

Investments representing participations of less than 20%, for which there are no market references, are recorded at the lower of cost or estimated realizable value.

2.4 Goodwill

Goodwill corresponds to the excess of cost over the fair value of the identifiable assets and liabilities of a subsidiary as of its acquisition date. Where cost is lower than the fair value of the identifiable net assets, the difference is recognised as income in the statement of profit and loss and other comprehensive income for the year of the acquisition.

As a result of the exception established in IFRS 1, the Group did not apply retrospectively the provisions of IFRS 3 to acquisitions prior to 1 January 2004, and so goodwill arising on acquisitions prior to the transition to IFRS (1 January 2004) was maintained at the net book value as of that date determined in accordance with generally accepted accounting principles in Portugal.

Goodwill is recorded as an asset and is not amortised, being reflected separately on the statement of financial position. Goodwill is tested for impairment annually and whenever there are indications of a possible loss. Impairment losses are recorded immediately as costs in the statement of profit and loss and other comprehensive income and cannot be subsequently reversed (Note 17).

Goodwill is included in determining the gain or loss on the sale of a subsidiary.

2.6 Non-current assets held for sale

Non-current assets are classified as held for sale if their book value is recovered essentially through a sale transaction and not through continuous use. This condition is considered to be fulfilled only when the asset (or group of assets to be disposed of) is available for immediate sale in its current condition, subject only to terms that are usual for sales of that asset (or group of assets to be disposed of) and its sale is highly likely. It is understood that a non-current asset is held for sale when there is the expectation of the Board of Directors that the sale of these assets will be completed within one year from the date of classification.

Non-current assets (or group of assets to be disposed of) classified as held for sale are measured at the lower of their carrying amount and fair value less costs of disposal.

2.6 Intangible assets

Intangible assets, which include software (except for that associated to tangible fixed assets), the cost of registering trademarks and titles, licenses and other rights of use, are recorded at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets are only recognized when it is probable that they will generate future economic benefits for the Group, they are controllable and can be reliably measured.

Internal costs relating to maintenance and development of software are expensed as incurred in the statement of profit and loss and other comprehensive income, except where the development costs are directly related to projects which are expected to generate future financial benefits for the Group. In such situations, these costs are capitalised as intangible assets.

Intangible assets are amortized on a straight-line basis over their estimated useful lives, as from the time the assets are available for use, which varies from three to six years.

2.7 Tangible fixed assets

Tangible fixed assets acquired up to 1 January 2004 (date of transition to IFRS) are recorded at deemed cost, which corresponds to cost or restated cost based on price indices in accordance with tax legislation in force, less accumulated depreciation.

Fixed assets acquired after that date are stated at cost less accumulated depreciation and impairment losses. Acquisition cost is defined as the purchase price, plus related purchase expenses.

Estimated losses resulting from the replacement of equipment before the end of its useful life, due to technological obsolescence, are recognized as a decrease in the corresponding asset by corresponding entry to the statement of profit and loss and other comprehensive income for the year.

Current maintenance and repair costs are expensed as incurred. Improvements are only recognised as assets where they correspond to the replacement of assets which are written off, and result in increased future economic benefits.

Tangible fixed assets are depreciated from the time they become available for their intended use. Depreciation of cost less estimated residual value (if significant) is provided on a straight-line basis, from the month the asset becomes available for use, over the period of its expected useful life, as follows:

	Years
Buildings and other constructions	4 – 50
Machinery and equipment	3 – 10
Transport equipment	4 - 8
Administrative equipment	3 – 10
Other tangible fixed assets	4 – 8

2.8 Finance and operating leases

Leases are classified as (i) finance leases when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee and (ii) operating leases when the lease does not transfer substantially all the risks and rewards of ownership to the lessee.

Leases are classified as finance or operating leases based on the substance of the contracts rather than their form.

Tangible fixed assets acquired under finance lease contracts, as well as the corresponding liabilities, are recorded in accordance with the financial method. Under this method, the cost of the assets is recorded under tangible fixed assets, at the lower of the present value of the lease payments or their fair value at the inception of the lease, by corresponding entry to liabilities. The assets are depreciated in accordance with their estimated useful lives, the lease instalments being recorded as a reduction of the liability, and interest and depreciation of the asset are recognised as costs in the consolidated statement of profit and loss and other comprehensive income for the period to which they relate.

Operating lease instalments are charged to the consolidated statement of profit and loss and other comprehensive income on a straight-line basis over the term of the lease contract.

2.9 Investments properties

Investments properties consist essentially of land held for leasing, capital appreciation or both, and not for use in the production or supply of goods, rendering of services or for administrative purposes.

Investments properties are initially recorded at cost plus transaction costs, the Group having opted to maintain them at historical cost, less any impairment losses.

Maintenance, repair, insurance and tax costs, as well as any income realized on property investments are recognized in the consolidated statement of profit and loss and other comprehensive income for the period to which they relate.

2.10 Financial instruments

2.10.1 Trade and other receivables

Trade and other receivables classified as current assets are recorded at their nominal value which is understood to correspond to amortized cost, as they are expected to be received in the short term and this does not differ significantly from their fair value at the date they were contracted, less any impairment losses.

Impairment losses on trade and other receivables classified as current assets correspond essentially to the difference between the amount initially recognized and the estimated recoverable amount. The Group estimates impairment losses based on the age of the balances of the entities, the guarantees that may exist for each entity, the historical experience of each entity and information collected by the financial department relating to their financial situation and possible reasons for delays in their payments.

Trade and other receivables classified as non-current assets are recorded at amortised cost less eventual impairment losses. In measuring amortised cost the effective interest rate method was used, interest income having been applied over the expected life of the financial instruments, considering the contractual terms.

Impairment losses are recognized in the statement of profit and loss and other comprehensive income for the period in which they are estimated.

2.10.2 Cash and cash equivalents

Cash and cash equivalents comprise cash, and bank deposits, which mature in less than three months that are readily convertible to cash with an insignificant risk of change in value.

For the purposes of the cash flow statement, cash and cash equivalents also include bank overdrafts, reflected under the caption "Bank Borrowings" in the statement of financial position.

2.10.3 Payables

Payables are recorded at their nominal value and, where applicable, by their amount discounted for possible interest calculated in accordance with the effective interest rate method.

2.10.4 Bank borrowings

Bank borrowings are initially recognised at the amount received, net of expenses relating to their issuance and are subsequently measured at amortised cost. Any difference between the amount received (net of issuance costs) and the amount payable is recognised in the statement of profit and loss and other comprehensive income over the term of the borrowing using the effective interest rate method.

Borrowings that mature in less than twelve months are classified as current liabilities, unless the Group has the unconditional right to defer their settlement for more than twelve months after the date of the statement of financial position.

2.10.5 Derivative financial instruments

The Group uses derivative financial instruments to hedge the financial risks to which it is exposed as a result of variations in exchange rates. The Group does not use derivative financial instruments for speculative purposes. The use of financial derivatives is governed by the Group's policies approved by the Board of Directors. Derivative financial instruments are measured at fair value.

The possibility of designating a financial instrument as a hedging instrument obeys the provisions of IAS 39, as regards its documentation and effectiveness.

The derivative financial instruments contracted by the Group, although contracted for hedging purposes in accordance with the Group's hedging policies, do not comply with all the provisions of IAS 39 as regards the possibility of qualifying for hedge accounting, so, the variations in their fair value are recognized in the statement of profit and loss and other comprehensive income for the period in which they occur.

2.11 Inventories and program broadcasting rights

Inventories are stated at the lower of cost or net realizable value, using the average cost method.

Net realizable value is estimated based on the Company's past experience in accordance with aging and inventory turnover criteria, considering also the possibility of their future use.

The Group records under the caption "Program broadcasting rights" the rights acquired from third parties to broadcast programs, by corresponding entry to the caption "Trade and other payables" when such rights come into force and the following conditions are met:

- The cost of the broadcasting rights is known or can be reasonably determined;
- The program contents have been accepted in accordance with the conditions established contractually; and
- The programs are available for broadcasting without restriction.

Program broadcasting rights correspond essentially to contracts or agreements with third parties for the broadcasting of soaps, films, series and other TV programs and are stated at specific acquisition cost. The cost of programs is recognized in the statement of profit and loss and other comprehensive income when the programs are broadcasted, considering the estimated number of broadcasts and estimated benefits of each broadcast.

In addition, advances made for the purchase of contents are recorded in the caption "Program broadcasting rights" by corresponding entry to "Trade and other payables".

Future financial commitments for the acquisition of programs are shown in Note 33.2.

Impairment losses (Notes 22 and 29) are recognised whenever the book value of inventories or broadcasting rights is greater than their estimated recoverable amount.

2.12 Provisions and contingent liabilities

Provisions are recognized when the Group has a present (legal or implied) obligation resulting from a past event, the resolution of which will probably require expending internal resources, the amount of which can be reasonably estimated.

Provisions for restructuring costs are only recognized when a detailed formal plan exists identifying the main characteristics of the plan and after the plan has been communicated to the entities involved.

The amount of provisions is reviewed and adjusted at the date of each statement of financial position so as to reflect the best estimate at that time.

When any of the above conditions is not met, the corresponding contingent liability is not recorded but only disclosed (Note 32), unless a future outflow of funds affecting future financial benefits is remote, in which case it is not disclosed.

2.13 Pension liability

Some of the Group companies have assumed the commitment to grant some of their employees and remunerated Board Members hired up to 5 July 1993, pension supplements for retirement due to age and incapacity. The pensions consist of a percentage which increases with the number of years of service to the company, applied to the salary table, or a fixed percentage applied to the base salary in force in 2002.

The liability for the payment of retirement, incapacity and survivor pensions is recorded in accordance with the provisions of IAS 19, which requires companies with pension plans to recognise the cost of granting such benefits as the services are rendered by the benefiting employees and board members.

Therefore, at the end of each accounting period the Group obtains an actuarial study made by an independent entity, in order to determine its liability at that date and the pension cost to be recognised in the period. The liability thus estimated is compared with the market value of the pension fund assets in order to determine the amount of contributions to be made or recorded.

The effect of changes in the assumptions and differences between the assumptions used and the actual amounts is considered as actuarial gain and loss, recorded under equity (other comprehensive income).

2.14 Income tax

Income tax for the year consists of current tax and deferred tax and is recorded in accordance with the provisions of IAS 12.

Impresa is covered by the special regime for the taxation of groups of companies (Regime Especial de Tributação dos Grupos de Sociedades - “RETGS”)), which covers all the companies in which Impresa has a direct or indirect participation of at least 75% and comply with the other conditions of the regime. The other participated companies not covered by the special regime for the taxation of groups of companies are taxed individually based on their taxable income at the applicable tax rates.

In determining income tax cost for the year, in addition to current tax, the effect of deferred tax is also considered, calculated based on the variation between years of the difference between the book value of assets and liabilities at the end of each year and their corresponding value for tax purposes.

As established in the above rules, deferred tax assets are only recognized when there is reasonable assurance that they can be recovered in the future. At the end of each year, an assessment is made of deferred tax assets, and they are reduced whenever their future recovery stops being probable.

2.15 Subsidies

State subsidies received are recognized when there is reasonable certainty that they will be received and the Group companies will comply with the conditions required for their concession.

Operating subsidies are recognised in the statement of profit and loss and other comprehensive income in accordance with the the corresponding costs incurred.

Investment subsidies relating to the acquisition of assets are recorded as deferred income, being recognized as income for the year on a systematic basis over the useful life of the assets.

2.16 Revenue

Revenue from sales (relating mainly from the sale of newspapers, magazines, books and other publications) is recognised in the consolidated statement of profit and loss and other comprehensive income when all the risks and rewards of ownership are transferred to the buyer and the corresponding income can be reasonably quantified. Returns are recorded as a reduction of sales for the period to which they relate. Sales are recognized net of taxes, discounts and other costs relating to their realization.

Income from subscriptions to regular publications is deferred over the subscription period.

Income from services rendered (essentially the sale of advertising space in newspapers, magazines, television and the Internet, and from value added services) is recognised in the consolidated statement of profit and loss and other comprehensive income when the advertising is inserted or broadcasted. A significant part of the sale of advertising space in open-air television results from the broadcasting of commercial advertisements, for which, the revenues generated depends on the audience reached, considering the profile of the commercial target contracted by the advertiser. Services rendered are recognised net of taxes, discounts and other costs relating to their realisation. The main commercial discounts granted to the main customers of the Group are dependent on the level of advertising investment made by them, as well as other conditions agreed between the parties.

Income relating to the ceding of broadcasting rights of the general channel and theme channels, essentially to cable television operators, is recognized in the consolidated statement of profit and loss and other comprehensive income over the period they are ceded.

Income relating to the ceding of transmission rights of programs or of the rights of the respective formats to third parties is recognized in the consolidated statement of profit and loss and other comprehensive income when the risks and benefits are transferred and the income can be reliably estimated and is probable.

In summary:

Income	Classification	Time of recognition
Sale of publications	Sales	When the publications are on the stands or made available in digital platform
Sale of books and other publications	Sales	When the publications are on the stands or made available in digital platform
Broadcasting of advertisements	Services rendered	When the advertising is broadcasted
Publication of advertisements	Services rendered	When the advertising is published
Value added services related to contests and initiatives with phone participation	Services rendered	When the services are rendered
Broadcasting rights on channels	Services rendered	When the rights are ceded
Broadcasting rights ceded	Services rendered	In the moment the rights are ceded
Projects implementation in geographic information systems area (GIS)	Services rendered	During the period of execution of the project

2.17 Accruals basis

Costs and income are recorded in the period to which they relate, independently of when they are paid or received. Where the amount of costs and revenue is not known it is estimated.

Interest and financial income are recognized on an accruals basis in accordance with the applicable effective interest rate.

2.18 Impairment of assets, excluding goodwill

The Group makes impairment tests of its assets whenever events or changes in circumstances are identified that indicate that the amount of an asset may not be recovered. Where such indications exist, the recoverable amount of the asset is estimated in order to determine the amount of any impairment loss.

The recoverable amount is estimated for each asset individually or, when this is not possible, for the cash flow generating unit to which the asset belongs.

The recoverable amount is the higher of net selling price and value of use. Net selling price is the amount that could be obtained from the sale of the asset in a transaction between knowledgeable independent entities, less the costs directly attributable to the sale. Value in use is the present value of the estimated future cash flows discounted based on discount rates that reflect the present value of the capital and the specific risk of the assets.

Whenever the book value of an asset exceeds its recoverable amount, an impairment loss is recognised in the consolidated statement of profit and loss and other comprehensive income for the period to which it refers. When an impairment loss is subsequently reversed, the book value of the asset is adjusted to its estimated value. However, impairment losses are reversed only up to the amount that would have been recognised had no impairment loss been recognised for the asset, net of amortisation or depreciation, in prior years. The reversal of impairment losses is recognised immediately in the consolidated statement of profit and loss and other comprehensive income.

2.19 Foreign currency balances and transactions

Foreign currency assets and liabilities are translated to Euros at the exchange rates prevailing as of the date of the consolidated statement of financial position, published by financial institutions. Exchange gains and losses arising from differences between the historical exchange rates and those prevailing at the date of collection, payment or at the date of the consolidated statement of financial position are recorded as income or costs in the consolidated statement of profit and loss and other comprehensive income for the period.

2.20 Classification in the statement of financial position

Assets realizable and liabilities payable in less than one year from the date of the consolidated statement of financial position are classified as current assets and liabilities, respectively.

2.21 Subsequent events

Events that occur after the year end that provide additional information of conditions that existed at the statement of financial position date are reflected in the consolidated financial statements.

Events that occur after the year end that provide additional information of conditions that occurred after the statement of financial position date, if material, are disclosed in the notes to the consolidated financial statements.

3. CHANGES IN ACCOUNTING POLICIES AND ESTIMATES

In the year ended 31 December 2017, there were no changes in accounting policies in relation to those used in the consolidated financial statements for the year ended 31 December 2016, nor were material errors relating to prior periods recognized.

The more significant accounting estimates reflected in the consolidated financial statements as of 31 December 2017 and 2016 include:

- Impairment analysis of goodwill;
- The recording of provisions;
- Useful lives of tangible fixed assets;
- Dates of broadcasting of program exhibition rights;
- Impairment adjustments of receivables;
- Impairment adjustments of Investment properties;
- Definition of technical actuarial assumptions and bases;
- Classification and measurement of assets held for sale.

(Amounts stated in Euros)

The revision of a prior period estimate is not considered as an error. Changes in estimates are only recognized prospectively in results and are subject to disclosure when the effect is significant. Estimates are determined based on the best information available at the time of preparing the consolidated financial statements.

4. COMPANIES INCLUDED IN THE CONSOLIDATION

The companies included in the consolidation by the full consolidation method, their head offices and the proportion of capital effectively held in them at 31 December 2016 and 2015 are as follows:

Company	Head office	Main activity	Percentage effectively held	
			2017	2016
Impresa - Sociedade Gestora de Participações Sociais, S.A. (parent company)	Lisbon	Holding company	Parent	Parent
Impresa Publishing, S.A. ("Impresa Publishing")	Paço de Arcos	Publishing	100,00%	100,00%
SIC - Sociedade Independente de Comunicação, S.A. ("SIC")	Carnaxide	Television	100,00%	100,00%
GMTS - Global Media Technology Solutions - Serviços Técnicos e Produção Multimédia, Sociedade Unipessoal, Lda. ("GMTS")	Carnaxide	Rendering of services	100,00%	100,00%
InfoPortugal - Sistemas de Informação e Conteúdos, S.A. ("InfoPortugal")	Matosinhos	Multimedia production	100,00%	100,00%
Impresa Service & Office Share - Gestão de Imóveis e Serviços, S.A. ("IOSS")	Paço de Arcos	Management of real estate and services	100,00%	100,00%

Effective January 1, 2016, Medipress - Sociedade Jornalística e Editorial, Lda. was incorporated into Impresa Publishing through a merger by incorporation.

5. ASSOCIATED COMPANIES

Investments in associated companies are recorded in accordance with the equity method. Their head offices and the proportion of capital effectively held in them by the Group at 31 December 2017 and 2016 are as follows:

Company	Head office	Percentage effectively held	
		2017	2016
Vasp – Distribuidora de Publicações, S.A. (“Vasp”) (a)	Cacém	33,33%	33,33%
Lusa – Agência de Notícias de Portugal, S.A. (“Lusa”) (a)	Lisbon	22,35%	22,35%
Visapress - Gestão de Conteúdos dos Media, C.R.L. ("Visapress") (b)	Lisbon	21,43%	21,43%

(a) These participations are held directly by Impresa.

(b) Management of contents cooperative participated by Impresa and Impresa Publishing. Since the financial statements as of 31 December 2017 of this entity do not yet exist, the equity method was not applied. The Group believes that this effect is not significant for the presentation of its consolidated results.

6. OTHER COMPANIES

The investments in other companies and the proportion of capital held in them by the Group at 31 December 2017 and 2016 are as follows:

Company	Percentage effectively held	
	2017	2016
NP - Notícias de Portugal, C.R.L. (“NP”) (a)	10,71%	10,71%
Nexponor (b)	0,001%	0,001%

(a) Participation held by Impresa Publishing and SIC.

(b) Participation acquired by Impresa in April 2013.

These investments are recorded at the lower of acquisition cost or estimated realizable value.

7. CHANGES IN THE GROUP

During the year ended December 31, 2017 and 2016 there were no changes in the Group's consolidation perimeter.

8. SEGMENT REPORTING

The segments identified by the Group are based on identification of the segments in accordance with the financial information reported internally to the Board of Directors that supports it in the assessment of the performance of the businesses and the decisions making as to the allocation of resources to be used. The segments identified by the Group for segment reporting purposes are therefore consistent with the form in which the Board of Directors analyses its business.

Therefore, the Group identified the following reporting segments:

Television – The Group is the sole shareholder of SIC which broadcasts in free-to-air and by cable, under broadcasting licences, the television channels “SIC”, “SIC Notícias”, “SIC Radical”, “SIC Internacional”, “SIC Mulher”, SIC K and SIC Caras. In addition, the Group includes GMTS in this segment.

Publishing – The Group publishes a wide range of newspapers and magazines covering several themes, including business, politics and society, namely, among others, the weekly newspaper “Expresso”, and the magazines “Visão”, “Exame” and “Caras”.

Others – Includes the Group’s holding company, IOSS and InfoPortugal that operates in the geographic information systems area (SIG).

In the Publishing segment, sales to VASP Group contributed 8.7% and 8.8%, respectively, of the Group’s revenue reflected in the consolidated statement of profit and loss and other comprehensive income for the years ended 31 December 2017 and 2016, corresponding to 17,659,015 Euros and 18,226,459 Euros, respectively (Note 34). VASP is an intermediary between the publishers and the distribution network to the final customer, in which Impresa has a 33.33% participation (Note 5). In addition, advertising revenue results essentially from purchases from Group companies by five media centrals that operate as intermediaries between the advertiser and the social communication entities.

Inter-segment transactions are recorded using the same principles as transactions with third parties. The accounting policies of each segment are the same as those of the Group.

(Amounts stated in Euros)

a) Reporting by main segment – Business segment:

At 31 December 2017:

	Television	Publishing	Other	Total segments	Eliminations	Consolidated total
Operating revenue						
Services rendered - external costumers	152.443.115	21.915.128	2.308.532	176.666.775	-	176.666.775
Services rendered - intersegment	304.281	53.149	6.400.400	6.757.830	(6.757.830)	-
Sales - external costumers	-	24.012.138	-	24.012.138	-	24.012.138
Other operating revenue - external costumers	864.407	190.227	87.662	1.142.296	-	1.142.296
Other operating revenue - intersegment	92.861	-	-	92.861	(92.861)	-
Total operating revenue	153.704.664	46.170.642	8.796.594	208.671.900	(6.850.691)	201.821.209
Operating costs						
Cost of programs broadcast and goods sold	(75.484.492)	(5.207.021)	-	(80.691.513)	-	(80.691.513)
External supplies and services	(31.623.965)	(21.277.785)	(4.419.031)	(57.320.781)	6.850.691	(50.470.090)
Personnel costs	(26.154.439)	(20.306.153)	(6.613.380)	(53.073.972)	-	(53.073.972)
Depreciation and amortization of tangible and intangible fixed assets	(2.863.627)	(122.588)	(665.330)	(3.651.545)	-	(3.651.545)
Impairment losses (Note 29)	(1.233.951)	(21.965.668)	-	(23.199.619)	-	(23.199.619)
Provisions (Note 29)	(582.088)	(168.000)	-	(750.088)	-	(750.088)
Other operating costs	(2.242.277)	(187.397)	(590.441)	(3.020.115)	-	(3.020.115)
Total operating costs	(140.184.839)	(69.234.612)	(12.288.182)	(221.707.633)	6.850.691	(214.856.942)
Operating profit/(loss)	13.519.825	(23.063.970)	(3.491.588)	(13.035.733)	-	(13.035.733)
Financial items:						
Gain and loss on associated companies	-	-	126.627	126.627	-	126.627
Other financial items	(1.598.527)	(424.907)	(4.832.693)	(6.856.127)	-	(6.856.127)
	(1.598.527)	(424.907)	(4.706.066)	(6.729.500)	-	(6.729.500)
Operating profit/(loss) before taxes	11.921.298	(23.488.877)	(8.197.654)	(19.765.233)	-	(19.765.233)
Income tax	(3.237.121)	198.890	1.149.427	(1.888.804)	-	(1.888.804)
Profit/(loss) per segment	8.684.177	(23.289.987)	(7.048.227)	(21.654.037)	-	(21.654.037)

At 31 December 2016:

	Television	Publishing	Other	Total segments	Eliminations	Consolidated total
Operating revenue						
Services rendered - external costumers	154.604.097	22.742.037	1.897.641	179.243.775	-	179.243.775
Services rendered - intersegment	441.132	50.560	6.177.947	6.669.639	(6.669.639)	-
Sales - external costumers	-	25.117.542	-	25.117.542	-	25.117.542
Other operating revenue - external costumers	1.062.621	514.495	58.657	1.635.773	-	1.635.773
Other operating revenue - intersegment	84.636	-	-	84.636	(84.636)	-
Total operating revenue	156.192.486	48.424.634	8.134.245	212.751.365	(6.754.275)	205.997.090
Operating costs						
Cost of programs broadcast and goods sold	(74.536.454)	(6.156.131)	-	(80.692.585)	-	(80.692.585)
External supplies and services	(36.167.224)	(22.260.511)	(4.127.961)	(62.555.696)	6.754.275	(55.801.421)
Personnel costs	(25.374.928)	(19.582.141)	(6.708.091)	(51.665.160)	-	(51.665.160)
Depreciation and amortization of tangible and intangible fixed assets	(2.738.050)	(119.515)	(643.680)	(3.501.245)	-	(3.501.245)
Impairment losses (Note 29)	-	-	(30.000)	(30.000)	-	(30.000)
Provisions (Note 29)	(310.335)	(336.803)	-	(647.138)	-	(647.138)
Other operating costs	(906.417)	(163.648)	(564.823)	(1.634.888)	-	(1.634.888)
Total operating costs	(140.033.408)	(48.618.749)	(12.074.555)	(200.726.712)	6.754.275	(193.972.437)
Operating profit/(loss)	16.159.078	(194.115)	(3.940.310)	12.024.653	-	12.024.653
Financial items:						
Gain and loss on associated companies	-	-	(139.978)	(139.978)	-	(139.978)
Other financial items	(1.567.190)	(364.467)	(5.260.844)	(7.192.501)	-	(7.192.501)
	(1.567.190)	(364.467)	(5.400.822)	(7.332.479)	-	(7.332.479)
Operating profit/(loss) before taxes	14.591.888	(558.582)	(9.341.132)	4.692.174	-	4.692.174
Income tax	(3.739.620)	119.832	1.687.509	(1.932.279)	-	(1.932.279)
Profit/(loss) per segment	10.852.268	(438.750)	(7.653.623)	2.759.895	-	2.759.895

(Amounts stated in Euros)

Assets, liabilities and other significant information by segment and reconciliation to the consolidated totals are as follows:

At 31 December 2017:

	Television	Publishing	Other	Total of segments	Eliminations	Consolidated total
Goodwill	17.499.139	-	251.123.682	268.622.821	-	268.622.821
Investments	6.235	12.470	3.595.816	3.614.521	-	3.614.521
Assets classified as held for sale	3.200.000	10.645.466	-	13.845.466	-	13.845.466
Other assets	90.275.007	14.791.250	25.199.267	130.265.524	(27.731.490)	102.534.034
Total assets	110.980.381	25.449.186	279.918.765	416.348.332	(27.731.490)	388.616.842
Bank borrowings	26.311.918	14.234.792	140.934.048	181.480.758	-	181.480.758
Liabilities related to assets classified as held for sale	-	1.930.741	-	1.930.741	-	1.930.741
Other liabilities	63.320.605	15.786.787	31.150.011	110.257.403	(27.731.490)	82.525.913
Total liabilities	89.632.522	31.952.320	172.084.060	293.668.902	(27.731.490)	265.937.412
Other information:						
Increases in tangible fixed assets (Note 19)	980.051	175.649	3.897.544	5.053.244	-	5.053.244
Depreciation and amortization for the year	2.735.503	91.742	824.300	3.651.545	-	3.651.545
Impairment losses except goodwill (Note 29)	2.993.852	-	31.676	3.025.528	-	3.025.528
Impairment losses of goodwill (Note 17)	-	21.965.668	-	21.965.668	-	21.965.668
Reversal of impairment losses (Note 29)	261.376	28.157	-	289.533	-	289.533
Utilization of impairment losses (Note 29)	661.515	79.965	4.300	745.781	-	745.781
Average number of personnel	563	374	132	1.069	-	1.069

At 31 December 2016:

	Television	Publishing	Other	Total of segments	Eliminations	Consolidated total
Goodwill	17.499.139	32.270.000	251.123.682	300.892.821	-	300.892.821
Investments	6.235	12.470	3.649.189	3.667.894	-	3.667.894
Other assets	90.161.174	16.298.015	17.384.719	123.843.908	(14.420.687)	109.423.221
Total assets	107.666.548	48.580.485	272.157.590	428.404.623	(14.420.687)	413.983.936
Bank borrowings	18.568.958	7.378.494	160.379.196	186.326.648	-	186.326.648
Other liabilities	65.407.316	18.475.037	13.953.937	97.836.290	(14.420.687)	83.415.603
Total liabilities	83.976.274	25.853.531	174.333.133	284.162.938	(14.420.687)	269.742.251
Other information:						
Increases in tangible fixed assets (Note 19)	2.153.918	91.863	1.448.750	3.694.531	-	3.694.531
Depreciation and amortization for the year	2.738.055	119.516	643.674	3.501.245	-	3.501.245
Impairment losses except goodwill (Note 29)	346.779	-	82.586	429.365	-	429.365
Reversal of impairment losses (Note 29)	78.946	59.826	7.826	146.597	-	146.597
Utilization of impairment losses (Note 29)	-	279.863	-	279.863	-	279.863
Average number of personnel	574	398	131	1.103		1.103

The column "Others" corresponds essentially to assets and liabilities recorded by Impresa whose activities consist essentially of managing investments, and so the corresponding assets include goodwill relating to the television, publishing and others segments in the amounts of 228,524,334 Euros, 20,130,334 Euros and 2,469,014 Euros, respectively, as well as the corresponding liabilities, namely bank loans used to acquire the investments.

b) Reporting by secondary segments – Geographic markets:

Operating revenue by geographic market for the years ended 31 December 2017 and 2016 were as follows:

	Portugal		Other markets		Consolidated total	
	2017	2016	2017	2016	2017	2016
Services rendered	169.950.928	172.768.723	6.715.847	6.475.052	176.666.775	179.243.775
Sales	24.012.138	25.111.552	-	5.990	24.012.138	25.117.542
Other operating income	1.142.296	1.635.774	-	-	1.142.296	1.635.773
Total operating income	195.105.362	199.516.049	6.715.847	6.481.042	201.821.209	205.997.090

(Amounts stated in Euros)

At 31 December 2017 and 2016, there were no acquisitions of non-current assets relating to the segment "Other markets". In addition, more than 99% of the Group's assets and liabilities at 31 December 2017 and 2016 relate to the Portugal geographic segment.

9. SERVICES RENDERED AND SALES BY ACTIVITY

Services rendered and sales for the years ended 31 December 2017 and 2016 were as follows:

	2017	2016
Services rendered:		
Television		
Publicity	98.167.745	94.669.054
Subscription to channels	43.129.491	43.488.469
Others (a)	11.145.879	16.446.574
	152.443.115	154.604.097
Publishing:		
Publicity	20.821.692	21.514.731
Others	1.093.436	1.227.306
	21.915.128	22.742.037
Others:		
Digital mapping	2.253.770	1.834.036
Others	54.762	63.605
	2.308.532	1.897.641
Total services rendered	176.666.775	179.243.775
Sales:		
Publications	22.910.919	23.019.578
Others - publishing	1.101.219	2.097.964
Total sales	24.012.138	25.117.542
Total services rendered and sales	200.678.913	204.361.317

(a) This caption includes essentially income from contests and telephone participation initiatives and the sale of contents.

10. OTHER OPERATING REVENUES AND COSTS

Other operating revenues for the years ended 31 December 2017 and 2016 were as follows:

	2017	2016
Reversal of provisions (Note 29.2)	-	686.522
Supplimentary income and other operating gains (a)	596.478	602.160
Subsidies	256.285	200.494
Reversal of impairment losses (Note 29.1)	289.533	146.597
	1.142.296	1.635.773

(a) In 2017 and 2016 this caption corresponded essentially to income received from sponsorships.

(Amounts stated in Euros)

For the years ended 31 December 2017 and 2016, the caption “Other operating costs” was as follows:

	2017	2016
Impairment losses on receivables (Note 29.1)	1.791.577	399.365
Taxes	909.351	935.900
Subscriptions	183.730	163.887
Other operating costs	135.457	135.736
	3.020.115	1.634.888

11. COST OF PROGRAMS BROADCAST AND GOODS SOLD

The cost of programs broadcast and goods sold in the years ended 31 December 2017 and 2016 was as follows:

	2017	2016
Programs broadcast	75.484.492	74.536.454
Raw materials consumed	4.746.553	5.068.538
Merchandise sold	460.468	1.087.593
	80.691.513	80.692.585

12. SUPPLIES AND SERVICES

This caption for the years ended 31 December 2017 and 2016 was made up as follows:

	2017	2016
Subcontracts	12.923.314	13.597.231
Specialized work	9.527.499	10.343.706
Prizes to be given	4.253.680	6.340.142
Communication	5.359.172	7.269.918
Maintenance and repairs	4.113.046	4.038.225
Publicity and propaganda	2.721.312	2.797.169
Lease and rent	3.006.896	3.129.453
Royalties	156.612	223.768
Fees	3.551.585	3.337.858
Others	4.856.974	4.723.951
	50.470.090	55.801.421

The variation in the captions “Prizes to be given” and “Communication”, occurred in the year ended 31 December 2017, compared to 2016, results from the reduction of the activity related to contests and initiatives with phone participation and corresponding prizes, due to the end of the television program “Portugal em festa”, which took place in May 6, 2016.

13. PERSONNEL COSTS

Personnel costs for the years ended 31 December 2016 and 2015 are made up as follows:

	2017	2016
Salaries	38.235.287	39.410.508
Charges on remuneration and other personnel costs	9.879.629	9.672.134
Indemnities	4.959.056	2.582.518
	53.073.972	51.665.160

(Amounts stated in Euros)

The average number of employees of the companies included in the consolidation in 2017 and 2016 was 1,069 and 1,103, respectively.

14. NET FINANCIAL EXPENSES

Net financial expenses for the years ended 31 December 2017 and 2016 are made up as follows:

	2017	2016
Loss and gain on associated companies: (a)		
Loss on associated companies	178.198	(372.572)
Gain on associated companies	(51.571)	232.594
	126.627	(139.978)
Interest and other financial costs:		
Interest	(5.649.309)	(5.943.168)
Exchange losses (b)	(593.250)	(311.164)
Other financial costs (c)	(929.060)	(1.033.523)
	(7.171.619)	(7.287.855)
Other financial income:		
Interest	118.423	78.188
Exchange gain	189.934	14.128
Financial discount received	5.059	3.038
Other financial income	2.076	-
	315.492	95.354
Net financial expenses	(6.729.500)	(7.332.479)

(a) This caption is made up as follows:

	2017	2016
Vasp (Note 20)	(51.571)	232.594
Lusa (Note 20)	178.198	(372.572)
	126.627	(139.978)

(b) The variation in the caption “Exchange losses” in the years ended 31 December 2017 and 2016 is related essentially to valorization of the US Dollar in relation to the Euro, given that the Group maintains a recurring significant amount of accounts payable in USD. In addition, the Group only contracted derivated instruments (exchange rate forwards) to hedge the exchange rates variations in that currency in the first semester of 2016; therefore, both in the second semester of 2016 and in 2017 the Group did not contract any derivative instrument to hedge exchange differences in that currency.

(c) This caption corresponds essentially to bank charges.

15. DIFFERENCES BETWEEN ACCOUNTING AND TAX RESULTS

Impresa is subject to Corporation Income Tax under the Special Regime for the Taxation of Groups of Companies (Regime Especial de Tributação dos Grupos de Sociedades - “RETGS”) together with its subsidiaries: Impresa Publishing, SIC, GMTS, IOSS and Infoportugal.

Impresa and its subsidiaries are subject to corporate income tax at the rate of 21% of taxable income. In addition, taxation is increased by a Municipal Surcharge of up to 1.5% of taxable income, resulting in a maximum aggregate tax rate of 22.5%.

In addition, taxable income exceeding 1,500,000 Euros is subject to State surcharge at the following rates:

- 3% on taxable profit from 1,500,000 Euros to 7,500,000 Euros;
- 5% for taxable profit from 7,500,000 Euros to 35,000,000 Euros;
- 7% on taxable profit exceeding 35,000,000 Euros.

(Amounts stated in Euros)

For the year ended in December 31, 2018, taxable income exceeding 1,500,000 Euros will be subject to State surcharge at the following rates:

- 3% on taxable profit from 1,500,000 Euros to 7,500,000 Euros;
- 5% for taxable profit from 7,500,000 Euros to 35,000,000 Euros;
- 9% on taxable profit exceeding 35,000,000 Euros.

Net financial costs for 2017 are deductible for determining the Group's annual taxable income up to the greater of the following limits:

- 1,000,000 Euros;
- 30% of the profit before amortization and depreciation, net financial costs and taxes.

In accordance with article 88 of the Corporation Income Tax Code, the Group is subject to autonomous taxation of certain charges at the rates established in the article.

The Impresa Group's Board of Directors believes that possible corrections to the tax returns resulting from revisions/inspections by the Tax Administration will not have a significant effect on the consolidated financial statements as of 31 December 2017 and 2016.

Current tax assets and liabilities at 31 December 2017 and 2016 are made up as follows:

	2017	2016
Current tax liabilities		
Estimated tax	2.740.282	2.126.783
Additional payments on account	(419.252)	(499.452)
Payments on account	(641.268)	(953.034)
Special payments on account	(18.397)	(17.906)
Withholding income tax	(336.524)	(402.590)
	1.324.841	253.801

The Group records deferred taxes resulting from temporary differences between the accounting and tax bases of its assets and liabilities. The following deferred tax assets were recognized at 31 December 2017 and 2016:

(a) Temporary differences – Changes in deferred tax assets

31 December 2017:

	Deferred tax assets			
	Impairment losses on receivables	Provisions for other risks and charges	Impairment losses on investments properties	Total
Balance at 31 December 2016	380.406	372.152	65.869	818.427
Increase/(decrease)	150.488	297.632	339.337	787.457
Balance at 31 December 2017	530.894	669.784	405.206	1.605.884

31 December 2016:

	Deferred tax assets				
	Impairment losses on receivables	Provisions for other risks and charges	Impairment losses on investments properties	Other	Total
Balance at 31 December 2015	282.492	266.231	65.869	6.316	620.908
Increase/(decrease)	97.914	105.921	-	(6.316)	197.519
Balance at 31 December 2016	380.406	372.152	65.869	-	818.427

(Amounts stated in Euros)

(b) Temporary differences – Changes in deferred tax liabilities

31 December 2017:

	Pension plan
Balance at 31 December 2016	315.456
Increase/(decrease) affecting other comprehensive income	26.648
Increase/(decrease) affecting profit and loss	(2.454)
Balance at 31 December 2017	339.650

31 December 2016:

	Pension plan
Balance at 31 December 2015	396.946
Increase/(decrease) affecting other comprehensive income	(84.505)
Increase/(decrease) affecting profit and loss	3.015
Balance at 31 December 2016	315.456

In accordance with current legislation, tax losses can be carried forward during a period of 5 years after their occurrence for deduction from taxable income generated in that period, limited to 70% of the Group's taxable income in each year, applicable also to tax losses incurred in prior years. At 31 December 2017 and 2016, the Group did not have tax losses carried forward.

c) Reconciliation of the tax rate

Income tax for the years ended 31 December 2017 and 2016 was as follows:

	2017	2016
Pre-tax result	(19.765.233)	4.692.174
Nominal tax rate	21%	21%
	(4.150.699)	985.357
Permanent differences (i)	5.102.561	(60.241)
Adjustments to corporate income tax (ii)	289.267	309.412
Municipal and State Surcharge	709.242	697.751
Excess of corporate income tax estimate	(61.567)	-
Corporate income tax	1.888.804	1.932.279
Current tax	2.740.282	2.126.783
Deferred tax for the year	(789.911)	(194.504)
Excess estimate for prior period income tax	(61.567)	-
	1.888.804	1.932.279

(i) This amount at 31 December 2017 and 2016 is made up as follows:

	2017	2016
Effect of the application of the equity method (Note 20)	(126.627)	139.978
Impairment losses on goodwill (Note 17)	21.965.668	-
Taxable bonuses	-	(765.973)
Use and reversal of provisions taxed in prior years	(95.575)	(1.156.966)
Interests non-deductible or in excess of legal limits	2.514.107	1.256.653
Other	40.336	239.448
	24.297.909	(286.860)
Tax rate	21%	21%
	5.102.561	(60.241)

(Amounts stated in Euros)

16. EARNINGS PER SHARE

Basic and diluted earnings per share for the years ended 31 December 2017 and 2016 were computed based on the following information:

	2017	2016
Number of shares		
Weighted average number of shares for purposes of computing basic earnings per share (Note 26)	168.000.000	168.000.000
Earnings		
Earnings for purposes of computing basic earnings per share (net profit for the year)	(21.654.037)	2.759.895
Earnings for purposes of computing comprehensive earnings per share (comprehensive income for the year)	(21.562.255)	2.468.821
Earnings per share:		
Basic	(0,1289)	0,0164
Diluted	(0,1289)	0,0164
Comprehensive income for the year per share:		
Basic	(0,1283)	0,0147
Diluted	(0,1283)	0,0147

There were no diluting effects in the years ended 31 December 2017 and 2016 and so the basic and diluted earnings per share are the same.

17. GOODWILL

In the last quarter of 2017, the Group decided to sell a range of press titles that make up the magazines portfolio, which was included in the publishing cash generating unit, having established a plan to carry out this operation. As a result assets and liabilities, included in the transaction as of December 31, 2017, were classified as assets and liabilities held for sale (Note 28). Following the implementation of this plan, in line with the ongoing negotiations, it was determined that the estimated value of the sale of that portfolio would be approximately 10,300,000 Euros. For the purpose of allocating goodwill to the magazine portfolio, which was included in the publishing cash generating unit, it was taken into account the value of goodwill calculated in previous years in the acquisition of the entities holding of such magazines and registered in Medipress, before its incorporation in Impresa Publishing through the merger by incorporation of the first in the second. As result of the abovementioned, the Group recognized an impairment loss of approximately 22,000,000 Euros (Note 29), corresponding to the difference between the amounts agreed for the transaction and the goodwill portion originated in the acquisition of those entities.

There were no changes in the caption goodwill in the years ended 31 December 2016.

(Amounts stated in Euros)

Goodwill at 31 December 2017 and 2016 is made up as follows:

Company	2017	2016
Television:		
Recorded by the holding companies	228.524.334	228.524.334
Recorded by SIC	17.499.139	17.499.139
	246.023.473	246.023.473
Publishing:		
Recorded by Impresa Publishing (i)	-	32.270.000
Recorded by the holding companies	20.130.334	20.130.334
	20.130.334	52.400.334
Infoportugal:		
Recorded by Impresa	2.065.500	2.065.500
Recorded by InfoPortugal	403.514	403.514
	2.469.014	2.469.014
	268.622.821	300.892.821

(i) During the year ended December 31, 2017, this caption had the following movement:

Opening balance	32.270.000
Impairment registered in the year (Note 29)	(21.965.668)
Recoverable value through sale (Note 28) (a)	10.304.332

a) Amount reclassified from goodwill to assets classified as held for sale

In compliance with the provisions of IAS 36, the Group makes impairment tests of goodwill at 31 December of each year or whenever there are indications of impairment. For purposes of impairment tests, goodwill has been attributed to the identified cash generating units, considering, as a cash generating unit, the smallest identifiable group of cash inflows generating assets that are largely independent of the cash inflows of other assets or groups of assets. Thus, for these effects, the cash generating units to which goodwill was attributed, were the following:

- Television: corresponding to the generalist channel SIC, the theme channels SIC Notícias, SIC Mulher, SIC Radical, SIC K, SIC Internacional and SIC Caras owned by the legal entity SIC, and to GMTS;

- Publishing: From 31 December 2017, due to the portfolio of magazines sale plan, this cash generating unit corresponds to the titles Expresso and Blitz, under paper and digital format, which are owned by the legal entity Impresa Publishing;

- InfoPortugal: corresponding essentially to the digital mapping business, including also goodwill of Olhares.com recorded by Infoportugal since, as a result of the merger between the two companies, they became included in a single cash generating unit.

Approach used to determine the amounts attributed to key assumptions

As of 31 December 2017 and 2016, the Group requested a specialised external entity to test impairment of goodwill of Television and Publishing, as they are the most significant amounts and are considered to be the more complex for determination of the recoverable amount. The Group made internal tests of the impairment of goodwill of the remaining cash generating units.

The discounted cash flow method was used to test impairment of goodwill, based on cash flow projections for five years for each cash generating unit, a perpetuity being considered as from the fifth year.

The financial projections are prepared based on assumptions of the evolution of the business of the cash generating units, which the Board of Directors believes are coherent with historical experience and the market tendencies, being reasonable and prudent and which reflect their vision and that of the consultants involved in their preparation. In addition, whenever possible data obtained from external entities were considered, which were compared with historical data and the Group's experience.

The discount rates used reflect the level of indebtedness and the borrowing cost of each cash generating unit, as well as the risk level and profitability expected by the market. In addition, in determining the discount rates, an interest rate applicable to assets without risk was used considering the interest rates of ten year German bonds plus a country risk premium corresponding to the average spread between the Portuguese and German 10 year bonds. The discount rates used also include a market risk premium, estimated by the external consultants that made the impairment studies.

The perpetuity growth rate was estimated based on an analysis of the potential market of each cash generating unit, considering the expectations of the Board of Directors and the external consultants involved in the valuations. For this purpose the external consultants considered a sample of Iberian companies.

The main changes made in the impairment analyses as of 31 December 2017 in relation to past experience are as follows:

- decrease in the discount rate, resulting from the reduction in the rate of return of the risk-free assets;
- decrease in the cost structure of the businesses, resulting from the synergies generated by the concentration of the activities in the Paço de Arcos building;
- decrease in revenues from advertisement and gain in market share by Expresso;
- decrease in Pay-Tv revenues;
- Effect of the sale of the portfolio of magazines.

Impairment tests in the year ended 31 December 2017:

As a result of the impairment tests carried out, in the year ended 31 December 2017, except for the effect of the sale plan of the portfolio of magazines, the Group did not identify any impairment of goodwill.

Television:

The recoverable amount of this cash generating unit was determined considering the financial projections of the Television cash generating unit for a period of five years, using a discount rate of 7.7% (8.5% at 31 December 2016) and a perpetuity growth rate of 2% (2% in 2016).

The main business assumptions considered were as follows:

- Advertising market: an annual compound growth rate throughout the period of the projections of 2.3%, for the market relating to generalist channels and 4.1% for the paid channel;
- Advertising and audience market share: these variables were considered constant and similar to those occurred in 2017 for the 5 year period of the projections;
- Programming cost: decrease as a result of renegotiations of some contracts, increasing marginally was estimated for 2018 until 2022;
- Automatic renewal of the television operating licences at the end of their term, without additional costs;
- Maintenance of the current open signal transmission costs of the SIC generalist channel, as well as operating continuity of the current theme channels.
- Reduction of structure costs resulting from the synergies arising from the concentration of all the Group in the Paço de Arcos building.

The impairment tests carried out assume maintenance of the current number of open signal television broadcasting channels, as well as the current limit of advertising space in each of these channels and other sector regulations.

The Company carried out the following sensitivity tests:

- a 1% decrease in advertising income of the cash generating unit resulting from a 1% decrease in advertising target market income over the period of the projection would not imply the need to record an impairment loss at 31 December 2017;

- a 0.5% increase in the assumed discount rate for the years of the projections would not imply the need to record an impairment loss at 31 December 2017;

- a decrease in the perpetuity growth rate to 1.75% would not imply the need to record an impairment loss at 31 December 2017.

The Group believes that the variations considered in the sensitivity analyses are reasonable considering current evolution and market prospects, the evolution of the diverse parameters considered in the projections and the current situation of the Portuguese economy.

Publishing:

In 2017, as referred previously, the impairment test of goodwill was made to the Publishing segment, excluding the portfolio of magazines which sale occurred in January 2018.

The recoverable amount of this cash generating unit was determined considering the financial projections of the Publishing segment for a five year period, using a discount rate of 7.1% (7.90% at 31 December 2016) and a perpetuity growth rate 0.5% (0.5% in 2016).

The main assumptions considered were as follows:

- Advertising market: a negative annual compound growth rate of 4,2% for publications in paper format, and a positive compound annual growth rate above market rates for the publications in digital format;

- Digital circulation: a significant growth in the volume of digital subscriptions was estimated, as well as a slight price increase;

- Paper circulation: a price increase was estimated, compensated by a reduction in circulation over the projection period;

- Portfolio: It was not considered the portfolio of magazines due to the sale plan of these publications, and estimated the maintenance of the newspaper Expresso as a reference publication;

- Reduction of the structure costs resulting from the restructuring implemented in the last years, and from the synergies related to the concentration of all the Group in the Paço de Arcos building.

The Company made the following sensitivity analyses:

- a 1% decrease in advertising income of the cash generating unit resulting from a 1% projected decrease in advertising target market income over the period of the projection, which includes a negative average growth of 4,2% in the advertising target market, would not imply the need to record an impairment loss at 31 December 2017;

- a 0.5% increase in the assumed discount rate over the years of the projections would not imply the need to record an impairment loss at 31 December 2017;

The Group does not consider it reasonable to assume a perpetuity growth rate of less than 0.5%.

The Group believes that the variations in the considered in the sensitivity analyzes are reasonable, not considering that it is probable that higher deviations will occur, considering the recent and prospective market evolution, the historical performance of the newspaper Expresso, the variation of the various parameters considered in the evaluation and the current Portuguese economic situation.

InfoPortugal:

The recoverable amount of these cash generating units was determined considering the financial projections of the digital mapping business and Olhares.com portal for a five year period using a discount rate of 8.02% (9.22% at 31 December 2016) and a perpetuity growth rate of 2% (2% in 2016).

(Amounts stated in Euros)

The main assumptions considered in the projections for 2018 assume the continuing recovery of operations registered in 2017, considering a compound rate of annual maintenance of revenues over the projection period, mainly supported by the mapping business and the application design.

In addition, reasonable possible changes were not identified in the key assumptions of the valuations on which the Company based itself to determine the recoverable value that would imply the need to record additional impairment losses at 31 December 2017.

18. INTANGIBLE ASSETS

The changes in intangible assets and related accumulated amortization and impairment losses in 2017 and 2016 were as follows:

31 December 2017:

	Industrial property and other rights	Software	Total
Gross:			
Balance at 31 December 2016	2.757.054	813.183	3.570.237
Purchases	-	137.004	137.004
Balance at 31 December 2017	2.757.054	950.187	3.707.241
Accumulated amortization and impairment losses:			
Balance at 31 December 2016	(2.730.624)	(403.792)	(3.134.416)
Increases	(13.213)	(245.749)	(258.962)
Balance at 31 December 2017	(2.743.837)	(649.541)	(3.393.378)
Net balance at 31 December 2017	13.217	300.646	313.863

31 December 2016:

	Industrial property and other rights	Software	Total
Gross:			
Balance at 31 December 2015	2.757.054	643.906	3.400.960
Purchases	-	159.277	159.277
Transfers (Note 19)	-	10.000	10.000
Balance at 31 December 2016	2.757.054	813.183	3.570.237
Accumulated amortization and impairment losses:			
Balance at 31 December 2015	(2.706.119)	(164.181)	(2.870.300)
Increases	(24.505)	(239.611)	(264.116)
Balance at 31 December 2016	(2.730.624)	(403.792)	(3.134.416)
Net balance at 31 December 2016	26.430	409.391	435.821

Purchases of Intangible assets during the years ended 31 December 2017 and 2016 correspond essentially to updates and software licences of the Oracle program.

(Amounts stated in Euros)

19. TANGIBLE FIXED ASSETS

The changes in tangible fixed assets and corresponding accumulated depreciation and impairment losses during the years ended 31 December 2017 and 2016 were as follows:

31 December 2017:

	Land and natural resources	Buildings and other constructions	Machinery and equipment	Transport equipment	Administrative equipment	Other tangible assets	Fixed assets in progress	Total
Gross:								
Balance at 31 December 2016	2.245.593	23.368.173	106.018.081	158.639	25.895.775	333.341	1.282.212	159.301.814
Acquisitions	-	109.302	960.871	-	291.446	-	3.691.624	5.053.244
Sales and write-offs	-	-	(20.332)	-	(3.633)	-	-	(23.965)
Transfers	-	-	556.854	-	-	-	(556.854)	-
Balance at 31 December 2017	2.245.593	23.477.475	107.515.474	158.639	26.183.588	333.341	4.416.983	164.331.092
Accumulated depreciation and impairment losses								
Balance at 31 December 2016	-	(8.655.068)	(96.943.357)	(148.032)	(25.259.939)	(60.502)	-	(131.066.898)
Increase	-	(463.413)	(2.513.043)	(7.071)	(345.724)	(63.332)	-	(3.392.583)
Decreases due to sales and write-offs	-	-	9.356	-	1.275	-	-	10.631
Balance at 31 December 2017	-	(9.118.481)	(99.447.044)	(155.103)	(25.604.388)	(123.834)	-	(134.448.850)
Net balance at 31 December 2017	2.245.593	14.358.994	8.068.430	3.536	579.200	209.507	4.416.983	29.882.242

The change in tangible fixed assets results, essentially, from the effect of depreciation, the acquisition of mapping and aerial photography equipment, the acquisition of several broadcasting and television recording technical equipment, as well as the project of increase of the Paço de Arcos building, which, as of 31 December 2017 was in progress. In addition, within this project, the Group acquired in 2016 several plots of land, next to the Paço de Arcos building.

31 December 2016:

	Land and natural resources	Buildings and other constructions	Machinery and equipment	Transport equipment	Administrative equipment	Other tangible assets	Fixed assets in progress	Total
Gross:								
Balance at 31 December 2015	1.675.961	23.246.037	104.353.669	594.862	25.694.564	17.581	559.397	156.142.071
Acquisitions	569.632	122.136	1.535.481	-	220.297	315.760	931.225	3.694.531
Sales and write-offs	-	-	(64.462)	(436.223)	(19.086)	-	(5.017)	(524.788)
Transfers (Note 18)	-	-	193.393	-	-	-	(203.393)	(10.000)
Balance at 31 December 2016	2.245.593	23.368.173	106.018.081	158.639	25.895.775	333.341	1.282.212	159.301.814
Accumulated depreciation and impairment losses								
Balance at 31 December 2015	-	(8.198.009)	(94.591.579)	(575.481)	(24.920.232)	(13.643)	-	(128.298.944)
Increase	-	(457.059)	(2.381.685)	(8.774)	(342.752)	(46.859)	-	(3.237.129)
Decreases due to sales and write-offs	-	-	29.907	436.223	3.045	-	-	469.175
Balance at 31 December 2016	-	(8.655.068)	(96.943.357)	(148.032)	(25.259.939)	(60.502)	-	(131.066.898)
Net balance at 31 December 2016	2.245.593	14.713.105	9.074.724	10.607	635.836	272.839	1.282.212	28.234.916

The increase in the caption "Machinery and equipment" is due essentially to the acquisition of technical broadcasting and television recording equipment.

At 31 December 2017 and 2016 the Group had the following assets under finance leases:

	2017			2016		
	Gross	Accumulated depreciation and impairment losses	Net balance	Gross	Accumulated depreciation and impairment losses	Net balance
Buildings and other constructions	104.348	(3.261)	101.087	-	-	-
Machinery and equipment	592.789	(99.930)	492.859	954.658	(486.093)	468.565
Office equipment	121.960	(20.325)	101.636	-	-	-
	819.098	(123.516)	695.582	954.658	(486.093)	468.565

(Amounts stated in Euros)

20. INVESTMENTS

The changes in investments in the years ended 31 December 2017 and 2016 were as follows:

31 December 2017:

	Investments in associated companies	Investments in other companies	Total
Balance at 31 December 2016	3.648.531	19.363	3.667.894
Application of the equity method (Note 14)	126.627	-	126.627
Dividend distributed by VASP	(180.000)	-	(180.000)
Balance at 31 December 2017	3.595.158	19.363	3.614.521

31 December 2016:

	Investments in associated companies	Investments in other companies	Total
Balance at 31 December 2015	3.988.509	49.363	4.037.872
Application of the equity method (Note 14)	(139.978)	-	(139.978)
Dividend distributed by VASP	(200.000)	-	(200.000)
increase in impairment losses (Note 29.1)	-	(30.000)	(30.000)
Balance at 31 December 2016	3.648.531	19.363	3.667.894

Investments in associated companies at 31 December 2017 and 2016 are made up as follows:

31 December 2017:

		2017							
Company	Head office	Total assets	Total revenue	Equity	Net result	Percentage effectively held	Amount of participation	Accumulated impairment losses (Note 29.1)	Net value of the asset
Vasp	Cacém	42.763.551	217.445.446	8.526.627	(118.718)	33,33	2.841.926	-	2.841.926
Lusa	Lisbon	12.061.072	15.324.419	3.370.163	720.693	22,35	753.232	-	753.232
Visapress	Lisbon	n.a.	n.a.	n.a.	n.a.	21,43	15.000	(15.000)	-
							3.610.158	(15.000)	3.595.158

31 December 2016:

		2016							
Company	Head office	Total assets	Total revenue	Equity	Net result	Percentage effectively held	Amount of participation	Accumulated impairment losses (Note 29.1)	Net value of the asset
Vasp	Cacém	37.917.897	207.308.125	9.221.408	626.613	33,33	3.073.495	-	3.073.495
Lusa	Lisbon	11.893.332	16.226.450	2.572.857	1.989.229	22,35	575.036	-	575.036
Visapress	Lisbon	n.a.	n.a.	n.a.	n.a.	21,43	15.000	(15.000)	-
							3.663.531	(15.000)	3.648.531

(Amounts stated in Euros)

As a result of applying the equity method at 31 December 2017 and 2016, the following changes were recorded in the caption "Investments in associates":

	2017			2016		
Company	Gain on associated companies (Note 14)	Loss on associated companies (Note 14)	Total	Gain on associated companies (Note 14)	Loss on associated companies (Note 14)	Total
Vasp	-	(51.571)	(51.571)	232.594	-	232.594
Lusa	178.198	-	178.198	-	(372.572)	(372.572)
	178.198	(51.571)	126.627	232.594	(372.572)	(139.978)

Investments in other companies at 31 December 2017 and 2016 are made up as follows:

	2017				2016	
Company	Effective participation of the Group	Amount of the participation	Impairment losses (Note 29.1)	Amount net of impairment losses	Effective participation of the Group	Amount net of impairment losses
NP	10,71%	18.703	-	18.703	10,71%	18.703
Nexponor	0,001%	660	-	660	0,001%	660
Others	n.d.	30.000	(30.000)	-	n.d.	-
		49.363	(30.000)	19.363		19.363

21. INVESTMENT PROPERTIES

Investment properties held by the Group at 31 December 2017 and 2016, are as follows:

Investment property	2017	2016
Terreno "FNAC" (a)	1.478.489	5.912.440

(a) This amount is net of impairment losses in the amount of 1,473,474 Euros (Note 29.1).

During the years ended 31 December 2017 and 2016, the movements in the caption "Investment properties" was the follow:

Balance at 31 December 2016	5.912.440
Tranfer to non-current assets classified as held for sale (Note 28)	(3.200.000)
Impairment losses on investment property (Note 19.1)	(1.233.951)
Balance at 31 December 2017	1.478.489

During the years ended 31 December 2016, there were no movements in the caption "Investment properties".

During the year ended December 31, 2017, through a promissory agreement for sale and purchase, the Group entered into an agreement with a third party for the sale of a portion of the land denominated "FNAC Terrain", which, in that date was classified as held for sale. As a result of this agreement, the sale price was set at 3,200,000 Euros, of which 640,000 Euros were received as a signal, which are held captive until the deed is concluded, an impairment loss having been estimated for the entire land, based on the sales value per square meter defined in that contract (Notes 28 and 29). Consequently, the Board of Directors is convinced that the book value of this asset does not differ significantly from its fair value. There is a promissory mortgage of this land to guarantee a loan from BPI.

(Amounts stated in Euros)

22. PROGRAM BROADCASTING RIGHTS AND INVENTORIES

Program broadcasting rights at 31 December 2017 and 2016 are made up as follows:

	31 December 2017		31 December 2016	
	Non-current	Current	Non-current	Current
Broadcasting rights				
Gross:				
Program broadcasting rights	4.959.298	2.203.515	4.568.154	4.153.608
Advances on account of purchases	557.128	10.574.887	557.128	11.482.748
	5.516.426	12.778.402	5.125.282	15.636.356
Impairment of realizable value:				
Accumulated impairment of the realizable value (Note 29.1)	(557.128)	-	(557.128)	-
Net realizable value of the broadcasting rights	4.959.298	12.778.402	4.568.154	15.636.356

The caption “Advances on account of purchases” at 31 December 2017 and 2016 includes payments made by SIC to program suppliers under contracts signed with these entities, relating to program broadcasting rights, which at that date were not available for broadcasting, corresponding essentially to soaps and sports rights.

Inventories at 31 December 2017 and 2016 are made up as follows:

	2017	2016
Inventories:		
Raw, subsidiary and consumable material	323.982	1.039.610
Work in progress	41.320	383.048
Net realizable value of inventories	365.302	1.422.658

At 31 December 2017 and 2016 the Group had no inventories pledged in guarantee of liabilities.

23. TRADE AND OTHER RECEIVABLES

This caption at 31 December 2017 and 2016 was made up as follows:

	31 December 2017			31 December 2016		
	Gross	Accumulated impairment Losses (Note 29.1)	Net	Gross	Accumulated impairment Losses (Note 29.1)	Net
Customers	45.561.010	(10.944.021)	34.616.989	45.592.609	(10.187.758)	35.404.851
Invoices to be issued:						
Value added services	583.953	-	583.953	845.754	-	845.754
Television broadcasting rights of theme channels	694.861	-	694.861	671.771	-	671.771
Television broadcasting rights of generalist channels	208.535	-	208.535	209.936	-	209.936
Other amounts to be invoiced	469.213	-	469.213	499.484	-	499.484
	47.517.572	(10.944.021)	36.573.551	47.819.554	(10.187.758)	37.631.796

(Amounts stated in Euros)

24. OTHER NON-CURRENT AND CURRENT ASSETS

At 31 December 2017 and 2016, this caption was made up as follows:

	2017	2016
Other non-current assets:		
Lisgráfica – Impressão e Artes Gráficas, S.A. ("Lisgráfica") (a)	1.937.043	1.145.084
Pension fund - Post employment benefits (Note 33.1)	1.300.454	1.403.923
Premius, S.A.	906.250	906.250
Digital telebroadcasting services (b)	623.530	686.568
Novimovest - Fundo de Investimento Imobiliário (c)	800.000	800.000
	5.567.277	4.941.825
Other current assets:		
Advances to suppliers	150.242	864.374
Other debtors		
Lisgráfica (a)	-	267.639
Subsidies receivable	441.972	-
Advances to employees	848.602	152.287
Isabel Monteiro (e)	192.868	192.868
Fantasy Day - Unipessoal, Lda. and Lemon- Entretenimento, Lda. (d)	169.403	169.403
Deposit (g)	1.114.963	1.976.389
Others	845.745	758.220
Prepayments:		
Licenses	445.400	397.699
Rent	84.160	90.152
Digital telebroadcasting services (b)	62.352	61.667
Financial charges	59.282	76.409
Insurance	41.372	70.481
Others	739.167	609.186
Taxes:		
Value added tax ("VAT") (f)	-	642.733
Other taxes	65	65
	5.195.593	6.329.572
	10.762.870	11.271.397

(a) Present value of the account receivable resulting initially from the sale in 2006 of the investment in Imprejornal - Sociedade de Impressão, S.A. to Mirandela – Artes Gráficas, S.A.. During the year ended 31 December 2008, the Group sold that account receivable to Lisgráfica. In accordance with the contract, this account should be payable in monthly instalments, according to a defined repayment plan, up to 2022. In December 2017, a Special Revitalization Proceeding ("PER") was approved by the creditors, which is pending judicial approval, in which the debt to the Group, as well as the advances made, will be received in monthly instalments, initiating two years after the homologation of the PER. The nominal value of this receivable at 31 December 2017 and 2016 was 1,732,009 Euros and 1,857,009 Euros respectively.

(b) This caption corresponds to the deferral of the single instalment for access to the digital teledifusion network and for services rendered by PT Comunicações, under the technical alteration process. The amount is being deferred over the period of the contract to render digital telebroadcasting services entered into with PT Comunicações. The contract became effective on 1 January 2012 and remains in force until 9 December 2028.

(c) Amount still receivable from the sale of the SIC building in 2004, which is dependent upon updating of the utilization licence.

(d) Present value of the account receivable resulting from the sale in prior years of the 100% participation in iPlay- Som e Imagem, Lda..

(e) Present value of the account receivable resulting from the sale in prior years of the 90% participation in Dialectus – Traduções Técnicas, Legendagem e Locução, Lda..

(Amounts stated in Euros)

(f) At 31 December 2016, the Group has VAT receivables, generated in the acquisition of the s. Francisco de Sales building which was related to the finance lease previously recorded under "Finance leases" (Note 27).

(g) As of 31 December 2017 and 2016, the amounts of 1,114,963 Euros and 1,976,389 Euros, respectively, correspond to the net amount of a dollar term deposit of 6,253,648 Euros and 7,115,074 Euros, respectively, and a loan contract of 5,138,685 Euros at 31 December 2017 and 2016, recorded in this caption with a maximum amount of 10,000,000 Euros, being automatically renewable for successive six month periods. The term deposit is in guarantee of the liability resulting from the loan contract.

25. CASH AND CASH EQUIVALENTS

The caption "Cash and cash equivalents" included in the consolidated statement of cash flow as of 31 December 2017 and 2016 and reconciliation thereof to the amount of cash and cash equivalents reflected in the statement financial position as of those dates are as follows:

	2017	2016
Cash	65.264	92.184
Bank deposits	3.758.869	3.399.072
	3.824.133	3.491.256
Bank deposits captives	(640.000)	
Bank overdrafts (Note 27)	(4.983.501)	(5.465.769)
	(1.799.368)	(1.974.513)

At December 31, 2017, captive bank deposits are related to the sale process of a portion of the so-called "FNAC Terrain" (Note 21).

26. EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY

Share Capital: At 31 December 2017 and 2016 Impresa's fully subscribed and paid up share capital amounted to 84,000,000 Euros, represented by 168,000,000 shares of fifty cents each, which, in accordance with the information communicated to CMVM, are held as follows:

	2017		2016	
	Percentage held	Amount	Percentage held	Amount
Impreger - Sociedade Gestora de Participações Sociais, S.A. ("Impreger")	50,31%	42.257.294	50,31%	42.257.294
Madre - SGPS, S.A.	4,63%	3.887.483	4,79%	4.024.345
Santander Asset Management	4,18%	3.507.282	4,70%	3.945.621
BPI group	3,69%	3.100.000	3,69%	3.100.000
Newshold - SGPS, S.A.	2,40%	2.019.382	2,40%	2.019.382
Azvalor Asset Management	2,80%	2.354.481	n.a.	n.a.
Norges Bank	2,78%	2.336.667	n.a.	n.a.
Invesco, Ltd. (a)	n.a.	n.a.	6,78%	5.693.491
Others	29,21%	24.537.412	27,33%	22.959.867
	100,00%	84.000.000	100,00%	84.000.000

(a) During the year ended 31 December 2017, this shareholder ceased having a qualified stake in Impresa's share capital.

Share premium: This caption corresponds to premiums obtained in capital increases made in previous years. According to current Portuguese legislation, the use of the amount included in this caption follows the regime applicable to the legal reserve, that is, it can not be distributed to shareholders, but may be used to absorb losses after all other reserves have been exhausted or incorporated in the capital.

(Amounts stated in Euros)

Legal reserve: Portuguese law provides that at least 5% of annual net profit must be appropriated to a legal reserve until the reserve equals the minimum requirement of 20% of share capital. The reserve is not available for distribution to the shareholders except upon liquidation of the Company, but may be used to absorb losses, once all other reserves and retained earnings have been exhausted, or to increase capital.

As decided at the Shareholders' General Meeting held on 19 April 2017, net result for the year ended 31 December 2016 in the amount of 4,392,190 Euros, presented in the non-consolidated financial statements of Impresa, was appropriated as follows:

Other reserves	4.172.580
Legal reserve	219.610
	4.392.190

The difference between the non-consolidated and consolidated result was transferred to Retained earnings.

As decided at the Shareholders' General Meeting held on 19 April 2016, net result for the year ended 31 December 2015 in the amount of 10,696,787 Euros, presented in the non-consolidated financial statements of Impresa, was appropriated as follows:

Legal reserve	534.840
Other reserves	10.161.947
	10.696.787

The difference between the non-consolidated and consolidated result was transferred to Retained earnings.

27. BANK BORROWINGS AND FINANCE LEASES

27.1 Bank Borrowings

As of December 31, 2017 and 2016, the balance of debts related to bank borrowings has the following composition:

		31 December 2017				31 December 2016			
		Book value		Nominal value		Book value		Nominal value	
Company	Lending entities	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current
Impresa	Banco BPI, S.A. (a)	65.522.391	9.939.999	65.809.837	9.983.606	75.463.173	9.940.102	75.793.443	9.983.607
Impresa	Banco Popular, S.A. (b)	1.483.491	988.994	1.500.000	1.000.000	2.472.350	988.940	2.500.000	1.000.000
Impresa	Caixa Central de Crédito Agrícola Mútuo, C.R.L. (c)	1.343.745	1.343.744	1.350.000	1.350.000	2.686.612	895.537	2.700.000	900.000
Impresa	Banco BIC Português, S.A. (d)	-	6.165.723	-	6.200.000	6.140.598	2.377.005	6.200.000	2.400.000
Impresa	Caixa Geral de Depósitos, S.A. (e)	-	-	-	-	-	7.362.613	-	7.500.000
Impresa	Bond loan (f)	-	29.915.914	-	30.000.000	29.818.481	-	30.000.000	-
SIC	Banco BPI, S.A. (g)	12.692.969	2.115.495	12.750.000	2.125.000	14.808.463	2.115.495	14.875.000	2.125.000
SIC	Caixa Central de Crédito Agrícola Mútuo, C.R.L. (c)	75.000	75.000	75.000	75.000	149.256	49.752	150.000	50.000
Impresa Publishing	Montepio Geral (h)	1.804.202	2.273.549	1.804.203	2.273.548	3.042.100	1.258.819	3.042.100	1.258.819
Impresa Publishing	Banco Comercial Português, S.A. (i)	-	4.357.041	-	4.400.000	-	1.427.575	-	1.500.000
Impresa Publishing	Caixa Central de Crédito Agrícola Mútuo, C.R.L. (c)	75.000	75.000	75.000	75.000	149.256	49.752	150.000	50.000
	Guaranteed current accounts (j)	-	36.250.000	-	36.250.000	-	19.665.000	-	19.665.000
	Bank overdrafts (k) (Note 25)	-	4.983.501	-	4.983.501	-	5.465.769	-	5.465.769
		82.996.798	98.483.960	83.364.040	98.715.655	134.730.289	51.596.359	135.410.543	51.898.195

(Amounts stated in Euros)

On December 31, 2017, the movement in the balance of debts to credit institutions, separated by movements with associated cash flows and without cash flow, was as follows:

Company	Lending entities	31 December 2016 Book Value	Cashflow for the year Receivables	Cashflow for the year (Payments)	Movements without cashflows Amortized cost	31 December 2017 Book Value
Impresa	Banco BPI, S.A. (a)	85.403.275	-	(9.983.606)	42.721	75.462.390
Impresa	Banco Popular, S.A. (b)	3.461.290	-	(1.000.000)	11.195	2.472.485
Impresa	Caixa Central de Crédito Agrícola Mútuo, C.R.L. (c)	3.582.149	-	(900.000)	5.340	2.687.489
Impresa	Banco BIC Português, S.A. (d)	8.517.603	-	(2.400.000)	48.120	6.165.723
Impresa	Caixa Geral de Depósitos, S.A. (e)	7.362.613	-	(7.500.000)	137.387	-
Impresa	Bond loan (f)	29.818.481			97.433	29.915.914
SIC	Banco BPI, S.A. (g)	16.923.958	-	(2.125.000)	9.506	14.808.464
SIC	Caixa Central de Crédito Agrícola Mútuo, C.R.L. (c)	199.008	-	(50.000)	992	150.000
Impresa Publishing	Montepio Geral (h)	4.300.919		(223.168)	-	4.077.751
Impresa Publishing	Banco Comercial Português, S.A. (i)	1.427.575	5.500.000	(2.600.000)	29.466	4.357.041
Impresa Publishing	Caixa Central de Crédito Agrícola Mútuo, C.R.L. (c)	199.008		(50.000)	992	150.000
	Guaranteed current accounts (j)	19.665.000	16.585.000	-	-	36.250.000
		180.860.879	22.085.000	(26.831.774)	383.152	176.497.257
	Bank overdrafts (k) (Note 25)	5.465.769	-	(482.268)	-	4.983.501
		186.326.648	22.085.000	(27.314.042)	383.152	181.480.758

(a) Loan from Banco BPI, SA contracted by ISM to finance the acquisition of all the share capital of Solo (merged into ISM) that had an 18.35% participation in SIC, and a 30.65% participation in SIC. On 1 January 2015 ISM was merged into Impresa, responsibility for payment of the full amount of the loan being transferred to Impresa. At 31 December 2017, the loan bore interest payable half yearly in arrears at the Euribor six month rate plus a spread of 2.5% and is repayable in 38 successive half yearly instalments, beginning on 30 June 2006. The nominal amount of the loan is repayable as follows:

2018	9.983.607
2019	9.983.607
2020	9.983.607
2021	9.983.607
2022	9.983.607
2023	9.983.607
2024 and following	15.891.802
	65.809.837
	75.793.444

In guarantee of full compliance with this loan, the Group signed a blank promissory note and gave in guarantee all the share capital of SIC (Note 32).

Impresa assumed several covenants with respect to this loan and restrictions relating essentially to the acquisition and sale of assets and the distribution of dividends.

In accordance with this contract, Impresa must maintain at least 51% of the capital of SIC. In addition, Impreger must not reduce its participation in Impresa to below 50.01% of its capital.

(Amounts stated in Euros)

(b) Loan contract entered into by the Group with Banco Popular, S.A. in June 2015, repayable in ten successive half yearly instalments up to 16 June 2020. At 31 December 2017, the loan bore interest payable half yearly in arrears at a rate corresponding to the Euribor six month rate plus a spread of 2.25%. The nominal amount of the loan is repayable as follows:

2018	1.000.000
2019	1.000.000
2020	500.000
	1.500.000
	2.500.000

The Group signed a blank promissory note in guarantee of full compliance with the loan.

(c) Loan contract entered into by the Group with Caixa Central de Crédito Agrícola Mútuo C.R.L. in September 2015, repayable in eight half yearly instalments up to 15 September 2019. At 31 December 2017, the loan bore interest payable half yearly in arrears at a rate corresponding to the six month Euribor rate plus a spread of 2.6%. The nominal amount of the loan is repayable by each entity as follows:

	Impresa	SIC	Impresa Publishing	Total
2018	1.350.000	75.000	75.000	1.500.000
2019	1.350.000	75.000	75.000	1.500.000
	1.350.000	75.000	75.000	1.500.000
	2.700.000	150.000	150.000	3.000.000

The Group signed a blank promissory note in guarantee of full compliance with the loan.

Additionally, under the terms of this contract, Impresa must maintain at least 51% of SIC's and Impresa Publishing's share capital.

(d) On 18 September 2015 the Group entered into a loan contract with Banco BIC Português, S.A., repayable in six half yearly instalments, the first five being in the amount of 1,200,000 Euros and the last on 18 September 2018 of 5,000,000 Euros. At 31 December 2017 the loan bore interest payable half yearly in arrears at a rate corresponding to the six month Euribor rate plus a spread of 1.5%.

The Group signed three blank promissory notes in guarantee of full compliance with the loan.

In addition, as a result of this loan contract, Impresa committed to some determined covenants.

Under the terms of this contract, Impreger must not reduce its participation in Impresa to below 50,01% of its share capital.

(e) Issuance of commercial paper by Impresa under a commercial paper program for a period of 3 years with issuance terms of up to six months, ending on 23 December 2017, for an initial amount of 15,000,000 Euros, which was progressively reduced to 3,750,000 Euros at the last issuance. At 31 December 2017 this commercial paper issue had been fully paid.

(f) On 12 November 2014 the Company issued a bond loan totalling 30,000,000 Euros, corresponding to 600 bonds of 50,000 Euros each, repayable on 12 November 2018. The bonds bear interest at the Euribor 6 month rate plus a spread of 4%.

In accordance with these bonds Impresa assumed certain commitments, must not ceasing to hold all the share capital of SIC and Impresa Publishing and Impreger must not cease to hold a majority (50.01%) of Impresa's capital.

At 31 December 2017 these bonds were listed for trading (Euronext), their market value amount to 28.500.000 Euros.

(Amounts stated in Euros)

(g) Bank loan contracted by SIC with Banco BPI, S.A. on 26 June 2013 for the maximum amount of 17,000,000 Euros, which was fully used up in 2014. At 31 December 2017 the loan bore interest at the six month Euribor rate plus a spread of 5% and is repayable in 16 successive half yearly instalments as from 30 June 2017. As a result of this loan the Group signed a blank promissory note, assumed several covenants and restrictions relating essentially to the acquisition and sale of assets, a promissory mortgage of the FNAC land, as well as maintenance of part of the current shareholder structure of Impresa. The reimbursement schedule of the nominal amount is as follows:

2018	2.125.000
2019	2.125.000
2020	2.125.000
2021	2.125.000
2022	2.125.000
2023	2.125.000
2024	2.125.000
	12.750.000
	14.875.000

Under the terms of this loan contract, Impreger must not reduce its participation in Impresa to below 50.01% of its share capital.

(h) Loan contracted by Impresa Publishing in May 2016, with Caixa Económica Montepio Geral, to be repaid in 48 monthly instalments until May 2010. At 31 December 2017, this loan bore interest at the six months euribor plus 2.5%. As a guarantee, Impresa Publishing subscribed a blank promissory. The reimbursement schedule of the nominal amount is as follows:

2018	2.273.548
2019	1.273.548
2020	530.655
	1.804.203
	4.077.751

Under this loan, if Impresa cesases holding, directly or indirectly, 100% of Impresa Publishing, the bank has the possibility of resolving the contract.

(i) Issuance of commercial paper by Impresa Publishing under a commercial paper program for 5 years with issuance terms of up to six months, ending on 18 November 2019, for a total amount of 11,000,000 Euros, which will progressively decrease to 1,100,000 by the last issuance. At 31 December 2017 and 2016 this commercial paper issuance bore interest at the Euribor rate for the period of the issuance plus a spread of 2.25%, and annual agency commission of 1%.

Impresa Publishing assumed certain obligations under this loan, including not being less than 50.1% owned by Impresa.

(j) Guaranteed current accounts obtained by Group companies that bear interest at normal market rates for similar operations. The Group believes, considering experience and the evolution of its operation that these credit lines will be renewed without significant penalization.

(k) The bank overdrafts bear interest at market rates for similar operations.

At 31 December 2017 and 2016, the Group had approved unused credit limits of approximately 13,815,000 Euros and 30,815,000 Euros, respectively.

(Amounts stated in Euros)

In the years ended 31 December 2017 and 2016, the effective interest rates on the loans were as follows:

Company	Financing entities	2017	2016
Impresa	Banco BPI, S.A.	2,50%	2,50%
Impresa	Banco Popular, S.A.	2,25%	2,25%
Impresa	Caixa Central de Crédito Agrícola Mútuo, C.R.L.	2,60%	2,60%
Impresa	Banco BIC Português, S.A.	1,50%	1,50%
Impresa	Caixa Geral de Depósitos, S.A.	2,85%	2,85%
Impresa	Novo Banco, S.A. and Banco Espírito Santo de Investimento, S.A.	4,00%	4,00%
SIC	Banco BPI, S.A.	5,00%	4,83%
SIC	Caixa Central de Crédito Agrícola Mútuo, C.R.L.	2,60%	2,60%
Impresa Publishing	Banco Comercial Português, S.A.	2,75%	2,80%
Impresa Publishing	Montepio Geral	2,50%	2,50%
Impresa Publishing	Caixa Central de Crédito Agrícola Mútuo, C.R.L.	2,60%	2,60%
Group	Guaranteed current accounts	2,60%	2,65%

Information regarding the Group’s exposure to interest rate risk based on the loans in force is included in Note 36.

The Board of Directors believes that there are no cases of non-compliance with the requirements of the above mentioned borrowings, both as regards maintenance of the main participations in subsidiary companies, the limitation of investments or the distribution of dividends as well as the applicable financial covenants. The financial covenants to be complied with, not applicable to all the borrowings, correspond to the “Remunerated net debt/EBITDA Ratio” and the “Financial Autonomy Ratio”, in which the existence of possible non-compliance, could result in the financial entities requiring early repayment of the borrowings and/or change in the lending conditions previously agreed. At 31 December 2017, waivers were obtained from the financing entities regarding compliance with the ratios that the Group did not achieve at that date.

27.2 FINANCE LEASES

At 31 December 2017, the companies of the television segment had liabilities under finance lease contracts totalling 768,273 Euros respectively, payable as follows:

	Principal	Interest	Total
2018	258.424	9.204	267.629
2019	251.031	6.976	258.007
2020	180.738	4.870	185.608
2021	62.384	4.372	66.756
2022	15.696	1.093	16.789
	509.849	17.311	527.160
	768.273	26.515	794.788

During the year ended 31 December 2016, the Group made the anticipated payment of the total debt of the lease contract of the building of Paço de Arcos, whose amount, added by taxes and other expenses related to the transaction was, approximately, 6,627,000 Euros; for this effect, the Group used guaranteed current accounts previously contracted, but unused until that date.

(Amounts stated in Euros)

At 31 December 2016, the companies of the television segment had liabilities under finance lease contracts totalling 370,100 Euros respectively, payable as follows:

	Principal	Interest	Total
2017	113,399	5,268	118,667
2018	96,447	3,562	100,009
2019	98,142	1,867	100,009
2020	62,112	297	62,409
	256,701	5,726	262,427
	370,100	10,994	381,094

The liabilities under the lease contracts relate essentially to technical support equipment for the digitalisation project of the television segment operating systems. The lease contracts do not include contingent instalments and include purchase options at below the market value of the assets.

28. NON-CURRENT ASSETS HELD FOR SALE

In the year ended December 31 2017, the assets classified as held for sale and associated liabilities, were as follow:

a) As mentioned in note 17, in the last quarter of 2017, the Group decided to sell the portfolio of the magazines and established a plan for the execution of this operation, concluded in January 2018. Therefore, the assets and liabilities to be sold, were classified as assets and liabilities held for sale (Note 37) in December 2017. These are detailed as follow:

Goodwill	10.304.332
Operating assets allocated to magazines:	
Paper Stock	341.134
Operating liabilities allocated to magazines:	
Deffered income related to publication signatures	(1.337.120)
Salaires to be paid	(593.621)
	(1.930.741)
Net assets related to the magazine portfolio	8.714.725

b) This caption includes an estimate of the sale value of the portfolio in the amount of 10.200.000 Euros and the remainder, net estimate of other assets and liabilities, associated with those, to be recovered and/or settled through the above-mentioned sale.

(Amounts stated in Euros)

29. IMPAIRMENT LOSSES, LEGAL AND TAX PROCESSES AND PROVISIONS

29.1 Impairment losses

The following changes occurred in the accumulated impairment loss captions in the years ended 31 December 2017 and 2016:

31 December 2017:

	Impairment losses on goodwill (Note 17)	Impairment losses on investments (Note 20)	Impairment losses on investments properties (Note 21)	Impairment losses on receivables (Notes 10 and 23)	Impairment losses on broadcasting rights and inventories (Note 22)
Balances at 31 December 2016	-	45.000	239.523	10.187.758	557.128
Increases	21.965.668	-	1.233.951	1.791.577	-
Utilization	-	-	-	(745.781)	-
Reversal/adjustment (Note 10)	-	-	-	(289.533)	-
Balances at 31 December 2017	21.965.668	45.000	1.473.474	10.944.021	557.128

31 December 2016:

	Impairment losses on investments (Note 20)	Impairment losses on investments properties (Note 21)	Impairment losses on receivables (Notes 10 and 23)	Impairment losses on broadcasting rights and inventories (Note 22)
Balances at 31 December 2015	15.000	239.523	10.214.853	557.128
Increases	30.000	-	399.365	-
Utilization	-	-	(279.863)	-
Reversal/adjustment (Note 10)	-	-	(146.597)	-
Balances at 31 December 2016	45.000	239.523	10.187.758	557.128

29.2 Provisions

The provision for risks and charges at 31 December 2017 and 2016 relates essentially to legal actions in progress and is made up as follows:

	2017		2016	
Natureza	Amount claimed	Amount provided	Amount claimed	Amount provided
Tax (a)	30.000	8.000	-	-
Dismissal/Labour	1.519.399	996.373	766.695	554.744
Publicity fines	1.118.153	144.372	2.791.050	293.484
Abuse of freedom of the press	3.245.767	338.549	1.136.116	163.845
Others	21.485.241	3.015.108	20.266.802	2.745.281
	27.398.560	4.502.402	24.960.663	3.757.354

(a) Excluding the lawsuits describer in Note 29.4.

The amounts claimed under legal actions relating to advertising fines result essentially from the filing of several countermanding actions by ERC for violation of the Publicity Code.

The Group is subject to several lawsuits for abuse of freedom of the press, for which it has recorded provisions based on the opinion of its lawyers and historical experience of this type of litigation.

The significant amount claimed under the caption “Others” results from the quantification by GDA – Cooperativa de Gestão dos Direitos dos Artistas, Intérpretes ou Executantes, CRL in the liquidation incidence presented in December 2015 (Note 29.3).

(Amounts stated in Euros)

The Board of Directors and the Group's lawyers believe, based on an assessment of the risks of the litigation in process, that the outcome of the litigation will not result in significant liabilities not covered by provisions reflected in the consolidated financial statements as of 31 December 2017, which correspond to the best estimate of the outflow of funds resulting from these lawsuits as of that date.

The changes in provisions in the years ended 31 December 2017 and 2016 were as follows:

31 December 2017:

	Provisions for risks and charges
Balance at 31 December 2016	3.757.354
Increases	797.108
Utilization	(5.060)
Reversal/adjustment (Note 10)	(47.000)
Balance at 31 December 2017	4.502.402

31 December 2016:

	Provisions for risks and charges
Balance at 31 December 2015	3.887.349
Increases	647.138
Utilization	(90.611)
Reversal/adjustment (Note 10)	(686.522)
Balance at 31 December 2016	3.757.354

Utilization of provisions in the years ended 31 December 2017 and 2016 corresponds to direct utilization of the balance to cover the liabilities resulting essentially from the Group's legal and non-legal litigation. In addition, adjustments correspond to the reversal of provisions covering risks and contingencies for which they were provided but that did not materialize.

The caption "Provision for impairment losses" in the consolidated statement of profit and loss and other comprehensive income for the years ended 31 December 2017 and 2016 is made up as follows:

31 December 2017:

Increase in the provision for other risks and charges	750.088
Impairment losses on investments properties (Note 21)	1.233.951
Impairment losses on goodwill (Note 17)	21.965.668
	23.949.707

31 December 2016:

Increase in the provision for other risks and charges	647.138
Impairment losses on investments (Note 20)	30.000
	677.138

29.3 Legal processes in progress

At 31 December 2017 there were several lawsuits in progress brought against the Group by third parties, the amounts of which and final outcome at the time of preparing the financial statements were still unknown, including:

- In prior years GDA – Cooperativa de Gestão dos Direitos dos Artistas, CRL ("GDA") brought a legal action against SIC, in the Judicial Court of Oeiras, under which GDA claimed payment of annual remuneration due to artists, interpreters or performers at the rate of 1.5% of the annual amount of advertising income, effective as from September 2004, as well as late payment interest. SIC contested this action, a favourable decision having been issued, considering the initial petition to be unfounded due to the lack of cause of the demand and, consequently, annulled the whole process. This decision was contested, the action following in the first instance. The Court judged GDA's action as groundless and established as annual equitable remuneration, an amount per minute of the exhibitions, the amount per minute being subject to determination. At 31 December 2015 GDA presented a liquidation incidence under which it demands payment by SIC of approximately 17,700,000 Euros, this amount increased by approximately 2,357,000 Euros since the amount related to 2015 and 2016 were added to the process.

  Determination of this amount was based on a study made by a third party having as one of its assumptions the closeness of television activities to the activity of any company and its production. SIC contested GDA's demand, based on the incompetence of the court, the lack of legal capacity of GDA, which only represents national artists, interpreters and executors, having also contested the methodology presented, and in the contestation estimated its responsibility based on the effective utilisation of the services rendered by the artists, in accordance with the sentence that it intends to liquidate determines, as well as by the calculation of a price per minute for the services close to that paid by SIC to Sociedade Portuguesa de Autores, but a reduced amount in terms of the law and practice. Therefore, an amount substantially lower than that demanded by GDA was determined, this being provided for in the financial statements as of 31 December 2017 to cover the liability, which the Board of Directors, based on the opinion of its lawyers and technicians, believes is sufficient.

29.4 Tax processes in progress

In previous years the Group was notified of additional tax assessments, most of which were not recorded or paid as they are considered to have no merit:

- As a result of tax inspections carried out of ISM (in 2015 merged into Impresa) and its related tax procedures, in 2011, 2012, 2014 and 2015 Impresa was notified of additional corporate income tax assessments for the years 2008, 2009, 2010, 2011 and 2012, under which the Tax Administration did not accept the tax deductibility of interest on part of the loan from BPI to finance the acquisition of non-remunerated shareholders' loans of BPI (prior shareholder) to Solo (entity merged into ISM in prior years). The reasons alleged by the Tax Administration for this non-acceptance is that the normal and current activities of ISM do not include the granting of loans to subsidiaries (it is not a holding company) and such charges are supposedly not related to loans obtained for its direct operations. The corrections to taxable income amount to 3,415,295 Euros for 2008, 2,105,621 Euros for 2009, 2,161,788 Euros for 2010, 2,334,795 Euros for 2011 and 943,005 for 2012.

  During the year ended 31 December 2016, the Tax Authorities annulled the corporate income tax additional assessment related to 2012, in the amount of 943,005 Euros, for which a bank guarantee had been presented, amounting to 325,041 Euros, which was cancelled in April 2016.

  At 31 December 2017 the additional tax assessments referred to above had been legally contested, Impresa having provided bank guarantees of 2,991,811 Euros relating to the years 2010 and 2011 (Note 32). Bank guarantees were not given for the appeals for the years 2008 and 2009 as the tax consolidation for these years presented tax losses carried forward (used in the year 2010) that offset the above additional tax assessments.

  At 31 December 2016, the additional tax assessments had been legally contested, Impresa having provided bank guarantees of 2,991,811 Euros for the years 2010, 2011 (Note 32). As regards the contestation for the years 2008 and 2009 bank guarantees were not provided as for these years the tax consolidation presented tax losses carried forward (used in the year 2010) that offset the above mentioned tax corrections.

(Amounts stated in Euros)

The Board of Directors believes, based on the opinion of its lawyers, that the prospects of success of the claims and/or contestations that it will make are reasonable and so no provision has been recorded for that tax contingency.

30. TRADE AND OTHER PAYABLES

At 31 December 2017 and 2016 this caption was made up as follows:

	2017	2016
Trade payables, current account	30.543.282	29.407.077
Suppliers of fixed assets, current account	1.492.685	469.397
	32.035.967	29.876.474

31. OTHER CURRENT LIABILITIES

This caption was made up as follows at 31 December 2017 and 2016:

	2017	2016
Other current liabilities:		
Advances from clients	123.416	224.916
Accrued costs:		
Commercial agreements	10.429.910	13.120.210
Personnel vacation and vacation subsidy	5.811.047	6.575.491
Cost of program production	2.414.933	1.564.212
Royalties	303.048	821.363
Accrued interest	330.973	339.326
Communication	137.914	327.981
Personnel commission payable	68.773	323.540
TSU - Green receipts	297.349	305.515
Authors' rights	400.000	300.000
Marketing and publicity	255.477	68.884
Personnel bonuses	170.920	12.300
Other accrued costs	4.413.455	3.213.663
	25.033.799	26.972.485
Deferred income:		
Pre-billing	3.222.637	2.455.037
Subscriptions to newspapers and magazines	265.856	1.769.893
Subsidies	426.383	-
Other deferred income	236.926	167.526
	4.151.802	4.392.456
State and other public entities:		
Value Added Tax	4.998.433	4.408.975
Personal income tax - withholdings at source	1.732.058	1.849.522
Social security contributions	1.687.682	1.644.665
Instituto Português de Arte Cinematográfica e Audiovisual/Cinemateca Portuguesa	1.287.490	1.310.966
Stamp tax	146.777	164.473
	9.852.440	9.378.601
Other liabilities:		
Other creditors	4.393.323	7.873.960
	43.554.780	48.842.418

(Amounts stated in Euros)

32. CONTINGENT LIABILITIES AND GUARANTEES GIVEN

The guarantees given to third parties by Impresa, SIC, Medipress and the remaining Group companies at 31 December 2017 were as follows:

At 31 December 2017 Impresa had pledged shares representing 100% of SIC's capital in guarantee of a loan from Banco BPI, S.A. to finance the acquisition of that participation (Note 27.a)).

At 31 December 2017 and 2016 the companies of the television segment had requested the issuance of the following guarantees in favour of third parties:

	2017	2016
General Secretariat of the Ministry of Internal Administration ("SGMAI")	3.127.518	1.220.499
ERC	1.995.192	1.995.192
Union des Associations Européennes de Football	1.950.000	1.950.000
Santander Novimovest	1.320.600	1.320.600
Lidl	640.000	-
Imopólis	44.701	44.701
Municipal Council of Oeiras	35.745	35.745
Grande Lisboa Noroeste Court	4.000	4.000
Tax department of Algés	-	970.283
Oeiras Court	-	7.000
	9.117.756	7.548.020

The guarantees given to the General Secretariat of the Ministry of Internal Administration are to ensure fulfilment of the publicity contests, "Furo da Sorte 2017", "O Baú", "SIC 25 anos", and "Sextas Mágicas". The change of the amount of the guarantees is related to the existing contests at each moment.

The guarantee given to ERC results from the requirements of current legislation to license channels and for broadcasting television contests.

Guarantee given to UEFA to ensure full compliance with the "UEFA Europa League 2015-2018" contracts.

The guarantee given to Santander Novimovest is to ensure the fulfillment of obligations resulting from the lease contract of the SIC head office with that entity, especially the payment of the rent.

The guarantee given to Lidl relates to the fulfillment of contractual obligations defined within the contract for the sale of part of the "FNAC land".

The guarantees given to the Algés Tax Department were related to execution processes that ended in 2016.

The guarantee given to the Municipal Council of Oeiras is to ensure the repair of any damage that could be caused to the public infrastructure due to excavations and containment of land on the Outurela Road on a plot of land adjacent to the installations of SIC's headquarters.

At 31 December 2017 and 2016 the companies of the "Others" segment had requested the issuance of the following bank guarantees in favour of third parties:

	2017	2016
Tax and Customs Authority (Note 29.4)	2.991.811	2.991.811
Oeiras Municipality	447.844	-
IAPMEI	379.456	222.311
Turismo de Portugal	20.791	20.791
Infraestruturas de Portugal	9.404	9.404
Ambiolhão	5.652	5.651
	3.854.957	3.249.968

The guarantee given to Oeiras Municipality is to fulfill the obligation of restoration of the land where the construction works of the Paço de Arcos building are being performed.

(Amounts stated in Euros)

The guarantees given to IAPMEI relate to subsidies received from that entity regarding the Intellitouring and SINTTRA projects that are being carried out by InfoPortugal.

33. COMMITMENTS ASSUMED

33.1 Pensions

Certain Group companies (Impresa and Impresa Publishing) have assumed commitments to pay their employees and remunerated members of the Board of Directors hired up to 5 July 1993, pension supplements for retirement due to age and disability. The benefits are calculated based on a percentage that increases with the number of years of service applied to the salary scale or a fixed percentage applied to the base salary defined as being the amounts in 2002.

In 1987, the Group created an autonomous pension fund to which it transferred its liability for the payment of the above pensions. In addition, Impresa Publishing assumed joint responsibility with the remaining companies to comply with all the obligations, namely for financing of the pension plan.

In accordance with an actuarial study made by the entity managing the fund, the present value of the past service liability of the above mentioned companies for current and retired employees as of 31 December 2017 and 2016 was estimated at 3,140,052 Euros, the amount of the fund at those dates being 4,444,506 Euros.

The actuarial study was made using the method known as “Projected Unit Credit” to calculate the pensions for retirement due to disability and age using the following main assumptions and actuarial and technical bases:

	2017	2016
Discount rate	2,25%	1,75%
Salary growth rate	0,00%	0,00%
Pension growth rate	0,00%	0,00%
National minimum salary growth rate	2,00%	2,00%
Actuarial tables:		
Mortality	TV 88/90	TV 88/90
Disability	EVK 80	EVK 80
Decrease due to incapacity	100% EVK 80	100% EVK 80
Retirement age	66 years	66 years

The rate used was determined based on market income rates for high quality corporate bonds, consistent with the currency and the expected period of the benefits.

The method used was based on the creation of an adjusted interest rate curve, considering the income of high quality corporate debt which covers several maturities. For this, a Eurozone interest rate swap curve was considered, obtaining, through the bootstrapping method, a zero coupon curve. The interest rate curve used resulted from the application of a risk spread to the zero coupon curve obtained. To determine the spread, the *iTraxx Europe Main*, index was used, that covers European corporate debt securities with an investment grade rating, therefore being considered of high quality. The rates for the intermediate term were obtained by straight-line interpolation, and for terms of less than 3 or more than 10 years a constant rate was used.

The pension fund is exposed to the following risks:

- Fund profitability risk

Definition of an investment policy is the responsibility of Impresa, with the advice of the Managing Entity, respecting the limits and restrictions defined for each class of investment. Caixa Gestão de Activos, S.A. is the entity responsible for implementing the strategy and managing the financial assets of the Pension Fund. The securities held are selected considering the defined guidelines, taking into account the economic-financial realities and expectations of the evolution of the market.

The investment policy follows a benchmark management model, which defines the maximum limits of exposure for each class of assets and reference indices for each, against which performance is measured.

There are some deviations between the makeup of the portfolio allocated and the benchmark, due to the significant monetary market component. This is due in part to the significant excess financing of the fund.

The composition of the portfolio of assets obeys a set of rules aimed, through systematic spreading of risks and a benchmark process, at referencing and measuring the performance and risk of the portfolio, ensuring that the principles of diversification and spreading of risk are met.

There are also precise guidelines regarding the quality of credit that establish minimum credit notations and define the universe of investments.

Financial flow projections were made for the liabilities up to the end of the useful life of the Pension Fund.

This management model, not being specifically aimed at minimizing the mismatch between assets and liabilities, is justified as the residual maturity of the past service liability exceeds 70 years and its duration is of approximately 11 years, which makes an effective immunization strategy difficult. This strategy does not invalidate the rebalancing of the portfolio, considering the evolution of the liability.

In the years ended 31 December 2017 and 2016 the profitability of the fund assets was 2.6% and 0.26%, respectively. Expected income from the assets, considering the defined benchmark, was 1% and 0.79% in each year, which is lower than the income rate considered for the projection.

- Exchange risk

The portfolio is preferably represented by securities in the same currency as that of the liability, which is Euros. At 31 December 2017 and 2016 the percentage of the portfolio exposed to exchange risk was 1.04% and 0.79%, respectively.

- Liquidity risk

At 31 December 2017 and 2016, the Pension Fund had pension liabilities in payment which, due to the evaluation of its liquidity, was considered in the composition of the portfolio. Therefore, at those dates the percentage of the portfolio invested in the monetary market was 2.47% and 8.37%, respectively, and so the cash in the portfolio was sufficient to cover the payment of expected pensions over the next year in 39% and 100%, respectively.

- Credit risk

The control of credit risk takes into consideration the maturities of each security and is made in aggregate terms, considering in isolation both the fixed and variable rate. The investment policy stipulates a minimum investment grade notation or equivalent for any security to be acquired.

At 31 December 2017, 95,46% of the portfolio was made up of securities with BBB- or higher rating.

At 31 December 2016, all the of the portfolio consisted of BBB- grade or better securities.

The securities in question are analysed and are only maintained in the portfolio if they are comfortable with the issuer, as well as their maturity, being permanently monitored.

In addition, sensitivity analyses were made to variations in the portfolio of assets, as regards interest rates in both the share and real estate markets. Therefore, for the fixed income component, increases in the interest rate curve of 1% and 2% and decreases of 10% and 15% were considered simultaneously for the share and real estate markets, it having been determined that in any of the simulations, the amount of the portfolio is sufficient to cover the minimum level of solvency.

Furthermore, so as to assess the adequacy of the relationship between the assets and the liability, that in the sensitivity analyses made to the portfolio of assets to the various types of risk of the assets which, despite the expected profitability of the assets being lower than the discount rate used, if this scenario is maintained, it is not expected that it will be necessary to make any contribution to the Fund for the next years.

(Amounts stated in Euros)

The changes in the amount of the past service liability for current and retired employees and the amount of the assets of the Company's plan in the years ended 31 December 2017 and 2016 were as follows:

	2017	2016
Present value of the liability for defined benefits at the beginning of the period	3.387.598	3.264.534
Benefits paid	(256.848)	(251.177)
Current service cost	35.467	32.521
Interest cost	57.036	81.613
Actuarial (gains)/losses	(79.201)	260.107
Present value of the liability for defined benefits at the end of the period	3.144.052	3.387.598
Plan assets at the beginning of the year	4.791.521	5.030.639
Benefits paid	(256.848)	(251.177)
Interest of the plan	81.605	127.531
Financial gain/(loss)	39.228	-
Refund of the excess funding of the plan	(211.000)	(115.472)
Plan assets at the end of the year	4.444.506	4.791.521
Surplus (Note 24)	1.300.454	1.403.923

The financial gain and loss resulting from differences between the assumptions used in determining the expected income from the assets and the effective amounts and the actuarial gain and loss between the assumptions used in determining the liability, were recorded as income and costs directly in equity, as other comprehensive income. The actuarial gain and loss recognized in the year ended 31 December 2017 result essentially from the change in the discount rate. The actuarial gain and loss recognized in the year ended 31 December 2016 result essentially from beneficiaries that had been considered in the fund leaving the Company. The remaining income and costs were recorded in the statement of profit and loss.

	2017	2016
Amounts recognized in the statement of profit and loss:		
Current service cost	(35.467)	(32.521)
Interest cost of the plan	(57.036)	(81.613)
Plan interest	81.605	127.531
	(10.898)	13.397
Amounts recognized as other comprehensive income:		
Actuarial gain/(loss)	79.201	(260.107)
Financial gain/(loss)	39.228	(115.472)
	118.429	(375.579)

(Amounts stated in Euros)

The portfolio of assets of the pension fund at 31 December 2017 and 2016 was made up as follows:

	2017		2016	
	Amount	%	Amount	%
Bonds	2.293.888	52%	1.945.387	41%
Public debt securities	915.752	21%	1.405.180	29%
Money market	109.718	2%	370.085	8%
Shares	710.478	16%	639.536	13%
Participating units in real estate investment funds	424.523	10%	443.294	9%
Cash, receivables (payables) and other short term assets (liabilities)	(9.853)	0%	(11.961)	0%
	4.444.506	100%	4.791.521	100%

The pension fund does not have any securities of the Impresa Group or any assets used by it.

33.2 Commitments to acquire programs

At 31 December 2017 and 2016, the Group had contracts and agreements with third parties to acquire films, series and other programs amounting to 12,125,187 Euros and 18,064,240 Euros, respectively, not included in the statement of financial position, in accordance with the valuation criteria used (Note 2.11), as follows:

	31 December 2017					31 December 2016				
	Year the titles are available					Year the titles are available				
Nature	2018	2019	2020 and following years	Without a defined date	Total	2017	2018	2019 and following years	Without a defined date	Total
Entertainment	1.466.909	-	-	-	1.466.909	4.175.720	-	-	-	4.175.720
Films	971.732	-	-	-	971.732	1.742.224	110.000	-	-	1.852.224
Format	42.200	-	-	-	42.200	84.731	-	-	-	84.731
Soap-operas	6.687.888	-	-	-	6.687.888	7.794.965	-	-	-	7.794.965
Children	569.340	10.900	-	-	580.240	733.961	39.208	-	-	773.169
Documentaries	165.339	94.720	-	-	260.059	85.152	-	-	-	85.152
60 Series	683.807	-	-	71.574	755.381	482.217	-	5.393	-	487.610
Mini séries	14.540	-	-	-	14.540	40.399	-	-	-	40.399
Sport	1.219.324	-	-	-	1.219.324	2.547.388	-	-	-	2.547.388
Events	119.461	-	-	7.453	126.914	219.146	-	3.736	-	222.882
	11.940.540	105.620	-	79.027	12.125.187	17.905.903	149.208	9.129	-	18.064.240

	31 December 2017					31 December 2016				
	Limit year for broadcasting the titles					Limit year for broadcasting the titles				
Nature	2018	2019	2020 and following years	Without a defined date	Total	2017	2018	2019 and following years	Without a defined date	Total
Entertainment	817.048	276.951	372.911	-	1.466.909	3.171.514	801.427	85.663	117.116	4.175.720
Films	7.453	69.960	894.319	-	971.732	545	123.133	1.728.182	364	1.852.224
Format	-	-	42.200	-	42.200	43.731	41.000	-	-	84.731
Soap-operas	684.415	41.923	5.961.550	-	6.687.888	7.756.161	-	38.804	-	7.794.965
Children	22.449	320.983	236.808	-	580.240	41.694	341.836	389.639	-	773.169
Documentaries	61.054	104.285	94.720	-	260.059	50.124	35.027		-	85.152
60 Series	4.545	460.393	218.869	71.574	755.381	23.338	99.147	359.732	5.393	487.610
Mini séries	14.540	-	-	-	14.540	-	14.945	25.455	-	40.399
Sport	1.219.324	-	-	-	1.219.324	1.178.967	1.368.421	-	-	2.547.388
Events	13.474	69.995	35.993	7.453	126.914	121.682	71.415	26.049	3.736	222.882
	2.844.302	1.344.489	7.857.369	79.027	12.125.187	12.387.756	2.896.351	2.653.524	126.609	18.064.240

33.3. Commitments for the acquisition of tangible fixed assets

At 31 December 2017 and 2016, the commitments assumed for the acquisition of tangible fixed assets amounted to approximately 1,151,093 Euros and 680,808 Euros, respectively.

33.4. Operating leases

In 2004 SIC sold its head office building to an investment fund for 12,300,000 Euros and signed a lease contract to rent back the building for a period of 15 years at an annual rent of 816,500 Euros in the first year and 873,000 Euros as from the second year, subject to annual adjustment based on inflation.

(Amounts stated in Euros)

In 2009 GMTS signed a contract to lease a property in which the SIC studios are located for a period of five years, paying an annual rent of approximately 236,000 Euros, subject to annual adjustment in accordance with the applicable Ministerial Order.

In addition, the Group uses other assets under operating lease.

The operating lease contracts do not have contingent lease payments. The payments under the operating lease contracts mature as follows:

	2017	2016
within one year	1.568.833	2.082.743
from one to five years	1.528.795	2.985.711
more than five years	164.343	266.698
	3.261.971	5.335.152

In the years ended 31 December 2017 and 2016 the Group recognized operating lease costs of approximately 1,993,957 Euros and 1,926,000 Euros, respectively, in the consolidated statement of profit and loss and other comprehensive income.

34. RELATED PARTIES

The balances at 31 December 2017 and 2016 and transactions during the years then ended with related parties were as follows:

31 December 2017:

	Balances			
	Demand deposits	Receivables	Payables	Borrowings
Shareholders:				
BPI Group	2.400.267	1.159.654	-	95.270.854
Madre Group (SP - Televisão, Lda.)	-	44.501	6.812.528	-
Associates:				
Vasp - Distribuidora de Publicações, S.A. ("Vasp")	-	1.710.815	90.700	-
Vasp Premium - Entrega personalizada de publicações, Lda. ("Vasp Premium")	-	-	26.283	-
Vasp TMK - Soluções de Trademarketing, Lda. ("Vasp TMK")	-	-	11.107	-
Lusa - Agência de Notícias de Portugal, S.A. ("Lusa")	-	-	96.863	-
DPS - Digital Priting Services, Lda. ("DPS")	-	-	580	-
Others:				
Compta - Equipamentos e Serviços de Informática, S.A. ("Compta")	-	-	-	-
Morais Leitão, Galvão Teles, Soares da Silva & Associados	-	-	157.769	-
	2.400.267	2.914.970	7.196.433	95.270.854

(Amounts stated in Euros)

	Transactions				
	Services obtained	Personnel costs	Financial costs	Sales and services rendered	Financial income
Shareholders:					
Impreger	89.784	-	-	-	-
BPI Group	-	-	3.485.374	294.444	60.199
Madre Group (SP - Televisão, Lda.)	24.636.621	-	-	788.200	-
Associates:					
Vasp (Note 8)	198.451	-	-	17.659.015	-
Vasp Premium	60.260	-	-	-	-
Vasp TMK	58.740	-	-	-	-
Lusa	390.933	-	-	-	-
DPS	2.004	-	-	-	-
Others:					
Board of Directors	-	552.482	-	-	-
Compta	1.290	-	-	-	-
Compta - Infra-estruturas e Segurança, S.A. ("Compta Infra-estruturas")	848	-	-	-	-
Morais Leitão, Galvão Teles, Soares da Silva & Associados	352.371	-	-	-	-
	25.791.302	552.482	3.485.374	18.741.659	60.199

31 December 2016:

	Balances			
	Demand deposits	Receivables	Payables	Borrowings
Shareholders:				
BPI Group	2.145.436	2.012.440	-	107.947.049
Madre Group (SP - Televisão, Lda.)	-	219.040	5.350.377	-
Associates:				
Vasp - Distribuidora de Publicações, S.A. ("Vasp")	-	2.033.159	40.216	-
Vasp Premium - Entrega personalizada de publicações, Lda. ("Vasp Premium")	-	-	49.229	-
Vasp TMK - Soluções de Trademarketing, Lda. ("Vasp TMK")	-	-	19.449	-
Lusa - Agência de Notícias de Portugal, S.A. ("Lusa")	-	-	92.250	-
DPS - Digital Priting Services, Lda. ("DPS")	-	-	1.111	-
Others:				
Compta - Equipamentos e Serviços de Informática, S.A. ("Compta")	-	-	17.254	-
Morais Leitão, Galvão Teles, Soares da Silva & Associados	-	-	164.985	-
	2.145.436	4.264.640	5.734.871	107.947.049

	Transactions				
	Services obtained	Personnel costs	Financial costs	Sales and services rendered	Financial income
Shareholders:					
Impreger	89.784	-	-	-	-
BPI Group	-	-	3.960.941	319.349	16.798
Madre Group (SP - Televisão, Lda.)	23.278.949	-	-	737.012	-
Associates:					
Vasp (Note 8)	219.300	-	-	18.226.459	-
Vasp Premium	183.431	-	-	-	-
Vasp TMK	62.665	-	-	-	-
Lusa	369.133	-	-	-	-
DPS	4.973	-	-	-	-
Others:					
Board of Directors	-	571.440	-	-	-
Compta	4.750	-	-	-	-
Compta - Infra-estruturas e Segurança, S.A. ("Compta Infra-estruturas")	17.871	-	-	-	-
Morais Leitão, Galvão Teles, Soares da Silva & Associados	310.124	-	-	-	-
	24.540.980	571.440	3.960.941	19.282.820	16.798

(Amounts stated in Euros)

The terms and conditions practiced in transactions between Impresa and related parties are substantially the same to those that would normally be contracted, accepted and practiced between independent entities in comparable operations. Some of Impresa's shareholders are financial institutions with which commercial agreements are established in the normal course of Impresa's operations, with similar conditions to those currently contracted with independent entities. The transactions carried out under the commercial agreements relate essentially to advertising services rendered by the Impresa Group and the granting of loans by the financial institutions. In the beginning of 2005, the Group acquired from the BPI Group and other small shareholders, 49% of SIC's share capital and obtained a loan of 152,500,000 Euros (Note 27) to finance the acquisition.

Balances and transactions between the consolidated companies were eliminated in the consolidation process and are shown in Note 8.

Considering the governance structure of the Group and the decision making process, the Group only considers as "Key management personnel's" the Board of Directors, since the main decisions related to its activity are taken by the Managing Director and the Board of Directors. During the years ended 31 December 2017 and 2016, the transactions with the Board of Directors relate essentially to the remuneration paid.

In the years ended 31 December 2017 and 2016, pension supplements of 184,739 Euros were paid each year to the Chairman of the Board of Directors by the pension fund.

35. RATES USED TO TRANSLATE FOREIGN CURRENCY BALANCES

The following rates were used to translate foreign currency assets and liabilities to Euros at 31 December 2017 and 2016:

	2017	2016
US Dollar (USD)	1,1993	1,0541
Swiss Franc (CHF)	1,1702	1,0739
Pound Sterling (GBP)	0,8872	0,8562
Australian Dollar (AUD)	1,5346	1,4596
Canadian Dollar (CAD)	1,5039	1,4188
Real do Brasil (BRL)		

36. FINANCIAL INSTRUMENTS

The Group manages its capital to ensure that the subsidiary companies carry out their operations from a going concern standpoint. In this respect, the Group periodically analyses the capital structure (own and third party) and debt maturities of all the companies therein, financing them when necessary.

The financial instruments at 31 December 2017 and 2016 were as follows:

	2017	2016
Financial assets:		
Receivables	45.281.159	48.216.625
Assets classified as held for sale	13.845.466	-
	59.126.624	48.216.625
Financial liabilities:		
Borrowings	176.497.257	180.860.879
Payables	71.844.136	79.088.992
Cash and equivalents (Note 25)	1.799.368	1.974.513
Liabilities related to assets classified as held for sale	1.930.741	-
	252.071.502	261.924.384

The Group believes that the amounts at which the loans at 31 December 2017 and 2016 are recorded do not differ significantly from their fair value or exceed fair value. Fair value of the borrowings depends significantly on the risk level attributed by the financing entities and conditions under which Impresa would, at 31 December 2017 and 2016, be able to obtain if it went to the market to contract loans with similar terms and amounts as those that it had at that date.

The Group believes that the majority of loans have market spreads as they have been negotiated recently or the rates are updated periodically and so their conditions are updated in relation to the current situation of the financial markets, so reflecting the risk level attributed by the lenders.

The Impresa Group is exposed essentially to the following financial risks:

a) Interest rate risk

Interest rate risk relates essentially to interest cost on several loans subject to variable interest rates. The loans contracted are exposed to changes in the market rates of interest (Note 27).

If market interest rates in the years ended 31 December 2017 and 2016 were 0.5% higher or lower, net result for these years would have decreased or increased by approximately 920,000 Euros, respectively, without considering the tax effect.

b) Exchange rate risk

Exchange rate risk refers to receivables and payables in currencies other than the Euro, the Group's currency.

Exchange rate risk at 31 December 2017 and 2016 relates essentially to the acquisition of television broadcasting rights from foreign producers. So as to reduce the risk to which the Company is exposed, a loan was contracted, which at 31 December 2017 and 2016 amounted to 5,138,685 Euros, which was converted to a USD term deposit, which at 31 December 2017 and 2016 amounted to 6,253,648 Euros and 7,115,074 Euros (Note 24).

During the year ended 31 December 2017, the Group did not have exchange forwards.

During the year ended 31 December 2016, the Group entered into exchange forward contracts (determined over the amount of 9,000,000 USD), with the objective of hedging exchange risks. However, at 31 December 2016 the Group did not have any forward contract.

The foreign currency balances payable, expressed in Euros at the exchange rates in force on 31 December 2017 and 2016 were as follows:

	2017	2016
US Dollar (USD)	2.515.815	3.409.113
Swiss Franc (CHF)	27.900	18.586
Pound Sterling (GBP)	8.229	23.313
Australian Dollar (AUD)	4.320	2.960
Canadian Dollar (CAD)	422	297
	2.556.686	3.454.269

At 31 December 2017 and 2016, the Group had foreign currency receivables of 681,202 USD and 2,441,316 USD, respectively.

(Amounts stated in Euros)

c) Credit risk

Credit risk relates essentially to accounts receivable resulting from the operations of the Group companies (Note 23). In order to reduce credit risk, the Group companies have defined policies for granting credit, with defines credit limits by client and collection terms and discount policies for payment in advance or in cash. The credit risk of each Group business is monitored regularly with the objective of:

- limiting credit granted to customers considering the profile and age of the account receivable;
- monitor evolution of the level of credit granted;
- review the recoverability of amounts receivable on a regular basis.

Impairment losses on accounts receivable are calculated considering:

- a review of the aging of accounts receivable;
- risk profile of the customer;
- historical commercial and financial relationship with the customer;
- existing payment agreements;
- financial condition of the customers.

The changes in impairment losses on accounts receivable are shown in Note 29.1.

The Board of Directors believes that the impairment losses on accounts receivable are adequately reflected in the financial statements, there being no need to increase the impairment losses on accounts receivable.

Receivables at 31 December 2017 and 2016 include amounts overdue as follows, for which impairment losses were not recognized as the Board of Directors believes that they are collectible.

Overdue balances	2017	2016
Up to 90 days	4.728.276	7.610.006
From 90 to 180 days	1.012.684	2.420.959
More than 180 days	1.025.894	1.390.876
	6.766.854	11.421.841

In addition, accounts receivable at 31 December 2017 and 2016 include balances not yet due, their maturity dates being defined contractually as follows:

Due dates	2017	2016
2017	-	267.639
2018	-	232.962
2019	-	226.650
2020 and following years	1.937.043	685.472
	1.937.043	1.412.723

(Amounts stated in Euros)

d) Liquidity risk

Liquidity risk exists if the funding sources such as operating cash flows, divestment, credit lines and flows from financing operations do not meet the financing needs such as cash outflow for operating and financing activities, investment, shareholder remuneration and debt repayment.

In order to reduce this risk, the Group endeavours to maintain a liquid position and average debt maturities that enable it to repay debt under reasonable conditions. At 31 December 2017 and 2016 the amount of cash and credit lines approved and not used amounted to approximately 13,815,000 Euros and 30,815,000 Euros, respectively, which in the opinion of the Board of Directors, considering the main cash flow projections for 2018, as well as set of financing operations whose negotiation is in progress and the capacity of the Group to renew its current used lines, will be sufficient to settle the Group's current liabilities and continue to operate on a going concern. Financial indebtedness at 31 December 2017 and 2016 matures as follows:

	2017				
Financial liabilities	Up to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Remunerated:					
Borrowing (a)	93.500.459	15.811.782	13.080.650	54.104.367	176.497.257
Finance lease liability	258.424	251.031	180.738	78.080	768.273
Cash and equivalents (Note 25)	1.799.368	-	-	-	1.799.368
Suppliers' credits guaranteed by third parties	971.217	-	-	-	971.217
	96.529.468	16.062.812	13.261.388	54.182.447	180.036.116
Not remunerated:					
Trade payables	30.543.282	-	-	-	30.543.282
Suppliers of fixed assets	1.492.685	-	-	-	1.492.685
Other current liabilities	38.068.679	-	-	-	38.068.679
Liabilities related to assets classified as held for sale	1.930.741	-	-	-	1.930.741
	72.035.387	-	-	-	72.035.387
	168.564.855	16.062.812	13.261.388	54.182.447	252.071.503

	2016				
Financial liabilities	Up to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Remunerated:					
Borrowing (a)	46.130.590	51.746.179	15.787.100	67.197.010	180.860.879
Finance lease liability	113.399	96.447	98.142	62.112	370.100
Cash and equivalents (Note 25)	1.974.513	-	-	-	1.974.513
Suppliers' credits guaranteed by third parties	5.196.576	-	-	-	5.196.576
	53.415.078	51.842.626	15.885.242	67.259.122	188.402.068
Not remunerated:					
Trade payables	29.407.077	-	-	-	29.407.077
Suppliers of fixed assets	469.397	-	-	-	469.397
Other current liabilities	43.645.842	-	-	-	43.645.842
	73.522.316	-	-	-	73.522.316
	126.937.394	51.842.626	15.885.242	67.259.122	261.924.384

(a) This caption does not include bank overdrafts.

37. SUBSEQUENT EVENTS

At 2 January 2018, the contract whereby Impresa Publishing sold the press titles Activa, Caras, Caras Decoração, Courrier Internacional, Exame, Exame Informática, Jornal de Letras, Tele Novelas, TV Mais, Visão, Visão História and Visão Junior , to the company Trust in News, Unipessoal, Lda. was signed. This sale was made at the nominal amount of 10,200,000 Euros, receivable during two and a half years, pursuant to the Strategic Plan for 2017-2019 and the repositioning of the Groups activity focusing primarily on the audiovisual and digital.

(Amounts stated in Euros)

38. OTHER INFORMATION

As of 31 December 2017 and 2016, the amount of anual remuneration paid by the Group to the external auditor and other entities or individuals belonging to the same network were as follows:

	2017	2016
By Impresa (a)		
Auditing Services	61.500	30.000
Other assurance services	2.700	2.700
Other services	27.500	-
	91.700	32.700
By other Group entities (a)		
Auditing Services	173.300	283.300
Other assurance services	-	1.000
Other services	-	52.000
	173.300	336.300
Total	265.000	369.000

a) The consolidated and individual accounts included.

39. NOTE ADDED FOR TRANSLATION

These financial statements are a translation of financial statements originally issued in Portuguese in conformity with International Financial Reporting Standards as endorsed by the European Union. In the event of discrepancies, the Portuguese language version prevails.

THE ACCOUNTANT THE BOARD OF DIRECTORS

STATUTORY AUDIT CERTIFICATION / AUDIT REPORT

(Translation of a report originally issued in Portuguese – in the event of discrepancies, the original version in Portuguese prevails)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of Impresa – Sociedade Gestora de Participações Sociais, S.A. (the Entity) and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2017 (which shows a total of Euro 388,616,842 and total equity of Euro 122,679,430, including a consolidated net loss of Euro 21,654,037), the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash-flows for the year then ended, and the accompanying notes to the consolidated financial statements, including a summary of the significant accounting policies.

In our opinion, the accompanying consolidated financial statements present true and fairly, in all material respects, the consolidated financial position of Impresa – Sociedade Gestora de Participações Sociais, S.A. as at 31 December 2017, its financial performance and 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 further technical and ethical standards and guidelines as issued by Ordem dos Revisores Oficiais de Contas (the Portuguese Institute of Statutory Auditors). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section below. We are independent from the entities that constitute the Group in accordance with the law and we have fulfilled our other ethical requirements in accordance with the Ordem dos Revisores Oficiais de Contas code of ethics.

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of the most significant risks of material misstatement identified	Summary of the auditor's responses to the assessed risks of material misstatement

Impairment of goodwill
(referred to in Notes 2.4 and 17 to the consolidated financial statements)
 	
The consolidated statement of financial position as of 31 December 2017 includes in the caption Goodwill the amount of Euro 268,622,821, generated in business combinations occurred in previous years, related, essentially, to the television and publishing cash generating units. The realization of goodwill depends on the future cash-flows to be generated by the corresponding cash generating units, thus, there is the risk that these may not be sufficient to realize the amount of the corresponding goodwill. As referred to in Note 17 to the consolidated financial statements, the Group performs impairment analysis annually, or whenever there are indicators of impairment, using the discounted cash-flows method, based on five years projections for each business, considering a perpetuity from the fifth year onwards, which include several assumptions which are detailed in Note 17 to the consolidated financial statements. Considering the amount of this caption, as well as the significant number of the judgements and estimates involved in the impairment tests, the impairment analysis of goodwill is a key audit matter.
	Our main procedures to mitigate this risk included:
	▪ Tests to internal controls deemed relevant related to the impairment analyses;
	▪ Obtaining the impairment analyses carried out by the Management resorting to an external entity: (i) analysis of the reasonableness of the assumptions used, (ii) comparison of the cash-flows projected in the analyses, including the main assumptions considered, with the historical performance of the cash generating units and corresponding budgets approved by the management, and (iii) verification of their arithmetical accuracy.
	▪ Involving our internal experts to:
	  ▪ Evaluate the assumptions used to compute the discount rates and the perpetuity growth rate;
	  ▪ Evaluate the projections of future cash-flows used in the impairment analyses, in order to determine if they are reasonable considering the current economic and market situation, and the expected future performance of the corresponding cash generating units.

Revenue recognition of advertising in television (Referred to in Notes 2.16 and 9 to the consolidated financial statements) Revenues generated by television are the main source of revenues of the Group, namely through advertising broadcasting. These revenues result, essentially, from advertising campaigns made by clients in television through a high number of transactions, the respective audiences and the conditions agreed with clients. As mentioned in Note 2.16 to the consolidated financial statements, the measurement of such revenues depend on the measurement and profile of the respective audiences, the discounts to be granted subject to the advertising investment made by the customers and the remaining conditions agreed with them.	Our main procedures included: ▪ Understanding of the process for determining advertising revenues by the relevant supporting Billing systems, in which we involved our internal experts, and evaluation of the internal control procedures deemed relevant for measuring and recording advertising revenues; ▪ Evaluation of the television advertising revenue recognition policy adopted by the Group, considering the applicable accounting standards; ▪ Analysis of the main variations in revenues compared to prior year, considering the main indicators for the measurement of the activity; ▪ For a sample of advertising order, recompute the revenue generated, by reference to the commercial conditions agreed, related broadcasting and/or audience reached in the corresponding time frame; ▪ Reconciling the Billing system with the accounting records;

As such, there is the risk that the revenues from the referred campaigns be incorrectly recorded, namely the accurate measurement of audiences and the application of the discounts to be granted which may be negociated and the remaining conditions agreed.

- Comparing the amounts recorded by the Group related to discounts granted and to be granted to clients, with those resulting from the respective advertising investment and the commercial conditions approved by the Group, as well as the credit notes issued to clients related to commercial discounts;
- Analysis of the reliability of the estimates made by the management, with reference to the comparison between the discounts granted during the year with the estimates recorded in previous years.

Responsibilities of Management and Supervisor Body for the consolidated financial statements

Management is responsible for:

- the preparation of consolidated financial statements that present true and fairly, in all material respects, the financial position, the financial performance and the cash flows of the Group in accordance with International Financial Reporting Standards as adopted by the European Union;
- the preparation of a management report, including the corporate governance report under the applicable legal and regulatory terms;
- designing and maintaining an appropriate internal control system to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- the adoption of accounting principles and criteria appropriate in the circumstances; and
- assessing the Group's ability to continue as a going concern, and disclosing, as applicable, the matters that may cast significant doubt about the Group's ability to continue as a going concern.

The Supervisory Body is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our responsibility consists in obtaining a reasonable assurance on whether the consolidated financial statements as a whole are free from material misstatements, 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:

- 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;

- 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;

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

- 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 report. However, future events or conditions may cause the Entity to cease to continue as a going concern;

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

- 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;

- communicate with those charged with governance, including the supervisory body, 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;

- determine, from the matters communicated with those charged with governance, including the supervisory body, those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter;

- provide the supervisory body with a statement that we have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Our responsibility includes also the verification of the agreement between the information included in the Management report with the consolidated financial statements, and the verifications required in article 451, numbers 4 and 5, of the the Portuguese Companies' Code ("Código das Sociedades Comerciais"), as well as that the non-financial information has been presented.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

On the Management report

Pursuant to article 451.º, n.º 3, al. e) of the Portuguese Companies' Code ("Código das Sociedades Comerciais"), in our opinion, the Management report was prepared in accordance with the applicable law and regulations and the information included therein is in agreement with the audited consolidated financial statements, and considering our knowledge and appreciation of the Group, we did not identify material misstatements.

On the non-financial information under the terms of article 508-G of the Portuguese Companies' Code ("Código das Sociedades Comerciais")

In compliance with article 451, number 6, of the Portuguese Companies' Code ("Código das Sociedades Comerciais"), we inform that the Group has prepared a separate report from the management report that includes the non-financial information, as provided for in Article 508-G of Portuguese Companies' Code ("Código das Sociedades Comerciais"), and it has been published together with the management report.

On the corporate governance report

In compliance with article 451, number 4, of the Portuguese Companies' Code ("Código das Sociedades Comerciais"), we conclude that the corporate governance report includes the elements required to the Entity under the terms of article 245-A of the Portuguese Securities Code ("Código dos Valores Mobiliários"), and we have not identified any material misstatements in the information disclosed in such report, which, accordingly, complies with the requirements of items c), d), f), h), i) and m) of that article.

On the additional elements included in article 10 of Regulation (UE) 537/2014

Pursuant to article 10 of Regulation (UE) 537/2014 of the European Parliament and of the Council of April 16th, 2014, in addition to the key audit matters mentioned above, we also report on the following:

- Deloitte & Associados, SROC S.A. as a member of the Deloitte network, has been the Statutory Auditor of the Group over 15 years. We have been appointed/elected in the shareholders' general assembly that took place on 29 April 2015 for the mandate in progress which ends in 31 December 2018.

- The Supervisory Body confirmed to us that is unaware of the occurrence of any fraud or suspected fraud with a material effect in the financial statements. As part of the planning and execution of our audit in accordance with ISAs, we kept professional skepticism and designed audit procedures to respond to the risk of material misstatements in the consolidated financial statements due to fraud. As a result of our work, we have not identified any material misstatement in the consolidated financial statements due to fraud.

- We confirm that the audit opinion issued is consistent with the additional report that we prepared and delivered to the Group's Supervisory Body as at 22 March 2018.

- We declare that we have not provided any prohibited services as described in article 77, number 8, of the Ordem dos Revisores Oficiais de Contas statutes (Legal Regime of the Portuguese Statutory Auditors) and we have remained independent from the Group in conducting the audit.

Lisbon, 22 March 2018

Deloitte & Associados, SROC S.A.
Represented by Tiago Nuno Proença Esgalhado, ROC

HJ/ln

Audit Commitee Report

Annual Accounts 2017

IMPRESA – SGPS, S.A.
Sociedade Aberta
Capital Social Eur 84.000.000
Rua Ribeiro Sanches, 65
1200–787 Lisboa
NIPC 502 437 464
Conservatória do Registo Comercial de Lisboa

ACTIVITY REPORT and OPINION
OF
THE AUDIT COMMITTEE

2017

1. Introduction

The Audit Committee elected for the 2015-2018 term of office consists of the following:

- Chairman - Alexandre de Azeredo Vaz Pinto
- Members - António Soares Pinto Barbosa
  - Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia

The majority of the members of the Audit Committee meet the compatibility criteria for the performance of their duties as established in article 414 A of the Companies Code. The composition of the Audit Committee complies with the requirements established in article 3, in conjunction with number 8 of article 9, of Law 148/2015, of September 9th.

The members of the Audit Committee participated in all the meetings of the Board of Directors, to which they were called appropriately and in due time, and regarding which they subsequently received the respective minutes, having presented, where relevant, appropriate recommendations and suggestions concerning internal audit, external audit and risk control.

During 2017, the Audit Committee followed-up and supervised the management of the Company and efficacy of the internal control and risk management system, having held 8 face-to-face meetings and a meeting by telematic means.

The Audit Committee received all the meetings minutes of the Executive Committees of the operating companies in due time.

The efficacy of the internal control and risk management system is, in the opinion of this Committee, the guarantor of the quality and integrity of the financial information provided by the management of the Company, and of compliance with the applicable legal, regulatory and statutory provisions.

The Company maintains an internal control and risk management system; the Chief Executive Officer (CEO) and the Executive Committees of the operating companies, in coordination with the Audit Committee, are responsible for its implementation, assessment and compliance. During 2017, the Audit Committee continued to supervise the quality, integrity and efficacy of the internal control and risk management system, and to monitor the improvements implemented with a view to rectifying shortcomings.

The Audit Committee reviewed and approved the work plans of the Statutory Auditor and held periodic meetings to assess the work carried out and review the respective results.

Following the extinction of the Internal Audit Department in 2015, the Audit Committee decided to intensify contacts with the Administrative and Financial Department and with the CTO, to concentrate and focus analysis on processes whose nature and/or amounts involved entail higher potential risks and open the possibility, when warranted, of contracting additional internal audit services from specialised companies.

2. External Audit

2.1 Audit activity including the accounts

The Audit Committee represents the company, for all purposes, before the External Auditor and ensures that suitable conditions exist for the provision of these services. It is also the company's representative when dealing with the Statutory Auditor, and the first recipient of the respective reports.

The Audit Committee regularly supervised the work of the Statutory Auditor, holding half-yearly meetings with the Statutory Auditor and its employees. During 2017, three meetings were held between the external auditor and the audit committee.

The progress achieved in the work leading up to the auditing of the accounts, the atmosphere of cooperation of the company's departments with the External Auditor, any weaknesses found in terms of the implemented internal control system and adopted accounting policies, and the material effects of the implemented accounting policies and procedures were discussed in meetings.

The assessments and recommendations for improving the internal control system presented by the External Auditor were reported by the Audit Committee to the Board of Directors. Specifically, the relevant control activities for the most significant transactions of the Impresa Group were presented.

The regular meetings held with the External Auditor enabled the Audit Committee to ensure the integrity, rigour, competence and quality of the review and audit of the accounts, as well as the reliability of the financial information published.

The External Auditor cooperated with the Audit Committee over the course of 2017 with regards to all of the issues raised. The External Auditor formally informed the Audit Committee that its duties were conducted in conformity with its duties of independence.

In particular, compliance with new legal requirements and changes to the accounting standard, as well as the adaptation of accounting policies and criteria with a significant impact on the accounts of IMPRESA were discussed with the External Auditor.

Therefore, relative to 2017, the accounting policies, criteria and procedures, amongst other aspects, related to the most significant risk areas, were discussed, which are, according to the auditors, the following:

- Goodwill impairment;
- Recognition of revenue arising from television advertising;
- Trade discounts granted;
- Calculation of estimates.

The following documents were analysed by the Audit Committee:

(i) Additional Supervisory Body Report, relative to the financial year ended December 31st 2017, issued in compliance with the provisions of article 24 of the Legal Regime of Supervision and Audit approved by Law number 148/2015, of 9 September, and of article 11 of Regulation (EU) number 537/2014 of the European Parliament and of the Council, of April 16th 2014;

(ii) Legal Certification of Accounts and Audit Report relative to the Consolidated Financial Statements of Impresa, SGPS, reported on December 31st 2017.

(iii) Legal Certification of Accounts and Audit Report relative to the Financial Statements of Impresa, SGPS, reported on December 31st 2017.

2.2. Fees of statutory audit and other work undertaken by the auditor

Whenever applicable, the Audit Committee was requested to assess and issue its approval, duly recorded in minutes, relative to the hiring of the External Auditor for the provision of services not included under statutory audit services, with a view to ensuring that the independence of the auditor was not compromised. The assessment takes into consideration, namely, the reasonableness of the proposed prices and level of specific knowledge of the sector of activity.

In 2017, the total services provided by the Statutory Auditor came to 265,000 €, of which 234,800 € corresponded to legal auditing of the accounts, 2,700 € to reliability assurance services and € 27,500 to limited review services. Auditing services covering the 2017 accounts related to the entry into force of new IFRS were considered expenses of 2017, even though they were invoiced by the Statutory Auditor in 2018.

3. Business carried out between the company and owners of qualifying holdings or entities which are related to them in any way

For the purposes of prior appraisal of any business to be conducted between the company and owners of qualifying holdings or entities which are related to it in any way, the Audit Committee defined that transactions representing more than 1% of the consolidated variable costs of the Group for the year prior to that to which the business refers, are considered to be of significant relevance.

In 2017, the Audit Committee gave its opinion on two proposals concerning the acquisition of IT goods and services from a company part-owned by a member of the board of directors of Impresa, as well as on contracts and respective addenda within the scope of the partnership formed to provide television services.

4. Specific opinion on the auditor's conditions of independence

Throughout 2017, the Audit Committee appraised the activity of the External Auditor, regularly following-up and assessing the performance of its duties and its independence, and concluded that there were no situations that comprised a conflict of interest and that the statutory audit activity was satisfactory.

The assessment of the External Auditor was also discussed at the meetings of the Audit Committee, with no reason having been found, so far, for their dismissal and consequent replacement.

5. Opinion on the Single Management Report, Accounts and proposal for the application of results

Under the terms of number 6 of article 420 of the Commercial Company Code, applicable by reference to the provisions of number 2 of article 423-F of the same Code, the Audit Committee gave a favourable opinion to the Single Management Report and Accounts relative to the financial year of 2017 and respective proposal for the application of results of the Board of Directors.

The Audit Committee further informs that, to the best of its knowledge, the information provided for in the documents presenting the accounts issued by the Group was prepared in accordance with applicable accounting rules, and provides a true and fair view of the assets and liabilities, financial position and the results and that the management report faithfully describes the business evolution and performance and contains a description of the main risks and uncertainties faced by the Group.

6. Opinion on the Report on Corporate Governance

Under the terms of number 5 of article 420 of the Commercial Company Code, applicable by reference to the provisions of number 2 of article 423-F of the same Code, the Audit Committee also gave a favourable opinion to the Report on Corporate Governance relative to the financial year of 2017, which includes the details required by article 245-A of the Securities Code.

Lisbon, March 23rd, 2018

The Audit Committee,

Alexandre de Azeredo Vaz Pinto

António Soares Pinto Barbosa

Maria Luísa Anacoreta Correia

Corporate Governance Report

Annual Accounts 2017

IMPRESA – SGPS, S.A.
Sociedade Aberta
Capital Social Eur 84.000.000
Rua Ribeiro Sanches, 65
1200–787 Lisboa
NIPC 502 437 464
Conservatória do Registo Comercial de Lisboa

CORPORATE GOVERNANCE REPORT –2017

PART I

INFORMATION ON SHAREHOLDER STRUCTURE, ORGANISATION AND CORPORATE GOVERNANCE

A. SHAREHOLDER STRUCTURE

I
Capital structure

1. Capital structure (share capital, number of shares, distribution of capital by shareholders, etc.), including an indication of shares that are not listed for trading, different classes of shares, rights and duties of same and the capital percentage that each class represents (article 245-A, number 1, subparagraph a)).

The share capital, fully subscribed and paid up, is 84,000,000.00 euros, represented by 168,000,000 book-entry shares, of a nominal value of 0.50 euros each. These shares correspond to an equal number of voting rights, under number 1 of article 8 of the memorandum of association, which establishes that each share corresponds to one vote. There are no different classes of shares and the existing shares have all been listed for trading.

2. Restrictions on the transfer of shares, such as clauses on consent for disposal, or limits on the ownership of shares (article 245-A, number 1, subparagraph b)).

There are no restrictions to the transfer of shares.

3. Number of own shares, the percentage of share capital that it represents and the corresponding percentage of voting rights that corresponded to own shares (article 245-A, number 1, subparagraph a)).

The company does not hold any own shares.

4. Significant agreements to which the company is a party and which take effect, alter or terminate upon a change of control of the company following takeover bid, and the effects thereof, except where their nature is such that their disclosure would be seriously prejudicial to the company; this exception shall not apply where the company is

specifically obliged to disclose said information pursuant to other legal requirements (article 245-A, number 1, subparagraph j)).

Under the terms of the (i) Loan agreement concluded by Impresa Serviços e Multimédia (in the meantime incorporated by merger into IMPRESA), in March 2005, with Banco BPI, SA, of the value of M€ 152.5 for the acquisition of 49% of the share capital of SIC, (ii) the Loan agreement concluded by SIC, in June 2013, with Banco BPI, SA, of the value of M€ 17, to support cash flow, (iii) the Agreement for Organisation and Structuring of a Debenture Loan, of the value of M€ 30, concluded with Novo Banco and BESI, in October 2014, (iv) the Loan Agreement concluded with Banco BIC Portugal, S.A., of the value of M€ 11, to support cash flow; and (v) the Pledged Current Account concluded with Banco BPI, SA, of the value of up to M€ 10.45, concluded on 12 January 2016, to support cash flow, the banks may terminate the agreements or declare the early and immediate maturity of the obligation to repay the borrowed funds, if IMPREGER's holding in IMPRESA falls below 50.01% of the share capital and/or of the voting rights of this company.

Apart from these contracts, there are no other agreements to which the company is a party and come into effect, alter or terminate upon change of company control and the effects thereof.

5. A system that is subject to the renewal or withdrawal of countermeasures, particularly those that provide for a restriction on the number of votes capable of being held or exercised by only one shareholder individually or together with other shareholders.

There are no countermeasures, particularly those that provide for a restriction on the number of votes capable of being held or exercised by only one shareholder individually or together with other shareholders.

6. Shareholders 'agreements that the company is aware of and that may result in restrictions on the transfer of securities or voting rights (article 245-A, number 1, subparagraph g)).

There are no agreements outside the scope of the memorandum of association known to company and which may lead to restrictions on the transmission of securities or voting rights.

II
Shareholdings and Bonds Held

7. Details of the natural or legal persons who, directly or indirectly, are holders of qualifying holdings (article 245-A, number 1, subparagraphs c) and d) and article 16), with details of the percentage of capital and votes attributed and the source and causes of the attribution.

Qualifying shareholder	Number of shares held	Percentage voting rights
IMPREGER - Sociedade Gestora de Participações Sociais, S.A.		
* Directly	84,514,588.	50.306%
* Through the Chairman of the Board of Directors,		
Dr. Francisco José Pereira Pinto de Balsemão	2,520,000.	1.500%
* Through the Deputy Chairman of the Board of Directors		
Eng. Francisco Maria Supico Pinto Balsemão	8,246.	0.005%
* Through the Chairman of the Supervisory Board,		
Dr. António Flores de Andrade	160.	0.000%
Total Imputable	**87,042,994.**	**51.811%**
(a) – IMPREGER – Sociedade Gestora de Participações Sociais, SA is majority held by BALSEGER, S.G.P.S., SA, which is 99.99% held by Dr. Francisco José Pereira Pinto de Balsemão, hence the corresponding voting rights are also imputable to him.		
Madre - Sociedade Gestora de Participações Sociais, S.A.		
* Directly	7,774,966.	4.628%
Total Imputable	**7,774,966.**	**4.628%**
(a) – Madre -– Sociedade Gestora de Participações Sociais, SA is controlled by Madre Empreendimentos Turísticos, SA, which, in turn, is controlled by António da Silva Parente, hence the corresponding voting rights are also imputable to him.		
BANCO BPI, S.A.		
* Directly	6,200,000.	3.690%
Total Imputable	**6,200,000.**	**3.690%**
Qualifying shareholder	**Number of shares held**	**Percentage voting rights**

Santander Asset Management, S.A.		
* Through Fundo Santander Acções Portugal	6,895,473.	4.104%
* Through Fundo Santander PPA	119,091.	0.071%
Total Imputable	**7,014,564.**	**4.175%**
Newshold - S.G.P.S.		
* Directly (a)	4,038,764.	2.404%
Total Imputable	**4,038,764.**	**2.404%**
(a) – Newshold – S.G.P.S., SA is 91.25% held by Pineview Overseas, SA, hence the corresponding voting rights are also imputable to it.		
Azvalor Asset Management,		
* Directly	4,708,962.	2.803%
Total Imputable	**4,708,962.**	**2.803%**
Norges Bank		
* Directly	4,673,333.	2.782%
Total Imputable	**4,673,333.**	**2.782%**

8. **Indication of the number of shares and bonds held by members of the management and supervisory bodies.**

Indication of shares:

Members of the Board of Directors	Shares			
	Held on 31/12/2016	Acquired	Transferred	Held on 31/12/2017
Francisco José Pereira Pinto de Balsemão	2,520,000.	0.	0.	2,520,000.
Francisco Pedro Presas Pinto de Balsemão	100.	5,000.	0.	5,100.
Francisco Maria Supico Pinto Balsemão	8,246.	0.	0.	8,246.
Alexandre de Azeredo Vaz Pinto	140.	0.	0.	140.
António Soares Pinto Barbosa	0.	0.	0.	0.
Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia	0.	0.	0.	0.
José Manuel Archer Galvão Teles	0.	0.	0.	0.
João Nuno Lopes de Castro	0.	0.	0.	0.

Francisco José Pereira Pinto de Balsemão (Chairman the Board of Directors) – Held 2,520,000 IMPRESA shares as at 31/12/2016, a position which remained the same as at 31/12/2017, since there was no acquisition/divestment in 2017. In IMPREGER – Sociedade Gestora de Participações Sociais, SA, a company in a relationship of control with IMPRESA, held 12,095,376 shares as at 31/12/2016 through the company BALSEGER, SGPS, SA, 99.99% held by it, a position which remained the same as at 31/12/17, since there was no acquisition/divestment in 2017. His wife, Maria Mercedes Aliú Presas Pinto de Balsemão, held 868 IMPRESA shares as at 31/12/2016, a position which remained the same as at 31/12/2017, since there was no acquisition/divestment in 2017. IMPREGER – Sociedade Gestora de Participações Sociais, SA, of which he is the Chairman of the Board of Directors, held 84,514,588 shares as at 31/12/2016, a position which remained the same as at 31/12/2017, since there was no acquisition/divestment in 2017. Sociedade Francisco Pinto Balsemão, Lda., of which he is the Manager, held 140 shares as at 31/12/2016, a position which remained the same as at 31/12/2017, since there was no acquisition/divestment in 2017.

Francisco Pedro Presas Pinto de Balsemão (CEO) – Held 100 IMPRESA shares as at 31/12/2016, a position which has changed due to the acquisition of 5,000 shares in 2017, having shifted to 5,100 shares as at 31/12/17.

Francisco Maria Supico Pinto de Balsemão (Deputy Chairman of the Board of Directors) – Made no acquisition/divestment in 2017. IMPREGER – Sociedade Gestora de Participações Sociais, SA, of which he is a Director, held 84,514,588 shares as at 31/12/2016, a position which remained the same as at 31/12/2017, since there was no acquisition/divestment in 2017.

Alexandre de Azeredo Vaz Pinto (Member of the Board of Directors and Chairman of the Audit Committee) –Held 140 IMPRESA shares as at 31/12/2016, a position which has remained the same as at 31/12/2017, since there was no acquisition/divestment in 2017.

António Soares Pinto Barbosa (Member of the Board of Directors and of the Audit Committee) –Made no acquisition/divestment in 2017.

Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia (Member of the Board of Directors and Audit Committee) –Made no acquisition/divestment in 2017.

José Manuel Archer Galvão Teles (Member of the Board of Directors) –Made no acquisition/divestment in 2017.

João Nuno Lopes de Castro (Member of the Board of Directors) –Made no acquisition/divestment in 2017.

Statutory Auditor	Shares			
	Held on 31/12/2016	Acquired	Transferred	Held on 31/12/2017
Deloitte & Associados, SROC, SA	0.	0.	0.	0.
Luís Augusto Gonçalves Magalhães (Alternate)	0.	0.	0.	0.

Indication of bonds:

Members of the Management and Supervisory Body	Bonds			
	Held on 31/12/2016	Acquired	Transferred	Held on 31/12/2017
Francisco José Pereira Pinto de Balsemão	0.	0.	0.	0.
Francisco Maria Supico Pinto Balsemão	0.	0.	0.	0.
Francisco Pedro Presas Pinto de Balsemão	0.	0.	0.	0.
Alexandre de Azeredo Vaz Pinto	0.	0.	0.	0.
António Soares Pinto Barbosa	0.	0.	0.	0.
Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia	0.	0.	0.	0.
José Manuel Archer Galvão Teles	0.	0.	0.	0.
João Nuno Lopes de Castro	0.	0.	0.	0.

Francisco José Pereira Pinto de Balsemão (Chairman of the Board of Directors) – Made no acquisition/divestment in 2017.

Francisco Maria Supico Pinto de Balsemão (Deputy Chairman of the Board of Directors) – Made no acquisition/divestment in 2017.

Francisco Pedro Presas Pinto de Balsemão (CEO) – Made no acquisition/divestment in 2017.

Alexandre de Azeredo Vaz Pinto (Member of the Board of Directors and Chairman of the Audit Committee) – Made no acquisition/divestment in 2017.

António Soares Pinto Barbosa (Member of the Board of Directors and of the Audit Committee) – Made no acquisition/divestment in 2017.

Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia (Member of the Board of Directors and Audit Committee) – Made no acquisition/divestment in 2017.

José Manuel Archer Galvão Teles (Member of the Board of Directors) – Made no acquisition/divestment in 2017.

João Nuno Lopes de Castro (Member of the Board of Directors) – Made no acquisition/divestment in 2017.

Statutory Auditor	Bonds			
	Held on 31/12/2016	Acquired	Transferred	Held on 31/12/2017
Deloitte & Associados, SROC, SA	0.	0.	0.	0.
Luís Augusto Gonçalves Magalhães (Alternate)	0.	0.	0.	0.

9. Special powers of the administration body, especially as regards resolutions on capital increase (article 245-A, number 1, subparagraph i), with an indication as to the allocation date, time period within which said powers may be carried out, the upper ceiling for the capital increase, the amount already issued pursuant to the allocation of powers and mode of implementing the powers assigned.

Regarding deliberations on share capital increases, the memorandum of association does not define any empowerment of the Board of Directors, with this being an exclusive matter of the General Meeting, although the Board may, however, make proposals along these lines to the General Meeting.

10. Information on any significant business relations between qualifying shareholders and the company.

The following business relations exist with qualifying shareholders:

- With IMPREGER – lease agreement for premises (head office) of which IMPRESA is the tenant.
- With BPI – financing agreements (see point 4).
- With SP Televisão (Madre Group) – television production agreements (see point 90).

B. CORPORATE BODIES AND COMMITTEES

I
GENERAL MEETING

a) Composition of the Board of the General Meeting

11. Identification and position held by the members of the Board of the General Meeting and respective term of office (beginning and end).

The composition of the General Meeting for the current term of office (four-year period 2015/2018) is as follows:

Chairman: Dr. Manuel Magalhães e Silva
Secretary: Dr. Pedro Leite Alves

b) Exercising the right to vote

12. Any restrictions on the right to vote, such as restrictions on voting rights subject to holding a number or percentage of shares, deadlines for exercising voting rights, or systems whereby the financial rights attaching to securities are separated from the holding of securities (article 245-A, no. 1, subparagraph f)).

There are no restrictions on the right to vote.

13. Details of the maximum percentage of voting rights that may be exercised by a single shareholder or by shareholders that are in any relationship as set out in no. 1 of article 20.

There are no statutory rules with the characteristics referred to above.

14. Identification of shareholders' resolutions that, imposed by the articles of association, may only be taken with a qualified majority, in addition to those legally provided, and details of this majority.

There are no statutory rules on constitutive and deliberative quorum numbers, and the General Meetings comply with the rules established in the law.

II
MANAGEMENT AND SUPERVISION

a) Composition

15. Identification of the adopted corporate governance model.

The corporate governance model adopted is the one referred to in subparagraph b) of number 1 of article 278 of the Commercial Company Code, i.e. with a Board of Directors, comprising an Audit Committee and a Statutory Auditor.

16. Statutory rules on procedural requirements governing the appointment and replacement of members, where applicable, of the Board of Directors, the Executive Board and the General and Supervisory Board (article 245-A, number 1, subparagraph h)).

The General Meeting is responsible for appointing the members of the administration and supervisory bodies at the beginning of each term of office.

At the meeting of the Board of Directors held on 23 July 2012, the position of Chief Executive Officer (CEO) was created with responsibility in all areas, which is maintained in the current term of office (2015/2018) by deliberation of the Board of Directors elected in 2015, at its meeting of 4 May 2015.

Directors are replaced in accordance with the provisions laid down in the Commercial Company Code, i.e. through co-optation within sixty days, or if this does not occur, by appointment of the Audit Committee, with the selection being ratified at the following General Meeting, which is valid until the end of the period for which the director had been elected.

When applicable, the Statutory Auditor will be replaced by his/her substitute.

17. Composition, as applicable, of the Board of Directors, the Executive Board and the General and Supervisory Board, indicating the statutory minimum and maximum number of members, statutory duration of term of office, number of permanent members, date of first appointment and end of the term of office for each member.

The composition of the Board of Directors for the current term of office (four-year period 2015/2018) is as follows:

Chairman:	Dr. Francisco José Pereira Pinto de Balsemão
Deputy Chairman:	Eng. Francisco Maria Supico Pinto Balsemão
Members:	Dr. Francisco Pedro Presas Pinto de Balsemão (CEO) (a)
	Dr. Alexandre de Azeredo Vaz Pinto
	Prof. Dr. António Soares Pinto Barbosa
	Dr. Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia
	Dr. José Manuel Archer Galvão Teles
	Eng. João Nuno Lopes de Castro

(a) Co-optation taking effect on 6 March 2016, ratified at the General Meeting of 19 April 2016.

The term of office of the Board of Directors, composed of three to eleven members, is four years, with their re-election permitted for successive four-year periods, without detriment to the limitations imposed by law to companies issuing tradable securities in regulated markets.

According to the composition mentioned above, the Board of Directors has 8 permanent members.

Members of the Board of Directors	Date of 1st appointment	Term of office
Dr. Francisco José Pereira Pinto de Balsemão	18/01/1990	31/12/2018
Eng. Francisco Maria Supico Pinto Balsemão	05/02/2001	31/12/2018
Dr. Francisco Pedro Presas Pinto de Balsemão	06/03/2016	31/12/2018
Dr. Alexandre de Azeredo Vaz Pinto	15/05/2000	31/12/2018
Dr. António Soares Pinto Barbosa	12/04/2007	31/12/2018
Dr. Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia	28/01/2008	31/12/2018
Dr. José Manuel Archer Galvão Teles	07/10/2009	31/12/2018
Eng. João Nuno Lopes de Castro	29/04/2015	31/12/2018

18. Distinction to be drawn between executive and non-executive members of the Board of Directors and, as regards non-executive members, indication of members who may be considered independent, or, where applicable, identification of independent members of the General and Supervisory Board.

Pursuant to the previous point, only one director, Dr. Francisco Pedro Presas Pinto de Balsemão (CEO) has executive functions.

Among the seven non-executive members, the following three members are independent: Prof. Dr. António Soares Pinto Barbosa, Dr. Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia and Eng. João Nuno Lopes de Castro.

19. Professional qualifications and other relevant curricular information of each member of the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable.

Dr. Francisco José Pereira Pinto de Balsemão

Member of the Council of State (since July 2005). Chairman of the Selection Panel of the Pessoa Award (1987), Chairman of the General Council of the Sá Carneiro Institute (1998), member of the "Consejo de Protectores "of "Fundación Carolina "(2001), member of the Council of Curators of the Portuguese-Brazilian Foundation (April 2004), member of the Advisory Board of the magazine "Quaderns del Cac", published by the Audiovisual Council of Catalunha (August 2009), member of the Advisory Council of ISEG - Higher Education Institute of Economics and Management (since April 2010), Chairman of the General Council of AEM - Association of Issuers of Market Listed Securities (since February 2014), Chairman of the General Council of PMP - Private Media Platform (August 2014), Chairman of the board of the General Meeting of COTEC Portugal -Business Association for Innovation (since May 2016). External adviser of the president of the 72th General Meeting of the UN (September 2017).

Doctor Honoris Causa from Universidade Nova de Lisboa (April 2010) and from Universidade da Beira Interior (October 2010).

Member of the Steering Committee of the Bilderberg Meetings (1983-2015), associate professor at the Faculty of Social and Human Sciences of Universidade Nova de Lisboa (1987-2002), Chairman of the Board of Directors of the "European Institute for the Media" (1990-1999), Chairman of the "European Television and Film Forum" (1997-2003), Deputy Chairman of the "Journalistes en Europe" Foundation (1995-2003), Chairman of the "European Publishers Council" (1999-2014), member of the Executive Committee of the "Global Business Dialogue" (1999-2002), member of the General Council of COTEC Portugal (Business Association for Innovation] (2003-2006), member of the International Advisory Board of the Santander Group (2004-2014), member of the Advisory Board of Universidade de Lisboa (from January 2007 to May 2009), and Member of the Committee for the Review of the Strategic Concept of National Defence (June 2012), member of the Selection Panel of the Príncipe/Princesa de Astúrias de Cooperação Internacional Award(1985-1986 and 1996-2015), Non-executive Director of the Daily Mail and General Trust plc (2002-2017) and Chairman of the Board of the Faculty of Social and Human Sciences of Universidade Nova de Lisboa (2009-2017).

Law degree from the Lisbon Law School (FDL), where he attended the supplementary Political and Economic Sciences. Journalist, management secretary (1963-1965) and director (1965-1971) of the Diário Popular newspaper. Founder and director of the EXPRESSO newspaper (1973-1980), founder of the Social Democrat Party (1974), Member of Parliament and deputy chairman of the Constitutional Parliament (1975), Member of Parliament in 1979, 1980 and 1985, Deputy Minister of State for the 6th Constitutional Government (1980) and Prime Minister for the 7th and 8th Constitutional Governments (1981-1983).

Eng. Francisco Maria Supico Pinto Balsemão

Degree in Electrotechnical and Computer Engineering, Telecommunications and Electronics Branch, from the Higher Technical Institute (IST), Universidade Técnica de Lisboa.

Post-Graduation Course in Telecommunications Business Management (1998/99) from ISTP - Higher Institute of Transport, organised by the ISTP, APDC - Portuguese Association for the Development of Communications and the Enterprise Institute of Madrid (IE).

Participation and completion of the EJE Programme – Young Entrepreneurial Engineer (1993/1994), promoted by the State Secretariat for Youth, Junitec (Junior Enterprises of IST (Higher Technical Institute)) and ITEC (Technological Institute for Community Europe).

At TMN - Telecomunicações Móveis Nacionais, S.A., Director of International Business and Roaming (from October 1997 to March 2000), Product Manager at the Products and Services Department for the Corporate Market of the Products and Services Development and Management Division (from April 1997 to October 1997) and Project Manager at the Products and Services Innovation and Development Department of the Direction of Communication and Marketing Division (from December 1995 to April 1997).

Member of the Management Board of AAAIST - Association of Alumnae of Instituto Superior Técnico in the biennium 2000/2002, and chairman of its Communication and Image Committee from 1995 to 2000. Member of the National Management Board (Region of the South/Islands) of APIGRAF - Portuguese Association of Graphic, Visual Communication and Paper Manufacturing Industries in the biennium 2005/2007.

Member of the assessment board of the Professional Aptitude Exams of the Telecommunications Technician courses ministered by INETE – Instituto de Educação Técnica and EPET – Escola Profissional de Electrónica e Telecomunicações (representing APDC), and senior advisor for Portugal of the Investment Banking Division of the North American multinational bank, Lehman Brothers, from July 2006 until the bankruptcy of this institution (on 15 September 2008), and member of the Iberian Advisory Board of American technology multinational Oracle up to June 2014 (having, since 2006, been a member of the Iberian Advisory Board of SUN Microsystems, a company subsequently acquired by Oracle); and, from 2006 to 2014, was a member of the Iberian Advisory Board of Thomson-Reuters Aranzadi, a Spanish publisher of specialised contents for the legal market, belonging to the Canadian multinational Thomson-Reuters (world leader in the provision of specialised contents for professionals: legal, tax-related, financial, scientific).

Chairman of the National Board of ANJE (National Association of Young Entrepreneurs) from May 2009 to October 2013, having been its deputy chairman from 2003 to 2006 and its assistant chairman from 2006 to 2009. During the period in which he was chairman of ANJE, he was also: chairman of the Executive Committee of Portugal Fashion; member of the Economic and Social Council of Portugal; member of the Supervisory Board of RTP2; member of the Advisory Board of AIESEC Portugal (international association of economics and management students); member of the Executive Committee of the Civic Movement "New Portugal – Options of a Generation"; and deputy chairman of the General Board of CIP – Confederation of Portuguese Industry from 2011 to 2013, having been a member of the Board of Directors of CIP – Confederation of Portuguese Industry in 2010.

Member of the Management Board of APDC – Portuguese Association for the Development of Communications (having formerly been a member of the Management Board from 2001 to 2011, director of its magazine "Comunicações" from 2011 to 2012) and commissioner for the media from 2012 to 2016; member of the Board of Directors of ACEPI – Association of Electronic Commerce and Interactive Advertising from November 2005 (Director of its B2C Specialised Group from 2001 to 2005); deputy chairman of the General Board of AIP/CE – Portuguese Industrial Association/Business Confederation since 2015 (having been deputy chairman of the Management Board from 2007 to 2011 and member of the General Board from 2012 to 2015); alternate member of the Board of Directors of API – Portuguese Press Association since 2007; chairman of the general meeting of ANETIE – National Association of Information Technology and Electronics Companies since 2015 (having been a member of the Board of Directors from 2010 to 2012, and its deputy chairman of the general meeting from 2012 to 2014); chairman of the supervisory board of EF - Association of Family Businessnes; member of the General Board of APDSI – Association for the Promotion and Development of the Information Society, member of the General Board of AEP – Business Association of Portugal since 2014; and liaison person between IMPRESA, SGPS and COTEC Portugal - Business Association for Innovation.

Observer member of the Advisory Board of ICP/ANACOM – National Communications Authority (representing SIC); and member of the Advisory Board of the Faculty of Economics and Management of Universidade Católica do (Católica Porto Business School).
Chairman of the Board of Directors of the Youth Foundation since January 2014, having been its deputy chairman in 2013.

Dr. Francisco Pedro Presas Pinto de Balsemão

Law graduate of Universidade Nova de Lisboa (1998-2003), Erasmus programme at Universitat Pompeu Fabra, Barcelona (2002), Master of Laws - LLM (2006-2007) at University of Oxford, England, General Management Course at Nova School of Business and Economics of Universidade Nova de Lisboa (2008), Advanced Management Program at Universidade Católica Portuguesa, Lisbon, and Kellogg School of Management, Chicago (USA) (2011), Management Course "Orchestrating Winning Performance / Leading the Family Business, at IMD Business School, Lausanne (Switzerland) (2012).
Junior Associate (2003-2005) and Associate (2005-2006) at Linklaters (Lisbon), Assistant Adviser in the Portugal Mission at the United Nations, New York (USA) (2007), Senior Associate at Heidrick & Struggles (2008-2009).

Member of the BENova Board, between 2011 and 2013, advisory services to the Director of the Faculty of Management and Economics of Universidade Nova de Lisboa in the taking of strategic decisions on the future of the institution.

Nominated for the European Counsel Awards 2012 – General Commercial category.

Masters Capital Humano 2015 in the category of "Best strategy of motivation and engagement of the employees".

Elected for the General Counsel (GC) Powerlist of the Iberian Peninsula, award attributed by the company Legal 500 (2016).

Member of the Advisory Board of Imagens de Marca, magazine providing information on brand communication (January 2017).

Elected Director of the International Academy of Television Arts & Sciences (November 2017).

IMPRESA: Director of Human Resources (September 2009 to September 2011), Director of Human Resources and Legal Affairs (October 2011 to September 2012), Human Resources, Legal and Sustainability COO (October 2012 to March 2016), Company Secretary (September 2011 to January 2016) and Deputy Chairman of the Management Board of SIC Esperança since 2013.

Dr. Alexandre de Azeredo Vaz Pinto

Economics degree from Instituto Superior de Ciências Económicas, in 1961.

Deputy chairman of Caixa Geral de Depósitos (1996), non-executive director of Brisa (1998), chairman of the Board of Directors of SIBS, SA (1996), chairman of the Board of Directors of Caixa Investimentos (1996), non-executive director of UNICRE (1996), chairman of Banco Espírito Santo e Comercial de Lisboa, by appointment of the Council of Ministers (1986), deputy chairman of the aforementioned Bank (1992), deputy governor of the Bank of Portugal, by appointment by the Council of Ministers (1982), chairman of the Board of Directors of the Foreign Investment Institute, by appointment of the Council of Ministers (1977), Minister of Commerce and Tourism (from January to September 1981), chairman of the Board of Directors of the Foreign Investment Institute, resuming his former position, chairman of the Portuguese Financial Society, by appointment of the Council of Ministers (from 1974 to 1979), Secretary of State for Commerce, by appointment from 11 August 1972, having, under this position, been chairman of the Portuguese Delegation of the EFTA Council of Ministers, in the sessions held in November 1972 and May 1973, in Vienna and Geneva, respectively, and chaired the proceedings of the latter; also participated in several GATT and OECD ministerial meetings. Undersecretary of State for Commerce, by appointment dated 15 January 1970, a position held until 11 August 1972. Director of Banco Nacional Ultramarino, by appointment dated September 1968. Worked in the Technical Secretariat of the Prime Minister, having collaborated in the Third Development Plan. Collaboration, as a Technician of the Industrial Economics Department of the National Industrial Research Institute, in the preparation of the first Portuguese inter-industrial relations matrix. Subsequently involved in the study and preparation of Development Plans, having worked at the Ministry of Economy, in collaboration with a group of economists, in the programming of the industrial sector for the Interim Development Plan, having then been part of the Secretariat, at the Prime Minister's Office.

Head of the Research and Coordination Department of the Portuguese oil company, BP.

Throughout his professional career, he has worked as a consultant for several organisations, namely CIP, where he collaborated in the preparation of an Investment Guide; as a consultant for the Transport and Tourism Corporation, he participated in the preparation of the Tourism Sector programme for the Third Development Plan.

Prof. Dr. António Soares Pinto Barbosa

Finance degree from the Higher Institute of Economics and Finance (ISCEF), Universidade Técnica, in 1966.

Doctorate in Economics, Virginia Polytechnic Institute & SU.

Economics Professor at Universidade Nova de Lisboa.

Dr. Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia

PhD in Management, specialising in Accountancy, from ISCTE, in October 2009.
Master's in Economics, from the School of Economics of Universidade do Porto, in March 2001.
Degree in Business and Management Administration, from the School of Economics and Business Management of Universidade Católica Portuguesa, in September 1991.
Statutory Auditor (ROC number 1133).
Assistant Professor at the School of Economics and Management of Universidade Católica Portuguesa (Católica Porto Business School).
Director of the Department of Management of the School of Economics and Management at Universidade Católica Portuguesa.
Partner of the company Novais, Anacoreta e Associados, SROC, Lda.
Member of the Admissions Examination Board of OROC.
OROC representative at the Accounting Working Party of Fédération des Experts-Comptables Européens – Accountancy Europe.
Member of the list of tax arbitrators of the Administrative Arbitration Centre.
Member of the Scientific Board of the Portuguese Tax Association.
Author of the books "Anexo em SNC - Guia prático", co-authored with Sónia Costa Matos and Rui Neves Martins, published by Vida Económica, 2011 and "Instrumentos Financerios Derivados: Enquadramento Contabilístico e Fiscal", published by Universidade Católica Editora, 2000.

Dr. José Manuel Archer Galvão Teles

Honorary partner of Morais Leitão, Galvão Teles, Soares da Silva & Associados – Sociedade de Advogados, practising law full-time since 1961 (except in 1975 and 1976 when he was Portuguese Ambassador at the UN).
Founder and director, for many years, of prestigious Associations and Foundations of socio-cultural nature, such as the Serralves Foundation, Mário Soares Foundation, Casas de Fronteira e Alorna Foundation and Júlio Pomar Foundation.
Chairman of the Board of the General Meeting of Banco Santander Totta, SA and Auchan Portugal Investimentos, SGPS.
National Chairman of the Catholic Youth during the 1960s; founder and director of "Cooperativa Pragma" and "Cadernos Gedoc"; Chairman of the National Culture Centre; candidate to member of parliament for Oposição (CDE) in the elections of 1969, and defence lawyer in important political lawsuits judged in the Plenary Court.
Until the independence of the Portuguese colonies, was an activist against the colonial war.
Chairman of the Board of Directors of the Portugal-Spain Friendship Association from 1976 to 1982, and Chairman of the Association for the Advancement of Law during the 1990s.
After the Revolution of 25th April, participated actively in the country's political life, without ever abandoning the permanent practice of law. Founder and director of the Socialist Intervention Association. Later, from 1978 until the mid 1990s, national director of the Socialist Party, successively elected to its National Commission and Political Commission.
In 1974 and 1975, in the context of the decolonisation process, was head of delegation of the Portuguese Government in various missions of political, economic and financial nature, namely in Angola and Mozambique.
Ambassador of Portugal at the UN, in New York in 1975/76, also representing the country at the Security Council in the negotiations relative to the decolonisation process, especially concerning the independence of Angola and East Timor.
Member of the Council of State by appointment of the President of the Republic, Jorge Sampaio, from 1996 to 2006.
Distinguished by the President of the Republic with the Grand-Cross of the Military Order of Christ in 2005, and received the medal of Honour of the Portuguese Bar Association in 2010.

Non-executive director of Banco Santander Totta, SA, of Supa – Companhia Portuguesa de Supermercados, SGPS (Pão de Açúcar) and of Entreposto, SGPS.
Chairman of the Board of the General Meeting of Cimpor, SGPS; of Banco Santander Negócios Portugal, SA, of the SONAGI, SGPS (Queiroz Pereira Group).
Chairman of the Remuneration Committee of Banco Espírito Santo Investimentos, SA.
Chairman of the Remuneration Committee of EDP – Energias de Portugal, SA.
Chairman of the Remuneration and Welfare Board of Banco Comercial Português, S.A.
Chairman of the Supervisory Board of Banco Central de Investimento and member of the Supervisory Board of Empresa de Cimentos de Leiria, SA (Champalimaud Group).
Held the following positions at EDP – Energias de Portugal, SA: Chairman of the Board of the General Meeting for 3 terms of office, from 2000 to 2007; Member of the General and Supervisory Board in 2006 and 2007.

Eng. João Nuno Lopes de Castro

Director of the Centre for Digital Business and Technology of Nova School of Business and Economics.
Post-doctorate at Stanford University in 2010.
Doctorate in Engineering Systems from Massachusetts Institute of Technology in 2010.
Masters (ABD) in Engineering Design from the Instituto Superior Técnico in 2004.
Licentiate degree in Electrotechnical Engineering and Computer from the Faculty of Engineering of Universidade do Porto in 2000.
Chairman of the Portuguese-American Post-Graduate Society for the term of office 2007-08 and chairman of the general meeting in the following term of office.
Considerable professional and consulting experience in the development of new technological, innovative or strategic solutions at Canal de Notícias de Lisboa, Sonae.com, Cisco Systems, Metro do Porto, UMIC and Sumol+Compal.
Guest speaker invited regularly in advanced and executive training programmes on topics related to Entrepreneurship, Innovation and Product Development.

20. Customary and significant family, professional or business relationships of members of the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable, with shareholders that are assigned qualifying holdings that are greater than 2% of the voting rights.

The known family relationships between the indicated members of the boards and qualifying shareholders in the company are:

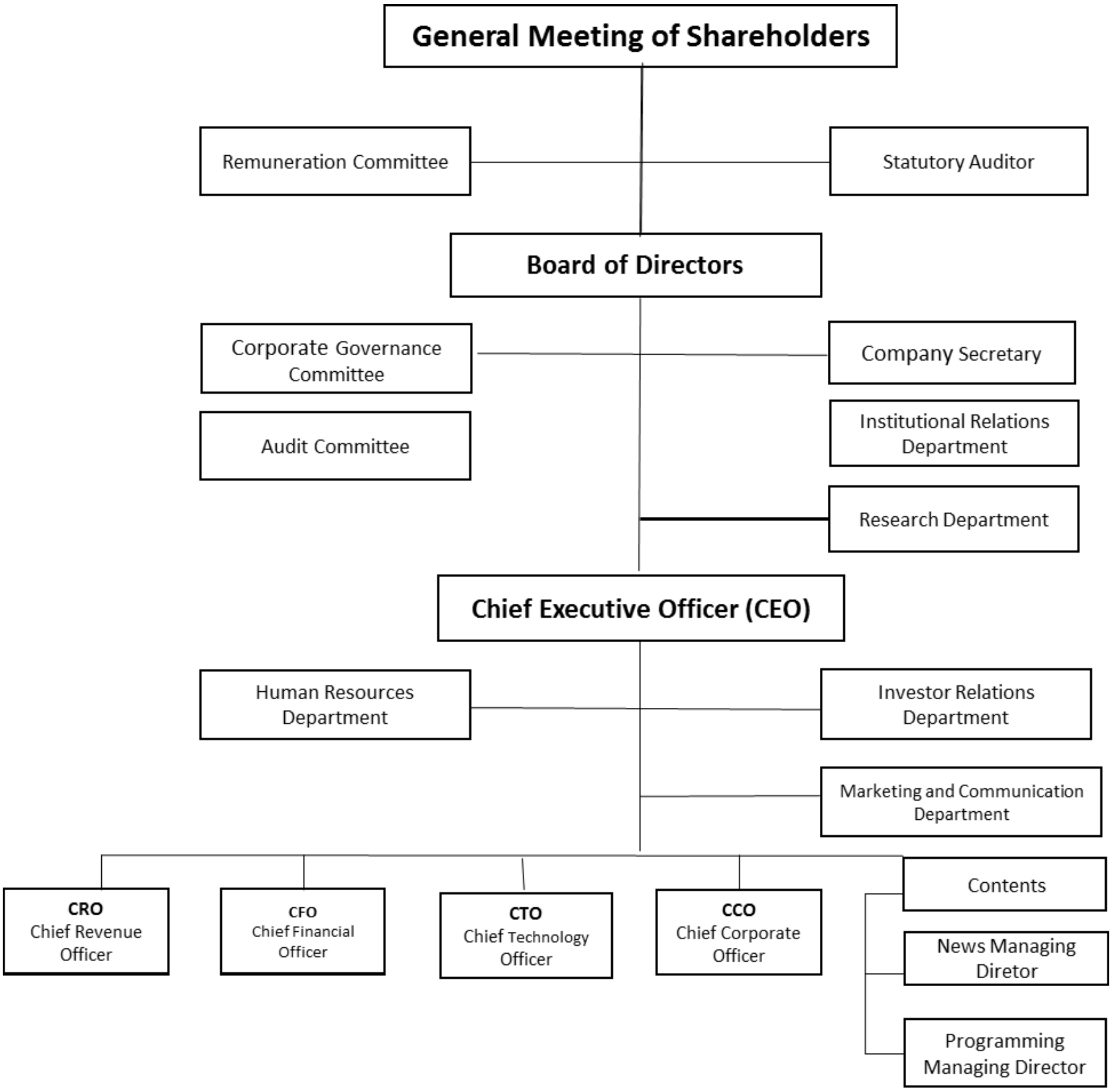
Chairman of the Board of Directors – Dr. Francisco José Pereira Pinto de Balsemão, is father of the Deputy Chairman of the Board of Directors, Eng. Francisco Maria Supico Pinto Balsemão and Chief Executive Officer (CEO), Dr. Francisco Pedro Presas Pinto de Balsemão.

The known professional or business relationships between the indicated members of the boards and qualifying shareholders in the company are:

Chairman of the Board of Directors – Dr. Francisco José Pereira Pinto de Balsemão, and the Deputy Chairman of the Board of Directors, Eng. Francisco Maria Supico Pinto Balsemão, are, respectively, Chairman and Member of the Board of Directors of IMPREGER – Sociedade Gestora de Participações Sociais, S.A., majority shareholder of IMPRESA.

Chairman of the Board of Directors – Dr. Francisco José Pereira Pinto de Balsemão is Chairman of the Executive Board of Directors of BALSEGER, SGPS, SA, which is the majority shareholder of IMPREGER – Sociedade Gestora de Participações Sociais, S.A.

21. Organisational charts or flowcharts concerning the allocation of powers between the various corporate boards, committees and/or departments within the company, including information on delegating powers, particularly as regards the delegation of the company's daily management.



DISTRIBUTION OF DUTIES

Responsibilities of the Chairman of the Board of Directors:

a) Coordinate the relations of the Board of Directors with the Chief Executive Officer;
b) Preside over meetings of the Board of Directors (monthly), meetings with the CEO (weekly), the annual meeting of senior staff members and any ad hoc meetings in which he is present;
c) Preside over the Strategy Committee, approve the proposal for the Strategic Plan of the Group and submit it to the Board of Directors, as well as proposals for amendment of the Plan to be submitted to the Board of Directors, and coordinate their implementation, assessment and review;
d) Preside over the Supra Editorial Committee, approve proposals concerning the editorial strategy of the various brands of the Group and submit them to the Board of Directors;
e) Represent the Group institutionally, coordinate the institutional relations of the Group (namely with the EU, Government, Parliament, Regulators, Associations of the Sector, etc.) and with the shareholders;
f) Coordinate the Institutional Relations Department, whose Directors report directly to the Chairman of the Board of Directors.

Responsibility of the Deputy Chairman of the Board of Directors:

a) Preside over the meetings of the Board of Directors whenever the Chairman is absent or unable to be present;
b) Exercise of other powers or duties, as attributed.

Responsibilities of the Chief Executive Officer (CEO):

a) Coordination of the Group's operating management;
b) Coordination of the areas of Human Resources, External Communication and Investor Relations, whose directors report directly to the CEO;
c) Appointment and dismissal of the COO (CRO, CFO, CTO and CCO), who report directly to the CEO;
d) Individual supervision of the COO in the main policies and decisions of their respective areas;
e) Chair of the Group's Operating Coordination Meetings;
f) Chair of the meetings with each COO and front-line management staff, as well as other ad hoc meetings not attended by the Chairman of the Board of Directors;
g) Chair of the Group's presentation of accounts.

Responsibility of the Audit Committee:

Risk Management.

MATTERS WHICH CANNOT BE DELEGATED

The following matters cannot be delegated by the Board of Directors:

a) Co-optation of directors;
b) Request to call general meetings;
c) Approval of annual reports and accounts;
d) Provision of deposits and personal or real guarantees by the company;
e) Change of registered office under the terms established in the memorandum of association;
f) Company merger, demerger and transformation projects;

g) Definition of the Group's strategic options;
h) Definition of the Group's business structure;
i) Approval of the annual budget.

All the members of the Board of Directors are called appropriately and in due time to the meetings of the body and subsequently receive the respective minutes.

All other members of the governing bodies may request the CEO for all and any information relative to the activities of IMPRESA and its participated companies. Usually, these requests for information are made in writing (namely by electronic mail), but they may also be made by telephone or in the presence of the persons concerned (normally during meetings of the Board of Directors). After these requests have been made, and if the CEO does not have all the data to be enable an immediate and full response (in writing or verbally), these requests are forwarded internally to the structure of IMPRESA and/or its participated companies. In this last case, and on average, the response to the request will take approximately 5 business days to be sent to the member of the governing body who requested it. If this member is not satisfied with the abovementioned answer, the process is re-started, and involves the number of iterations required until the request has been met in an entirely satisfactory manner.

b) Functioning

22. Existence and place where rules on the functioning of the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable, may be viewed.

There are operating regulations for the Board of Directors, Corporate Governance Committee and Audit Committee, which may be consulted on the company website - www.impresa.pt.

23. Number of meetings held and the attendance report for each member of the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable.

The Board of Directors met 14 times throughout the year, with members having registered the following attendance:

Dr. Francisco José Pereira Pinto de Balsemão (Chairman)	100%
Eng. Francisco Maria Supico Pinto Balsemão (Deputy Chairman)	100%
Dr. Francisco Pedro Presas Pinto de Balsemão	100%
Dr. Alexandre de Azeredo Vaz Pinto	100%
Dr. António Soares Pinto Barbosa	100%
Dr. Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia	100%
Dr. José Manuel Archer Galvão Teles	100%
Eng. João Nuno Lopes de Castro	100%

24. Indication of the competent corporate bodies to conduct the assessment of the performance of the executive directors;

There is a Corporate Government Committee whose mission, among others, is the assessment of the performance of the Chief Executive Officer (CEO).

25. Predefined criteria for assessing the performance of the executive directors.

The Corporate Governance Committee defined the following six criteria for assessing the performance of the executive directors: "Communication, Impact and Influence"; "From Vision to Results"; "Team Management and Development"; "Customer and/or Target Group Driven"; "Team and Group Spirit"; and "Best Practices, Innovation and Change".

26. Availability of each member of the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable, and details of the positions held at the same time in other companies within and outside the group, and other relevant activities undertaken by members of these boards throughout the financial year.

* *Dr. Francisco José Pereira Pinto de Balsemão*

In addition to the professional curriculum and relevant activities reported in point 19, he holds the following positions in other companies:

a) Group Companies

- § Chairman of the Board of Directors of IMPRESA PUBLISHING, SA
- § Chairman of the Board of Directors of SIC – Sociedade Independente de Comunicação, SA

b) Companies outside the Group

- § Chairman of the Executive Board of Directors of BALSEGER-SGPS, SA
- § Chairman of the Board of Directors of IMPREGER – Sociedade Gestora de Participações Sociais, SA
- § Manager of Sociedade Francisco Pinto Balsemão, Lda.
- § Manager of Sociedade Turística da Carrapateira, Lda.

* *Eng. Francisco Maria Supico Pinto Balsemão*

In addition to the professional curriculum and relevant activities reported in point 19, he holds the following positions in other companies:

a) Group Companies

- § Deputy Chairman of the Board of Directors of IMPRESA PUBLISHING, SA
- § Deputy Chairman of the Board of Directors of SIC – Sociedade Independente de Comunicação, SA

b) Companies outside the Group

- § Chairman of the Board of Directors of SPECTACOLOR Portugal, SA
- § Deputy Chairman of the Board of Directors of COMPTA – Equipamentos e Serviços de Informática, SA
- § Director of IMPREGER – Sociedade Gestora de Participações Sociais, SA
- § Non-executive Director of LIFETIME VALUE, SA
- § Manager of ENCOREXPERT – Investments, SGPS, Lda.
- § Manager of BORN TO RUN – Consultoria Empresarial, Lda.
- § Manager of INCLUDES EVERYONE, Lda.
- § Manager of CASUAL PORTION, Lda.

* *Dr. Francisco Pedro Presas Pinto de Balsemão*

In addition to the professional curriculum and relevant activities reported in point 19, he holds the following positions in other companies:

a) Group Companies

§ Chairman of the Board of Director of INFOPORTUGAL – Sistemas de Informação e Conteúdos, SA

§ Chairman of the Board of Directors of IMPRESA OFFICE & SERVICE SHARE – Gestão de Imóveis e Serviços, SA

§ Director of IMPRESA PUBLISHING, SA

§ Director of SIC – Sociedade Independente de Comunicação, SA

§ Chairman of the Management Board of GMTS (Global Media e Technology Solutions) Serviços Técnicos e Produção Multimédia, Sociedade Unipessoal, Lda.

b) Companies outside the Group

Does not hold any position in other companies.

* *Dr. Alexandre de Azeredo Vaz Pinto*

Does not hold any position in other companies.

* Prof. *Dr. António Soares Pinto Barbosa*

In addition to the professional curriculum and relevant activities reported in point 19, he holds the following positions in other companies:

Companies outside the Group

§ Member of the Supervisory Board of the Champalimaud Foundation

§ Member of the Audit Committee of Cimpor.

* *Dr. Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia*

In addition to the professional curriculum and relevant activities reported in point 19, he holds the following positions in other companies:

Companies outside the Group

§ Chairman of the Audit Committee and Non-Executive Director of CTT, S.A.

§ Non-executive Director of Sonaegest, SGFI, S.A.

§ Chairman of the Supervisory Board of Centro Hospitalar de São João.

§ Chairman of the Supervisory Board of Sogrape S.G.P.S., S.A.

§ Chairman of the Supervisory Board of Ordem dos Revisores Oficiais de Contas (OROC) – end of term of office on 31/12/2017.

§ Member elected (29 November 2017) to the Governing Board of Ordem dos Revisores Oficiais de Contas (OROC).

* *Dr. José Manuel Archer Galvão Teles*

In addition to the professional curriculum and relevant activities reported in point 19, he holds the following positions in other companies:

Companies outside the Group

§ Chairman of the Board of Directors of INTERLAGO, SA

§ Director of GT4 – Assessoria e Gestão, SA

§ Manager of CIPRESTE – Turismo de Habitação, Lda.

* *Eng. João Nuno Lopes de Castro*

In addition to the professional curriculum and relevant activities reported in point 19, he holds the following positions in other companies:

Companies outside the Group

- Ganexa Seed Capital – General Partner

c) Committees within the Administration or Supervisory Body and Board Delegates

27. Identification of the committees created within the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable, and place where the operating regulations can be viewed.

Two Committees have been created within the Board of Directors: Audit Committee and Corporate Governance Committee.

The operating regulations of these Committees may be consulted on the company website.

28. Composition of the Executive Board and/or identification of the Board Delegate/s, where applicable.

The current Chief Executive Officer (CEO) – Dr. Francisco Pedro Presas Pinto de Balsemão, is a member of the Board of Directors.

29. Description of the powers of each of the established committees and summary of activities undertaken in exercising these powers.

Responsibility of the Audit Committee:

1. Inform the management body of the results of the legal review of the accounts and explain how this contributes to the integrity of the process of preparation and disclosure of financial information, as well as the role that was performed in this process;
2. Monitor the process of preparation and disclosure of financial information and present recommendations or proposals to ensure its integrity;
3. Supervise the efficacy of the internal quality control and risk management systems;
4. Monitor the legal review of the individual and consolidated annual accounts, namely their implementation, taking into account any findings and conclusions of the Securities Market Commission (CMVM);
5. Verify and monitor the independence of the Statutory Auditor and, especially, check the adequacy and approve the provision of other services not included in the audit services;
6. Select the Statutory Auditor to be proposed to the general meeting for election and recommend a preference for one of them, duly substantiated; and
7. Fulfil any other duties attributed by law.

In order to comply with its duties, the Audit Committee holds regular meetings with the Statutory Auditor to assess the conditions created for the appropriate implementation of its work. The content of the Statutory Auditor's reports is presented and analysed in detail at these meetings, which are held prior to the Board of Directors' meetings, so that the Audit Committee is the first body of the Group to examine the content of the reports. Suggestions made by the Statutory Auditor aimed at improving the company's internal control measures and implementing better accounting practices and the results of the legal review of the accounts are subsequently reported and discussed with the Board of Directors.

The Audit Committee also holds regular meetings with the Financial Director and CFO of the IMPRESA Group in order to monitor and propose recommendations with respect to the process of preparation and disclosure of financial information.

For purposes of monitoring the efficacy of the internal control and risk management systems, the Audit Committee holds meetings with a number of managers of the IMPRESA Group and assesses the need to outsource specialise services, taking into account, in particular, the non-existence of an internal audit department at the Group.

The assessment and selection of the Statutory Auditor, as well as its independence, is also discussed at the meetings of the Audit Committee, with no reason having been found so far, in the opinion of the Committee, for its dismissal and, therefore, replacement.

The Corporate Governance Committee is responsible for:

a) Assisting and supporting the Board of Directors in performing its duty of supervising corporate activity on matters of corporate governance and rules of conduct, namely, (i) in fine-tuning the corporate governance and supervision model, the respective organisational structure and the principles and practives of governance by which it is ruled; and (ii) in the preparation and implementation of rules of conduct., aimed at imposing observance of the applicable provisions and rigorous ethical principles in the performance of the duties attributed to the members of the governing bodies and employees of the Company.

b) Study, propose and recommend to the Board of Directors the adoption of the policies, rules and proceedings deemed necessary for compliance with this Regulation, the applicable legal, regulatory and statutory provisions, as well as the recommendations, standards and best practices regarding the matters referred in the previous paragraph;

c) Perform any other competences or responsibilities that the Board of Directors may delegate to the Corporate Governance Committee.

The Corporate Governance Committee should also collaborate in the preparation of the annual corporate governance report regarding matters within its jurisdiction.

III
SUPERVISION

a) Composition

30. Identification of the Supervisory Body corresponding to the adopted model.

The corporate governance model adopted is the one referred to in subparagraph b), number 1 of article 278 of the Commercial Company Code, i.e. with a Board of Directors, an Audit Committee (with supervisory functions) and a Statutory Auditor.

31. Composition of the Supervisory Board, the Audit Committee, the General and Supervisory Board or the Financial Matters Committee, where applicable, with details of

the articles of association's minimum and maximum number of members, duration of term of office, number of effective members, date of first appointment, date of end of the term of office for each member and reference to the section of the report where this information is already included pursuant to number 17.

The composition of the Audit Committee for the current term of office (four-year period 2015/2018) is as follows:

Chairman: Dr. Alexandre de Azeredo Vaz Pinto
Members: Prof. Dr. António Soares Pinto Barbosa
Dr. Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia

The term of office of the Audit Committee, composed of a fixed number of three members is four years.

The Audit Committee is composed of members from the Board of Directors, appointed by the General Meeting, with their re-election permitted for successive four-year periods, without detriment to the limitations imposed by law to companies issuing tradable securities in regulated markets.

Members of the Audit Committee	Date of 1st appointment	Term of office
Dr. Alexandre de Azeredo Vaz Pinto (a)	12/04/2007	31/12/2018
Dr. António Soares Pinto Barbosa	12/04/2007	31/12/2018
Dr. Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia	28/01/2008	31/12/2018

(a) A member of the Board of Directors since 15/05/00

32. Identification, as applicable, of the members of the Supervisory Body, the Audit Committee, the General and Supervisory Board and the Financial Matters Committee, who are considered to be independent, under the terms of article 414, number 5 of the CSC, and reference to the section of the report where this information already appears pursuant to paragraph 18.

As noted in point 18, the following members of the Audit Committee are independent, Prof. Dr. António Soares Pinto Barbosa and Dr. Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia.

33. Professional qualifications of each member of the Supervisory Board, the Audit Committee, the General and Supervisory Board and the Financial Matters Committee, where applicable, and other important curricular information, and reference to the section of the report where this information already appears pursuant to number 21.

See point 19.

b) Functioning

34. Existence and place where the operating regulations can be viewed, as applicable, of the Supervisory Board, the Audit Committee, the General and Supervisory Board and the

Financial Matters Committee, and reference to the section of the report where this information already appears pursuant to number 22.

See point 22.

35. Number of meetings held and the attendance report for each member of the Supervisory Board, the Audit Committee, the General and Supervisory Board and the Financial Matters Committee, where applicable, and reference to the section of the report where this information already appears pursuant to number 23.

The Audit Committee held 9 meetings throughout the year, with 8 meetings having been presential and 1 by remote means. The attendance of its members was as follows:

Dr. Alexandre de Azeredo Vaz Pinto (Chairman)	100.00%
Dr. António Soares Pinto Barbosa	100.00%
Dr. Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia	100.00%

36. Availability of each member of the Supervisory Board, the Audit Committee, the General and Supervisory Board and the Financial Matters Committee, where applicable, indicating the positions held simultaneously in other companies inside and outside the group, and other relevant activities undertaken by members of these Bodies throughout the financial year, and reference to the section of the report where such information already appears pursuant to number 26.

See point 26.

c) Powers and duties

37. Description of the procedures and criteria applicable to the intervention of the supervisory body for the purpose of contracting additional services from the external auditor.

Whenever applicable, the Audit Committee assesses and gives it approval, duly recorded in minutes, of the contracting of the Statutory Auditor to provide services other than auditing, provided that they are not prohibited by article 5 of Regulation (EU) 537/2014 of the European Parliament and Council and that this respects the limit established in article 4 of the same Regulation. The assessment seeks to ensure that the independence of the Statutory Auditor is not placed in question and takes into account the reasonableness of the proposed prices, the level of knowledge of the activity sector and the continuous monitoring of the company's business.

38. Other duties of the supervisory bodies and, if applicable, the Financial Matters Committee.

See point 29 for a description of the powers and duties of the Audit Committee.

IV
STATUTORY AUDITOR

39. Identification of the statutory auditor and the partner that represents it.

The Statutory Auditor, elected for the current term of office (four-year period 2015-2018), is Deloitte & Associados, SROC, SA, registered at the CMVM under number 20161389, which is represented by the partner Dr. Tiago Nuno Proença Esgalhado.

40. Indication of the number of years that the statutory auditor consecutively carries out duties with the company and/or group.

The Statutory Auditor has performed duties at the company for 15 years, being represented by the partner Dr. Tiago Nuno Proença Esgalhado since 2016.

41. Description of other services provided by the statutory auditor to the company.

In 2017, the services other than auditing carried out by the Statutory Auditor refer to the verification, required by the banking authorities, of the contractual obligations (ratios) contained in the loan agreements (reliability assurance services) and the services of Limited Review of the Consolidated Financial Statements relative to the interim accounts (half-yearly).

As noted in point 37, the contracting of the Statutory Auditor to provide these additional services, in addition to the assurance of the auditor's independence, also took into consideration, namely, the reasonableness of the proposed prices and level of knowledge of the activity sector and the continuous monitoring of the company's business.

The Audit Committee also analysed the contacts established between SIC and Deloitte Consultores, a company of the Statutory Auditor's network, relative to a shared publishing initiative, having concluded that these contacts do not involve the provision of services prohibited under Regulation (EU) number 537/2014 of the European Parliament and Council, and do not fall within the limits established in article 4 of the same Regulation.

V
EXTERNAL AUDITOR

42. Identification of the external auditor appointed in accordance with article 8 and the partner that represents the external asuditor in carrying out these duties, and the respective registration number at the CMVM.

See point 39 (Chapter IV).

43. Indication of the number of years that the external auditor and respective partner representing it in carrying out these duties consecutively carries out duties with the company and/or group.

See point 40 (Chapter IV).

44. Policy and periodicity of the rotation of the external auditor and respective partner representing it in carrying out these duties.

The Audit Committee regularly assesses and discusses the conditions of independence, the performance of duties and advantages and costs of replacing the Statutory Auditor. In this context, the Audit Committee concluded that the legal review of accounts was appropriate, with the Group having decided to keep the Statutory Auditor. The Committee also verifies compliance with the limitations of terms of office contained in article 54 of Decree-Law 140/2015 of 7 September.

45. Indication of the body responsible for assessing the external auditor and periodicity with which this assessment is made.

See previous point.

46. Identification of services, other than auditing, carried out by the external auditor for the company and/or companies in a control relationship and an indication of the internal procedures for approving the recruitment of such services and a statement on the reasons for this recruitment.

See point 41 (Chapter IV).

47. Indication of the annual remuneration paid by the company and/or legal entities in a control or group relationship to the auditor and other natural or legal persons pertaining to the same network and the percentage breakdown relating to the following services (for the purposes of this information, the network concept follows European Commission Recommendation number C (2002) 1873 of 16 May):

By IMPRESA (a)	**In Euros**	**In %**
Statutory audit services	61,500.	23.21%
Reliability assurance services	2,700.	1.02%
Tax advisory services	0.	0.00%
Other non-statutory audit services	0.	0.00%
By other entities of the Group (a)		
Statutory audit services	173,300.	65.40%
Reliability assurance services	0.	0.00%
Tax advisory services	0.	0.00%
Other non-statutory audit services	27,500.	10.38%
Overall Total	**265,000.**	**100.00%**

(a) *Including individual and consolidated accounts*

C. INTERNAL ORGANISATION

I
ARTICLES OF ASSOCIATION

48. Rules applicable to the amendment of the company's articles of association (article 245-A, number 1, subparagraph h).

There are no rules on the alteration of the company's memorandum of association, except those arising from the applicable law.

II
REPORTING OF IRREGULARITIES

49. Means and policy on the reporting of irregularities in the company.

The Audit Committee created and approved an internal system for the communication of irregularities in 2007, aimed at preventing and eliminating irregular practices, thereby avoiding damages caused by their continuation.

This system, whose Regulations are disclosed on the IMPRESA website and IMPRESA Group Intranet network, ensures the confidentiality of the information provided, as well as the anonymity of the persons reporting indication of irregularities.

It also ensures that the rights of IMPRESA Group company employees will not be harmed by the communication of irregular practices.

The system for the communication of irregularities has five procedural phases, namely: receipt and recording, preliminary analysis, judgement of the consistency of the information received, investigation and final report, communicated to the Chairman of the Board of Directors.

III
INTERNAL CONTROL AND RISK MANAGEMENT

50. Individuals, bodies or committees responsible for the internal audit and/or implementation of the internal control systems.

The following bodies, at IMPRESA, are responsible for the internal audit and/or implementation of the internal control system:
- Risk Management Office;
- Assets, Risk and Sustainability Department;
- Financial Department;
- Legal Affairs Department;
- Institutional Relations Department.

51. Explanation, even if by inclusion of an organisational chart, of the relations of hierarchical and/or functional dependence with respect to other bodies or committees of the company.

The relations of dependence are defined in the organisational structure in point 21.

52. Existence of other functional areas responsible for risk control.

The other areas responsible for risk control are the Financial Department, the Assets, Risk and Sustainability Department, the Legal Affairs Department and the Institutional Relations Department, as referred to in point 54.

53. Identification and description of the main types of risks (economic, financial and legal) to which the company is exposed in the exercise of its activity.

<u>Economic risks (activity and facilities)</u>:

Risks primarily related to situations which affect the current operation of companies, namely fire, loss of production of newspapers and magazines, broadcasting cuts in television activity, and failure of computer systems.

Financial risks (credit, liquidity, exchange rate and interest rate risk):

Credit risk is essentially related to the accounts receivable arising from advertising sales. In order to reduce credit risk, the Issuer company has defined credit granting policies, with credit ceilings per customer and collection deadlines, and financial discount policies for early repayment or cash payment.

Liquidity risk can occur if the financing sources, such as cash flow from operating activities, divestment, credit lines and financing activities, do not meet the financing needs, such as cash outflow for operating and financing activities, investments, shareholder remuneration and repayment of debt.

Exchange rate risk is essentially related to the acquisition of television programmes.

Interest rate risk is essentially related to interest paid in relation to the contracting of financing with variable interest rates, which are consequently exposed to changes in market interest rates.

Legal risks (legislation):

Risks related to compliance with the legislation in force, applicable to the corresponding sector, primarily in terms of the operating subsidiaries (TV Law, Press Law, ERC Law, Advertising Law, etc.).

54. Description of the procedure of identification, assessment, monitoring, control and management of risks.

The management of the IMPRESA Group takes particular care to adopt a risk management policy aimed at minimising any consequences on the business, people or assets of the Group, arising from any intentional or unintentional threats.

The IMPRESA Group has two bodies which enable the pursuit of this objective:

a) Risk Management Office - follows and monitors different security events that might generate risks for the different companies of the Group. This Office is also responsible for formalising the defined strategic objectives on risk-taking, identifying the risks and events that might generate risks inherent to the activities developed, analysing the impact of each identified risk and managing and monitoring the identified risks. The Risk Management Office holds periodic meetings with the Audit Committee, disclosing and proposing any necessary measures for the assessment of the implemented risk management system.

b) Assets, Risk and Sustainability Department - supervises insurance contracting at the level of the IMPRESA Group, in order to achieve the most appropriate solutions to cover the insurable risks.

c) Financial Department - develops the following aspects on risk control:
   - Negotiation, contracting and management of bank financing, in order to meet the financial needs of the IMPRESA Group;
   - Negotiation and contracting of appropriate financial instruments, aimed at reducing exposure to interest and exchange rate risks.

d) Legal Affairs Department and Institutional Relations Department - at the level of the operating subsidiaries, follow the applicable legislation to the corresponding sector (TV Law, Press Law, ERC Law, Advertising Law, etc.), in order to minimise the risks associated to any non-compliance.

Also at the level of the operating subsidiaries, plans relative to external situations which may affect current company operation, namely fires, production stoppages, broadcasting failure, IT system failures, etc., have been established and implemented, with the objective of safeguarding people and goods, and ensuring, as far as possible, the continuity of production not only of newspapers and magazines but also television activities.

With regards to financial information, the CEO, in coordination with the Audit Committee and CFO, supervises its preparation and disclosure, in order to ensure a true and fair view of the situation, combined with an honest review of business development and, moreover, prevent undue access to relevant information by third parties.

55. Main details on the internal control and risk management systems implemented in the company regarding the procedure for reporting financial information (article 245-A, no. 1, subparagraph m)).

Before the Board of Directors meetings, scheduled in advance (with the exception of any extraordinary meetings) and with this scheduling being of the agreement of all, non-executive members of the board of directors, including therefore all the members of the Audit Committee, receive all the documentation related to the points of the agenda in due time, and may request additional information on any points on the agenda, propose the inclusion of other points to this agenda which they would like to see discussed, and propose to the Chairman of the Board of Directors the presence in the meeting of any employee or director of IMPRESA and its participated companies who might be related with the discussion of one (or more) points on this same agenda. The non-executive members of the Board of Directors also receive the minutes of the meetings of the Group's Operating Coordination, between the Chief Executive Officer and the COO responsible for the different business areas, and all the information and documentation of an economic and financial nature, in particular concerning investment, management control and bank debt evolution, as well as any other related to the Group's activity, such as for example information on human resources, evolution of publication sales and audiences, etc.

The CEO, in coordination with the Audit Committee and CFO, supervises the preparation and disclosure of financial information, in order to ensure a true and fair view of the situation, combined with an honest review of business development and, moreover, prevent undue access to relevant information by third parties.

The documents providing accounts are drawn up based on information provided by the different companies of the Group and, in particular, by the shared services. The Group has implemented internal mechanisms and procedures for internal control of the process of closing accounts and disclosure of financial information, taking into account the detected risks and defining time limits, requirements and obligations for financial reporting. This entails the definition of schedules, tasks and responsibilities among the employees involved in the process of drawing up the financial reporting documentation.

The Group's Financial Department reviews the aopted accounting policies, identifies the relevant or unusual transactions, whenever necessary, with the Audit Committee, the appropriate accounting treatments and corresponding requirements on disclosure, and identifies the transactions that involve judgements or estimates, defining calculation methods, assumptions and all other pertinent information.

Mechanisms for communication between each segment and the Financial Department are defined, so as to ensure that any new operatuions were properly identified and treated from an acounting perspective, namely by coordination between the Financial Department and the Management Control of each segment and the Group.

The Audit Committee, in particular, as indicated in point 29, holds regular meetings with the Statutory Auditor in order to assess whether conditions have been created for the adequate performance of its work. The content of the Statutory Auditor's reports is presented and analysed in detail at these meetings, which are held prior to the Board of Directors' meetings, so that the Audit Committee is the first body of the Group to examine the content of the reports. Suggestions made by the Statutory Auditor aimed at improving the company's internal control measures and implementing better accounting practices are subsequently presented and discussed with the Board of Directors.

The financial information is only disclosed after approval by the Board of Directors, under the legal terms.

IV
INVESTOR ASSISTANCE

56. Department responsible for investor assistance, composition, functions, the information made available by this department and contact details.

IMPRESA has a Department of Investor Relations, so as to ensure institutional relations and the disclosure of information to the vast universe of shareholders, potential investors, analysts, stock markets where IMPRESA shares are listed for trading and the respective regulatory and supervisory entities, CMVM and Euronext.

IMPRESA's Department of Investor Relations thus performs an important role in the pursuit of this objective, enabling the maintenance of suitable relations with shareholders, financial analysts and potential investors of IMPRESA, namely through the participation in specific conferences and the holding of road-shows at the main stock markets.

The main function of this Department consists of operating as an agent between the Board of Directors of IMPRESA and investors and financial markets in general, being responsible, under its normal activity, for all information provided by the IMPRESA Group, both with respect to the disclosure of relevant facts and other reports to the market, and the publication of periodic, quarterly, half-year and annual financial statements.

In order to perform its duties, this Department maintains a constant flow of communication with financial investors and analysts in Portugal and abroad, providing all the necessary information and clarifications to respond to requests made by these entities, in compliance with the applicable legal and regulatory provisions.

Office contacts:

Edifício IMPRESA
R. Calvet de Magalhães, 242
2770-022 Paço de Arcos
Telephone: +351 214 544 009
Email: jfreire@impresa.pt

57. Market Liaison Officer.

the Director of Investor Relations is Eng. José Freire, who is also the CFO.

58. Details on the extent and deadline for replying to requests for information received throughout the year or pending from preceding years.

All the requests for information (received by telephone, email or mail) are replied to immediately, and there are no pending requests relative to 2017 or from preceding years.

V
WEBSITE

59. Address(es).

The company website address is "www.impresa.pt"

60. Place where information on the firm, public company status, head office and other details referred to in article 171 of the Commercial Company Code is available.

The details relative to all the information referred to in article 171 of the Commercial Company Code is available on the company website, in *investor relations/contacts*.

61. Place where the articles of association and operating regulations of the bodies and/or committees are available.

The articles of association are available on the company website, in *investor relations/corporate governance/corporate governance*.
The regulations of the bodies and committees are available on the company website, in *investor relations/corporate governance/articles of association*.

62. Place where information is available on the names of the corporate bodies' members, the Market Liaison Officer, the Investor Assistance Office or comparable structure, respective duties and contact details.

Information on the names of the corporate bodies' members is available on the company website, in *investor relations/corporate bodies*.
Information on the Investor Support Office is available on the company website, in *investor relations/contacts*.

63. Place where the documents are available and relate to financial accounts reporting, which should be accessible for at least five years and the half-yearly calendar on company events that is published at the beginning of every six months, including, inter alia, general meetings, disclosure of annual, half-yearly and where applicable, quarterly financial statements.

Information on the financial accounts reporting is available on the company website, in *investor relations/annual reports*.

64. Place where the notice convening the general meeting and all the preparatory and subsequent information related thereto is disclosed.

Information on the General Meetings is available on the company website, in *investor relations/general meetings.*

65. Place where the historical archive on the resolutions passed at the company's General Meetings, share capital and voting results relating to the preceding three years are available.

Information on the historical archive of the General Meetings is available on the company website, in *investor relations/general meetings.*

D. REMUNERATIONS

I
POWER TO ESTABLISH

66. Details of the powers for establishing the remuneration of corporate bodies, members of the executive committee or chief executive and directors of the company.

The remuneration of the members of the Board of Directors is established by a Remuneration Committee, elected by the General Meeting.

II
REMUNERATION COMMITTEE

67. Composition of the remuneration committee, including details of individuals or legal persons recruited to provide services to this committee and a statement on the independence of each member and advisor.

The composition of the Remuneration Committee for the current term of office (four-year period 2015/2018) is as follows:

Chairman:	Ambassador Fernando António Lacerda Andresen Guimarães
Members:	Mr. Alberto Romano
	Dr. José Germano de Sousa

The business of the Remuneration Committee was conducted by its members, with no natural or legal persons having been contracted to provide assistance.

All the members of this Committee are independent.

68. Knowledge and experience in remuneration policy issues by members of the Remuneration Committee.

All the members of the Remuneration Committee have knowledge and experience for this position, due to the pursuit of their professional activity. However, none of the members has specific training and activity dedicated to matters of Human Resources.

III
REMUNERATION STRUCTURE

69. Description of the remuneration policy of the Board of Directors and Supervisory Bodies referred to in article 2 of Law number 28/2009, of 19 June.

In a context of major change and competition, in which the activity developed by the IMPRESA Group is immersed, the capacity to attract, motivate and retain the best professionals on the market, as well as transform their contribution into true teamwork, is one of the main critical factors for success in the near future.

The Remuneration Committee of the IMPRESA Group has defined a compensation strategy for the members of the Board of Directors, with the following key objectives:

(i) signal recognition of merit (Meritocracy);

(ii) determine the attribution of variable remuneration in accordance with criteria that are easy to understand (Simplification);

(iii) ensure balance between the interests of the company and those of the shareholders (Reasonableness).

Considering these objectives, the Remuneration Committee of IMPRESA deliberated on (i) the definition of the value of the fixed remuneration of all the executive and non-executive members of the Board of Directors, and (ii) the implementation of a Variable Remuneration Model for the chief executive officer (CEO) and the Chairman of the Board of Directors, considering their current duties, featured in the organisation and management model of the IMPRESA Group.

Multiannual variable remuneration model 2017-2019:

Following best market practices, the Remuneration Committee deliberated that a multiannual variable remuneration model, with deferred payment for 3 years, will be applied for the three-year period 2017-2019.

This multiannual variable remuneration model considers 3 bonus levels, corresponding to 1, 2 and 3 times the respective monthly gross remuneration, based on the following cumulative criteria, defined annually:

a) Positive assessment of performance
b) Achievement of a consolidated value of Net Bank Debt
c) Achievement of a consolidated value of EBITDA

70. Information on how the remuneration is structured in order to enable the alignment of the interests of the members of the administration body with the long-term interests of the company, as well as on how this is based on performance assessment and discourages excessive risk-taking.

See point 69.

71. Reference, where applicable, to there being a variable remuneration component and information on any impact of the performance appraisal on this component.

See point 69.

72. Deferred payment of the variable component of remuneration, specifying the period of deferral.

See point 69.

73. Criteria whereon the allocation of variable remuneration on shares is based, and also on maintaining company shares that the executive directors have had access to, on the possible share contracts, including hedging or risk transfer contracts, the corresponding limit and its relation to the total annual remuneration value.

Not applicable since there is no attribution of a variable remuneration in shares in the company.

74. Criteria on which the allocation of variable remuneration on options is based and details of the period of deferral and exercise price.

Not applicable since there is no attribution of a variable remuneration in shares in the company.

75. Key factors and grounds for any annual bonus scheme and any additional non-financial benefits.

Not applicable since there is no attribution of bonuses and/or non-financial benefits in the company.

76. Key characteristics of the supplementary pensions or early retirement schemes for directors and state date when said schemes were approved at the general meeting, on an individual basis.

Among the members that compose the Board of Directors, only the Chairman benefits from a supplementary retirement scheme, through the "Impresa Publishing & Associadas" Pension Fund, created in 1987, which covers directors, journalists and other paid staff recruited up to 5 July 1993, as indicated in the information presented in Note 33.1 of the Annex to the consolidated financial statements of IMPRESA.

The supplement attribution plan consists of the following rules and characteristics:

"Journalists and directors who have worked for the company for 10 years or more are entitled to a supplementary retirement subsidy, due to old age or disability, the amount of which is calculated as follows, with there being no commitments regarding future updating:

Journalists and directors who have worked for the company for 10 years will receive a subsidy equivalent to half the difference between the pension paid by Social Security and their pensionable salary;

For every year worked after 10 years, this supplement will increase by 1%, until the sum of the pension and the supplement totals 90% of their pensionable salary.

Retirement due to old age is defined as that granted to employees aged over 66 years old.

Retirement due to disability is defined as that recognised and granted to employees by Social Security.

Pensionable salary is defined as the value of all the remunerations (base salary, bonuses and allowances) determined for the year of 2002.

Any employee may remain at the service of the Associate, by common agreement, after the old age retirement date. In this case, the value of the pension will be calculated as defined above, based on the pensionable salary and pensionable working time on the date the employee in question completed 66 years of age.

Pension supplements will be calculated using the formula used by Social Security to calculate pensions on 5 July 1993."

For the financial year ended 31 December 2017, pension supplements in the amount of 184,739.38€ were paid by the Pension Fund to the Chairman of the Board of Directors.

The retirement plan described above is included in the information provided in the IPO of IMPRESA in 2000 and, since then, in all documents presenting the accounts.

IV
REMUNERATION DISCLOSURE

77. Indication of the amount relating to the annual remuneration paid as a whole and individually to members of the company's board of directors, including fixed and variable remuneration and as regards the latter, reference to its different components.

Remuneration of the Board of Directors (in euros)		
Non-executive	**Fixed (14 months)**	**Variable**
Chairman of the Board of Directors –Dr. Francisco José Pereira Pinto de Balsemão	€106,400.00.	€0.00
Deputy Chairman of the Board of Directors –Eng. Francisco Maria Supico Pinto Balsemão	€49,000.00	n.a.
Chief Executive Officer (CEO) –Dr. Francisco Pedro Presas Pinto de Balsemão	€280,000.00	€0.00
Chairman of the Audit Committee –Dr. Alexandre de Azeredo Vaz Pinto	40,012.00	n.a.
Member of the Audit Committee –Prof. Dr. António Soares Pinto Barbosa	40,012.00	n.a.
Member of the Audit Committee –Dr. Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia	40,012.00	n.a.
Member of the Board of Directors –Dr. José Manuel Archer Galvão Teles	30,002.00	n.a.
Member of the Board of Directors –Eng. João Nuno Lopes de Castro	30,002.00	n.a.
Total	***€571,440.00***	***€0.00***

78. Any amounts paid, for any reason whatsoever, by other companies in a control or group relationship, or that are subject to a common control.

No amount was paid, for any reason whatsoever, by other companies in a control or group relationship, or that are subject to a common control.

79. Remuneration paid as participation in profit and/or bonuses and reasons for the awarding of these bonuses and/or participation in profit;

See points 69 and 77.

80. Compensations paid or due to former executive directors relative to the termination of their functions during the financial year;

No compensation was paid under this item.

81. Indication of the annual remuneration paid, as a whole and individually, to the members of the company's supervisory body for the purposes of Law number 28/2009, of 19 June.

The members of the Audit Committee are remunerated as directors, having received, in 2017 and as referred to in point 77, the following remunerations:

Remuneration of the Members of the Audit Committee	
Dr. Alexandre de Azeredo Vaz Pinto – Chairman	40,012.00
Prof. Dr. António Soares Pinto Barbosa – Member	40,012.00
Dr. Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia – Member	40,012.00
Total	***€120,036.00***

82. Indication of the remuneration in the reference year of the Chairman of the Board to the General Meeting.

The Chairman of the Board of the General Meeting Board earned the sum of 6,500 euros for the performance of his duties during the financial year of 2017.

V
AGREEMENTS WITH REMUNERATION IMPLICATIONS

83. Established contractual limitations to compensation payable for the unfair dismissal of directors and its relevance to variable component of remuneration.

There are no established contractual limitations to compensation payable for the unfair dismissal of directors.

84. Reference to the existence and description, with details of the sums involved, of agreements between the company and members of the board of directors and managers, pursuant to number 3 of article 248-B of the Securities Code that envisages compensation in the event of resignation or unfair dismissal or termination of employment following a takeover bid. (article 245-A, number 1, subparagraph l)).

There are no agreements whatsoever between the company and members of the administration body and directors, pursuant to number 3 of article 248-B of the Securities Market Code, which foresee the payment of indemnities in the case of resignation, dismissal without just cause or termination of the work contract, following a change of company control.

VI
SHARE ALLOCATION AND/OR STOCK OPTION PLANS

85. Details of the plan and persons included therein.

There is no share allocation and/or stock option system in the company.

86. Characteristics of the plan (allocation conditions, non-transfer of share clauses, criteria on share-pricing and the exercising option price, the period during which the options may be exercised, the characteristics of the shares or options to be allocated, the existence of incentives to purchase shares and/or exercise options).

See point 85.

87. Stock option rights for company employees and staff.

See point 85.

88. Control mechanisms for a possible employee-shareholder system inasmuch as the voting rights are not directly exercised by said employees (article 245-A, number 1, subparagraph e)).

See point 85.

E. TRANSACTIONS WITH RELATED PARTIES

I
CONTROL MECHANISMS AND PROCEDURES

89. Mechanisms implemented by the Company for the purpose of controlling transactions with related parties (for this purpose, reference is made to the concept arising from IAS 24).

Requests for prior appraisal of business to be carried out between the company and owners of qualifying holdings or entities which are in any relationship with them should be made to the Audit Committee and, whenever possible, accompanied by appropriate justification, namely regarding the cost, market conditions and alternatives considered.

The Audit Committee has defined businesses that represent more than 1% of the consolidated variable costs of the Group for the year prior to that in question as being of significant relevance.

90. Details of transactions that were subject to control in the reference year.

In 2017, the Audit Committee analysed and approved two proposals for contracting information technology products and services involving Compta, a company in which one member of the Board of Directors of IMPRESA has a stake. The Audit Committee also supervised the contracts for provision of television production, services and respective addenda, concluded between SIC and SP Televisão (Madre Group), under the Partnership Contract whose terms and conditions were analysed by the Audit Committee in November 2015.

91. Description of the procedures and criteria applicable to the intervention of the supervisory board for the purpose of prior assessment of business to be carried out between the company and owners of qualifying holdings or entities which are in any relationship with them, under the terms of article 20 of the Securities Market Code.

See point 89.

II
DATA ON BUSINESS DEALS

92. Indication of the place where the financial statements including information on business dealings with related parties are available, in accordance with IAS 24, or alternatively a copy of this information.

The information on business dealings with related parties is reported in Note 34 of the Notes to the Consolidated Financial Statements of IMPRESA.

PART II

ASSESSMENT OF CORPORATE GOVERNANCE

1. Identification of the adopted Corporate Governance Code.

The company adopted the Corporate Governance Code of the CMVM. The respective texts are available to the public on the websites of the company and CMVM.

2. Analysis of compliance with the adopted Corporate Governance Code.

<u>RECOMMENDATIONS</u>:

I. VOTING AND COMPANY CONTROL

I.1. Companies should encourage their shareholders to participate and vote in general meetings, in particular by not setting an excessively high number of shares required to be entitled to one vote and implementing essential means to the exercise of voting rights by electronic means.

Partially adopted - The company applies the one "share/one vote" principle, allows voting by correspondence, but has not implemented voting by electronic means.

I.2. Companies should not adopt mechanisms that hinder the passing of resolutions by shareholders, namely setting a deliberative quorum greater than foreseen in the law.

Adopted *(Chapter B, Title I, points 12 to 14, page 8)*

I.3. Companies shall not establish mechanisms which therefore cause the mismatch between the right to receive dividends or subscription of new securities and the voting rights of each ordinary share, unless duly justified according to the long-term interests of shareholders.

Adopted – No mechanisms of this nature are foreseen, namely in the company's articles of association.

I.4. Articles of association that establish a limitation to the number of votes that may be held or exercised by a single shareholder, individually or in agreement with other shareholders, should also establish that the amendment or maintenance of this statutory provision should be subject to deliberation at the General Meeting, at least every five years – with no requirements for increased quorum numbers relative to legal provisions – and that all cast votes for this deliberation are counted without operation of this limitation.

Not applicable – Considered not to be applicable since the company's articles of association do not establish a limitation to the number of votes that may be held or exercised by a single shareholder, individually or in agreement with other shareholders.

I.5. Measures that have the effect of requiring payments or assumption of charges by the company in the case of change of control or composition of the administrative body, thereby harming the free transfer of shares and free assessment of the performance of the administrative body members by the shareholders, shall not be adopted.

Not adopted (Chapter A, Title I, point 4, pages 1 and 2)

II. SUPERVISION, ADMINISTRATION AND INSPECTION

II.1. SUPERVISION AND ADMINISTRATION

II.1.1. Within the limits established by law, and unless the company is of a reduced size, the board of directors shall delegate the daily administration of the company, and the delegated duties should be disclosed in the annual corporate governance report.

Adopted *(Chapter B, Title II, point 21, pages 16 to 18)*

II.1.2. The Board of Directors shall ensure that the activity of the company is in accordance with its objectives, and should not delegate its duties, namely concerning: *i*) definition of the company's general strategy and policies; *ii*) definition of the group's corporate structure; *iii*) decisions considered strategic due to the amount involved, risk or special characteristics.

Adopted *(Chapter B, Title II, point 21, pages 16 to 18)*

II.1.3. The General and Supervisory Board, in addition to its exercise of supervisory duties, shall assume full responsibility at corporate governance level. As such, the requirement for this body to decide on the strategy and major policies of the company, the definition of the corporate structure of the group and the decisions that shall be considered strategic due to the amounts or risk, shall be set out by statutory provision or by equivalent means. This body should also assess compliance with the strategic plan and the implementation of major policies of the company.

Not adopted - The corporate governance model adopted is the one referred to in subparagraph b), number 1 of article 278 of the Commercial Company Code, i.e. with a Board of Directors, comprising an Audit Committee and a Statutory Auditor. *(Chapter B, Title II, point 15, pages 8 and 9)*

II.1.4. Unless the company is of a reduced size, the board of directors and the general and supervisory board, according to the model adopted, shall create the committees deemed necessary to:

a) Assure that a competent and independent assessment of the performance of the executive directors is carried out, as well as its own overall performance and, in addition, the performance of all existing committees;

Adopted *(Chapter B, Title II, points 24, 27 and 29; respectively pages 18, 21 and 22)*

b) Reflect on the system structure and governance practices adopted, verify their efficiency and propose to the competent bodies, measures to be implemented with a view to their improvement.

Adopted *(Chapter B, Title II, points 21 and 29; respectively pages 16 to 18, 21 and 22)*

II.1.5. The Board of Directors or the General and Supervisory Board, depending on the model adopted, should set goals in terms of risk-taking and create systems for their control to ensure that the risks actually incurred are consistent with those goals.

Partially adopted *(Chapter B, Title II, points 21 and 29; respectively pages 16 to 18, 21 and 22)*

II.1.6. The Board of Directors shall include a sufficient number of non-executive directors to ensure effective monitoring, supervision and assessment of the activity of the remaining members of the board.

Adopted *(Chapter B, Title II, point 18, page 10)*

II.1.7. Non-executive members shall include an appropriate number of independent members, taking into account the adopted governance model, the size of the company, its shareholder structure and the respective free float.
The independence of the members of the General and Supervisory Board and members of the Audit Committee shall be assessed in accordance with applicable law. The other members of the Board of Directors are considered independent if the member is not associated with any specific group of interests in the Company nor is under any circumstance likely to affect an exempt analysis or decision, particularly due to:
a. Having been an employee at the Company or at a company holding a controlling or group relationship within the last three years;
b. Having, in the past three years, provided services or established a commercial relationship with the company or company with which it is in a control or group relationship, either directly or as a partner, board member, manager or director of a legal person;
c. Being paid by the company or by a company with which it is in a control or group relationship, in addition to the remuneration arising from exercising the duties of a board member;
d. Living with a partner or a spouse, relative or any first degree next of kin and up to and including the third degree of collateral affinity of board members or natural persons that are direct and indirectly holders of qualifying holdings;
e. Being a qualifying shareholder or representative of a qualifying shareholder.

Adopted *(Chapter B, Title II, point 18, page 10)*

II.1.8. The executive directors should provide any information requested by other corporate body members, in an adequate and timely manner.

Adopted *(Chapter B, Title II, point 21, pages 16 to 18)*

II.1.9. The Chairmen of the Executive Board or of the Executive Committee shall submit, as applicable, to the Chairman of the Board of Directors, the Chairman of the Supervisory Board, the Chairman of the Audit Committee, the Chair of the General and Supervisory Board and the

Chairman of the Financial Matters Committee, the convening notices and minutes of the relevant meetings.

Adopted *(Chapter B, Title II, point 21, pages 16 to 18; Chapter C, Title III, point 55, pages 29 and 30)*

II.1.10. If the Chairman of the Board of Directors carries out executive duties, said body shall appoint, from among its members, an independent member to ensure the coordination of the work of other non-executive members and the conditions for said members to make independent and informed decisions or find an equivalent mechanism to ensure such coordination.

Not adopted – IMPRESA does not consider this recommendation applicable since the Chairman of the Board of Directors does not perform executive duties. *(Chapter B, Title II, point 18, page 10)*

II.2. INSPECTION

II.2.1. Depending on the applicable model, the Chairman of the Supervisory Board, the Audit Committee or the Financial Matters Committee shall be independent, according to the applicable legal criteria and be appropriately qualified to carry out his or her duties.

Partially adopted –The Chairman of the Audit Committee, elected at the last General Meeting held on 29 April 2015, is no longer independent, since the previous term of office, through application of the provisions in subparagraph b) of number 5 of article 414 of the Commercial Companies Code. The Board of Directors considers that the Chairman of the Audit Committee, in spite of not complying with the independence criteria as stated in this recommendation, is in the best condition to ensure the impartial and competent performance of his duties in conducting the work of the Committee. Considering the relevant knowledge and experience acquired throughout his professional life, his contribution to the organisation and operation of the Audit Committee, his capacity to analyse and submit proposals of action within the Board of Directors, has proved, in practice, and in a continuous manner, his impartiality, objectivity and independence as a member of the Audit Committee.

II.2.2. The supervisory body shall be the main representative of the external auditor and the first recipient of the relevant reports, and is also responsible for proposing the relevant remuneration and ensuring that the proper conditions for the provision of services within the company are provided.

Adopted *(Chapter B, Title II, point 29, pages 21 and 22; Chapter C, Title III, point 55, pages 29 and 30)*

II.2.3. The supervisory board shall assess the external auditor on an annual basis and propose to the competent body its dismissal or termination of the contract for the provision of their services when there is a valid basis for said dismissal.

Adopted *(Chapter B, Title III, points 44 and 45; pages 25 and 26)*

II.2.4. The supervisory body shall assess the functioning of the internal control and risk management systems and propose adjustments as may be deemed necessary.

Adopted *(Chapter B, Title II, point 29, pages 21 and 22; Chapter C, Title III, point 55, pages 29 and 30)*

II.2.5. The Audit Committee, the General and Supervisory Board and the Supervisory Board decide on the work plans and resources allocated to internal audit services and to the services that ensure compliance with the rules applicable to the company (compliance services) and should be recipients of reports made by these services at least when they concern matters related to accountability, identification or resolution of conflicts of interest and the detection of potential improprieties.

Not adopted *(despite that referred to in Chapter B, Title II, point 29, pages 21 and 22, and in Chapter C, Title III, points 50 to 52, page 27, IMPRESA considers the recommendation not adopted because it has no internal audit and compliance services)*

II.3. ESTABLISHMENT OF REMUNERATIONS

II.3.1. The members of the remuneration committee or equivalent should be independent in relation to the members of the administration body and include at least one member with knowledge and experience on matters of remuneration policy.

Not adopted *(Chapter D, Title II, points 67 and 68; pages 32 and 33)*

II.3.2. Any natural or legal person that provides or has provided services in the past three years, to any structure under the board of directors, the board of directors of the company itself or who has a current relationship with the company or consultant of the company, shall not be hired to assist the Remuneration Committee in the performance of their duties. This recommendation also applies to any natural or legal person with an employment or service contract with the bodies referred to above.

Adopted *(Chapter D, Title II, points 67 and 68; pages 32 and 33)*

II.3.3. The statement on the remuneration policy of the management and supervisory bodies referred to in article 2 of Law number 28/2009, of 19 June, should also contain:
a) Identification and details of the criteria for determining the remuneration to be paid to the members of the governing bodies;
b) Information on the maximum potential amount, in individual terms, and the maximum potential amount, in aggregate form, to be paid to members of governing bodies, and identification of the circumstances under which these maximum amounts may be payable;
c) Information on the enforceability or unenforceability of payments for the dismissal or termination of appointment of board members.

Partially adopted – As indicated in *Chapter D, Title III, point 69* (page 33), only subparagraphs a) and b) above have been adopted.

II.3.4. Approval of plans for the allotment of shares and/or options to acquire shares or based on share price variation to members of governing bodies shall be submitted to the General Meeting. This proposal should include all the elements required for a correct assessment of the plan.

Not applicable – IMPRESA considers this recommendation as not applicable, since there are no systems concerning share allocation and/or options to acquire shares.

II.3.5. Approval of any retirement benefit scheme established for members of governing bodies shall be submitted to the General Meeting. The proposal shall include all the necessary information for a correct assessment of this scheme.

Adopted *(Chapter D, Title III, point 76; pages 34 and 35)*

III. REMUNERATIONS

III.1. The remuneration of the executive members of the management body shall be based on actual performance and shall discourage excessive risk-taking.

Adopted *(Chapter D, Title III, point 69; page 33)*

III.2. The remuneration of non-executive members of the Board of Directors and the remuneration of the members of the supervisory body shall not include any component whose value depends on the performance of the company or of its value.

Adopted *(Chapter D, Title III, point 69; page 33)*

III.3. The variable component of the remuneration should be reasonable in overall terms in relation to the fixed component of the remuneration, and maximum limits should be set for all components.

Adopted *(Chapter D, Title III, point 69; page 33)*

III.4. A significant part of variable remuneration should be deferred for a period not less than three years and its payment should depend on the company's continued positive performance during this period.

Adopted *(Chapter D, Title III, point 69* (page 33)

III.5. The members of the administration body should not enter into contracts with the company or third parties whose effect is the mitigation of the risk inherent to the variability of the remuneration established by the company.

Adopted – No member of the management body has entered into contracts with the company or third parties, which intend to mitigate said risk.

III.6. Executive directors shall maintain the company's shares that were allotted by virtue of variable remuneration schemes, up to twice the value of the total annual remuneration, except for those that need to be sold for paying taxes on the gains of said shares, until the end of their term of office.

Not applicable – See recommendation II.3.4

III.7. When the variable remuneration includes stock options, the beginning of the period of exercise should be deferred for a period not less than three years.

Not applicable – See recommendation II.3.4

III.8. When the removal of a board member is not due to serious breach of his/her duties nor to his/her unfitness for the normal exercise of his/her functions but is nonetheless due to inadequate performance, the company shall be endowed with the adequate and necessary

legal instruments so that any damages or compensation, beyond that which is legally due, is unenforceable.

Not adopted – In spite of the absence of the aforesaid situations, there is no formal legal instrument to deal with these situations.

IV. AUDIT

IV.1. The external auditor shall, within the scope of its duties, verify the implementation of remuneration policies and systems of the governing bodies as well as the efficiency and effectiveness of the internal control mechanisms and report any shortcomings to the supervisory body of the company.

Adopted – The *Statutory Auditor* (external auditor), under the duties stipulated in article 45 of the Commercial Companies Code, undertakes the assessment of this matter, reporting any possible opportunities for improvements to the Audit Committee.

IV.2. The company or any entity with which it maintains a control relationship shall not engage the external auditor or any entity with which it finds itself in a group relationship or that incorporates the same network, for services other than audit services. If there are reasons for hiring such services - which must be approved by the supervisory body and explained in its annual corporate governance report - said services should not exceed more than 30% of the total value of the services rendered to the company.

Adopted *(Chapter B, Title V, points 46 and 47; page 26)*

IV.3. Companies shall promote auditor rotation at the end of two or three terms of office, according to whether they are of four or three years. Its continuance beyond this period shall be based on a specific opinion of the supervisory body which explicitly considers the auditor's conditions of independence and weighs up the advantages and costs arising from its replacement.

Adopted *(Chapter B, Title V, point 44; pages 25 and 26)*

V. CONFLICTS OF INTERESTS AND TRANSACTIONS WITH RELATED PARTIES

V.1. The Company's business with holders of qualifying holdings or entities with which they are in any type of relationship, pursuant to article 20 of the Securities Market Code, shall be conducted under normal market conditions.

Adopted *(Chapter E, Title I, point 89, pages 37 and 38)*

V.2. The supervisory body shall establish procedures and criteria that are required to define the relevant level of significance of business with holders of qualifying holdings - or entities with which they are in any of the relationships described in number 1 of article 20 of the Portuguese Securities Code. Conducting business of significant relevance is dependent upon the prior opinion of this body.

Adopted *(Chapter E, Title I, points 89 and 90; pages 37 and 38)*

VI. INFORMATION

VI.1. Companies shall provide, via their websites, in Portuguese and English, access to information on their progress as regards their economic, financial and governance situation.

Adopted *(Chapter C, Title V, points 59 to 65; pages 31 and 32)*

VI.2. Companies shall ensure the existence of an investor support and market liaison office, which responds to requests from investors in a timely fashion and a record of the submitted requests and their processing shall be kept.

Adopted *(Chapter C, Title V, points 56 to 58; pages 30 and 31)*

Lisbon, 6 March 2018

The Board of Directors

Francisco José Pereira Pinto de Balsemão

Francisco Maria Supico Pinto Balsemão

Francisco Pedro Presas Pinto de Balsemão

Alexandre de Azeredo Vaz Pinto

António Soares Pinto Barbosa

Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia

José Manuel Archer Galvão Teles

João Nuno Lopes de Castro

Non Financial Consolidated Information Report

Annual Accounts 2017

IMPRESA – SGPS, S.A.
Sociedade Aberta
Capital Social Eur 84.000.000
Rua Ribeiro Sanches, 65
1200–787 Lisboa
NIPC 502 437 464
Conservatória do Registo Comercial de Lisboa

NON-FINANCIAL CONSOLIDATED INFORMATION REPORT - 2017

(SOCIAL, ENVIRONMENTAL AND GOVERNANCE DIMENSION)

TABLE OF CONTENTS

INTRODUCTION

The IMPRESA Group is aware of and fully undertakes its additional social responsibility, since most of its companies operate in the media area, and due to the consequent impact on society.

IMPRESA promotes various initiatives, both internal and external, on an annual basis, which reflect its concern with sustainability and convey the values that it applies and endorses, such as:

- Defence of freedom of expression;
- Role of the independent media and quality in the functioning of democracy;
- Development of strong relations with stakeholders, local communities and Portuguese society in general;
- Focus on talent and human capital;
- Conservation and defence of the environment.

In this context, various actions were developed in 2017 by the main areas of the Group, which are referred to in the following pages.

1. COMMITMENT AND SOCIAL RESPONSIBILITY DIMENSION

1.1. EXTERNAL LEVEL

1.1.1 SIC Esperança

SIC Esperança is a Private Social Solidarity Institution (IPSS) of public utility, transversal to the IMPRESA Group, whose aim is to raise the awareness of civil society regarding existing social problems in Portugal. to that end, it works in partnership with companies for the financing of projects and with institutions that, under their supervision, conduct those projects, in order to contribute to the minimisation of these problems and to the construction of a fairer and less unequal country.

SIC Esperança was supported by the IMPRESA Group in the disclosure of various social solidarity actions.

During 2017, SIC offered about 35 hours in public service space for free. Fifty-nine campaigns of Private Social Solidarity Institutions were publicised, amongst which the Liga Portuguesa Contra o Cancro (Portuguese League against Cancer), Associação Novamente (Association Once Again), APAV, Make a Wish, Banco Alimentar Contra a Fome (Food Bank), APCP, Aldeias SOS (SOS Children's Villages) and Ajudaris.

Campaigns with a focus on specific social topics were broadcast on the thematic channels SIC Notícias and SIC Mulher.

All the press publications also regularly offered space for the promotion of relevant charity initiatives, presented by credible entities.

Projects

In the summer of 2016, Madeira was hit by violent fires. SIC Esperança, in partnership with BPI, launched a fundraising campaign to support the victims.
After an overall needs assessment and in coordination with all the public and private entities involved in the process, the funds were applied in the acquisition of furniture and domestic electric appliances for 33 households, through the Private Social Solidarity Institution, ASA – Associação de Desenvolvimento de Santo António. It was also possible to acquire a social emergency vehicle and a defibrillator for the humanitarian aid association, Paramédicos de Catástrofes Internacionais (International Catastrophe Paramedics).

In 2015, Google and the Spanish association Ayuda en Acción developed the project GEN10S, which intends to teach programming to children, promoting equality of opportunities in the digital area, reducing socio-economic and gender barriers. Given the good results obtained in Spain, Google challenged SIC Esperança to develop the project in Portugal.

The project GEN10S Portugal aims to teach Scratch programming to 5,000 students of the 2nd cycle of basic education, contributing towards children acquiring a new perception of technology, demonstrating that they can not only consume it but also create it through this software. The project also involves the training of 500 teachers, providing them with the necessary tools for the adoption of innovative forms of teaching. After a period of applications open to the 2nd cycle of all public schools of the country, about 60 were selected for the start-up project which began at the start of the academic year of 2017/2018.

In June 2017, the central region of Portugal was devastated by fires which resulted in a significant number of mortal victims and thousands of hectares of burnt forest. SIC was not indifferent to this tragedy and launched a fundraising campaign to support the affected populations. The initiative, called Um Abraço a Portugal (A Hug of Portugal), raised a total of 854,823,79€, of which 800,299.12€ resulted from the calls to the SIC solidarity line, 11,926.67€ from direct donations to the SIC Esperança account, and 42,598€ from 10% of the revenues from the sale of weekly publications of the Impresa group in the third week of June. This amount is being applied in the reconstruction of 28 houses and 1 institution (Cultural and Sports Association of Soeiro) in the three most affected municipalities, Pedrógão Grande, Castanheira de Pera and Figueiró dos Vinhos. Of the 28 houses, 3 belong to firemen who were seriously injured in the fire fight, with the need to adapt the houses to their current situation. For the rehabilitation of 4 houses, SIC Esperança associated itself to Just a Change, a non-profit association that mobilises human and material resources to recover houses of people that suffer from socio-economic deprivation.

SIC Esperança was, once again, the social partner of the 2017 edition of the Expresso/BPI Golf Cup, having attributed the funds raised to the Safety Begins at Home project, from APSI - Portuguese Association for the Promotion of Children's Safety. This project will consist of 7 training sessions provided to 140 technicians of the social area, which follow-up families in situations of social and economic vulnerability, with the objective of equipping them with the tools to assist them in the development of parenting skills on the topic of child safety and prevention of accidents involving children from 0 to 12 years of age.

Within the scope of the celebrations of SIC's 25th anniversary, on October 6th, the Solidarity 25 years SIC Esperança Award was launched, aimed at financing an innovative project that contributes to the improvement of the life of socially vulnerable people. The sum of the prize comes from the sale of electricity produced by solar panels installed in schools all over the country, which began with the Solar School competition in the 2008 edition of Rock in Rio Lisboa. About 300 applications were received, and the prize was attributed to the Salvador Association for the Portugal More Accessible project.

This project includes the creation of accessibility in public and private spaces and services. To this end, it establishes the creation of an Accessibility Ombudsman, responsible for the implementation of campaigns, for influencing social policies, denounce non-compliance situations and distinguish good practices. To involve the whole of society and make it accountable, an APP will be created that will classify, in a quick and easy manner, locations in terms of accessibility conditions. The APP will also permit the immediate sending of a complaint to the responsible body.

Given the quality of the projects presented, SIC Esperança also attributed an honourable mention to the 29 April Association, which will put into action the Packing Affections project. Reconciling the preservation of the environment with a social dimension, this project aims to change the behaviour of consumers, and consists in the substitution of plastic bags for recyclable cotton bags in the municipality of Montemor-o-Novo. The bags are manufactured by 10 users with a disability of the Association, which will put them up for sale in its store, thus reinforcing the sustainability of the project.

For the 5th consecutive year, SIC Esperança and Porto Editora launched a Christmas project. In November and December, for each children's book sold with the Alfa & SIC Esperança Christmas Campaign sticker, 1€ went to support the Let's Take Care - Paediatric Palliative Care project, of the For an Attitude Association. This project aims to empower 200 families of children that need paediatric palliative care, in order to ensure the best health care and promote the well-being of the child at home. The project included the presenter Andreia Rodrigues as godmother.

In 2009, SIC Esperança, in partnership with Fiat, created study grants for young people that grew up in Private Social Solidarity Institutions and who wished to go to university. The project ended in 2017 and provided financial support to young people for their higher education.

With a view to diversifying its financing sources, during this year SIC Esperança formed partnerships with two external consultancies, AKA and Treint.

Within the scope of the partnership with the consultancy Treint, SIC Esperança applied for a line of credit from POISE - Social Inclusion and Employment Operational Programme, from Portugal 2020.
This application arose from the need of IPSS to reduce their dependency on the Social Security fund of the State, and obtain alternative financing, which requires capacity-building of the managers and technicians of the institutions.

In this sense, SIC Esperança intends to promote a training programme to provide the managers and technicians of the institutions, with which it works frequently in Alentejo, with competences and knowledge in management, marketing and communication practices, in order to make these IPSS more sustainable.

Internal Actions

For the fourth consecutive year, the IMPRESA Norte voluntary action took place, in partnership with Porto Business School, on March 25th and 26th, at the Santa Cecília Kindergarten of the Matosinhos Parish Centre. About one hundred volunteers contributed towards the transformation of a large room with more than 230 m2 into three new spaces: reception of the institution, a classroom for children with special educational needs and a dance room, thus providing greater comfort to about 150 children.

SIC Esperança organised the 1st IMPRESA Holiday Camp for Group workers' children. During the week from July 10th and 14th, 29 children and young people from 6 to 14 years of age enjoyed various activities, planned in partnership with the Grow with Meaning Association, responsible for promoting the camp.

Other initiatives

With the support of the media of the IMPRESA Group, SIC Esperança, as a Private Social Solidarity Institution, promoted a campaign requesting donations to this entity through the consignment of 0.5% of personal income tax (IRS). The journalist João Moleira gave his face to this campaign.

SIC Esperança established, for the second consecutive year, a partnership with Book In Loop, a digital platform for the purchase and sale of school textbooks which offers savings of 80%.

Within the scope of the tour throughout the country celebrating SIC's 25th anniversary, SIC Esperança selected, in each district, an Institution that has already benefited from its support, to participate in a live event on the "Juntos à Tarde" programme.

SIC Esperança benefitted from a 50% reduction in the ticket prices for the debut session of the theatrical play Olívia & Eugénio at Cineteatro Capitólio, which included, in its cast, a young actor with Trisomy 21. The funds raised, three thousand euros, will be applied in the creation of artistic grants for young people with Trisomy 21.

Distinctions

In the 2017 edition of the Moura Gala, SIC Esperança was distinguished with the Merit and Excellence City of Moura Award in the category of Solidarity, for the work undertaken over its 14 years of existence and for the initiative of supporting the populations affected by the fires.

1.1.2. Environment and Sustainability

Visão Verde (Green Vision)

In 2017 the magazine VISÃO published its eleventh annual edition dedicated to the environment and sustainable development, thus restating its commitment, undertaken in 2007, with the first thematic edition of VISÃO Verde, to produce, on an annual basis, a magazine in defence of the Planet's sustainability and a better future for all.

The topic of the 2017 edition was: “Discover Portugal from within”, showing the natural treasures from the inland of Portugal with a special emphasis on the Region of Beira Baixa, Serra do Alvão and Alqueva.

1.1.3. Culture

The IMPRESA Group media continued to support cultural manifestations in 2017, through the publicising of contents and through other forms:

Support to performing arts and other cultural initiatives

In the musical and cultural performances area, the SIC Group supported a total of 55 events related to music, the performing arts or culture. In almost all of these events, the SIC brand was present at the event, so as to enhance proximity. Among these events, Super Bock Super Rock, Sumol Summer Fest, Meo Sudoeste Sol da Caparica and EDP Vilar de Mouros are noteworthy.

Special conditions for advertising

Culture, shows and other events of an institutional nature benefitted from advertising price discounts.

1.1.4. Institutional Initiatives

The IMPRESA Group sought, during 2017, to promote and distinguish people and institutions, and use its resources to draw attention to major current affairs.

1.1.4.1. Expresso

Pessoa Award

Launched in 1987, this is one of the most important awards in the country, attributed every year to a Portuguese personality with relevant intervention in scientific, artistic and literary life.

The 2017 Jury was composed of Francisco Pinto Balsemão (chairman), Emídio Rui Vilar (deputy chairman), Ana Pinho, António Barreto, Clara Ferreira Alves, Diogo Lucena, Eduardo Souto Moura, José Luis Porfírio, Maria Manuel Mota, Maria de Sousa, Pedro Norton, Rui Magalhães Baião, Rui Vieira Nery and Viriato Soromenho Marques

In 2017, the award of 60,000 euros was attributed to Manuel Aires Mateus, University Professor in Portugal and abroad, with a vast architectural collection. The project of a new cultural centre in Lausanne, Switzerland, earned the Aires Mateus studio international acclaim. The 'floating building' inaugurated this year, in Tours, is another example of the recognition of its work.

This award is offered in partnership with Caixa Geral de Depósitos.

Primus Inter Pares Award

Launched in partnership with Banco Santander Totta, its objective is to contribute to the development of a culture of rigour, professionalism and excellence in business management, by granting special opportunities for supplementary academic training, national and international, to three final year Master's students following a licentiate degree in Business Management, Economics or Engineering, from Portuguese Universities, Schools or other Higher Education Institutions, chosen each year by the selection board as the most outstanding.

The award attributed to the three winners consists of the offer of an MBA at a national and international Business School: IESE, in Barcelona, IE Business School, in Madrid, Lisbon MBA, ISCTE, ISEG and Porto Business School. The 4th and 5th ranked receive a post-graduation course.
The selection board of the Primus Inter Pares Award is composed of Francisco Pinto Balsemão (Chairman), António Vieira Monteiro (Deputy Chairman), Estela Barbot, António Vitorino and Raquel Seabra.

The winner of the Primus Inter Pares Award 2016/17 was Marta Silva Pereira.

Branquinho da Fonseca Award

Organised in partnership with the Calouste Gulbenkian Foundation, the objective of this award, of the value of 5,000 euros and guaranteed publication of the winning works, is to encourage young writers of literature for children and young people.

The selection board is composed of Ana Maria Magalhães, Rita Taborda Duarte, José António Gomes, António Loja Neves, representative of the EXPRESSO Newspaper, and Maria Helena Melim Borges, representative of FCG.

This year, in its 10th edition, the Branquinho da Fonseca Award was attributed to Fábio Monteiro, in the children's category, with the work “A construção do mundo” (The construction of the world), and Inês Barata Raposo with “Coisas que Acontecem” (Things that Happen), in the young person's category

Open Innovation

Open Innovation is an entrepreneurship project of Expresso and EDP, a competition launched internationally with the aim of finding innovative projects in the energy area. Entrepreneurs from all over the world were able to submit their ideas in one or more of the 12 available categories, until August 31st. The 15 best teams went on to the next stage, where they had the opportunity to join an acceleration programme that took place in Fábrica de Startups.

The next stage known as Investment Pitch followed. The company RATED POWER won the EDP Open Innovation 2017 award, of the value of 50,000 euros and entry to the Web Summit of Lisbon. The other companies awarded were COSOL and INVOICE CAPTURE.

The EDP Open Innovation is the result of the merger between the EDP Inovação Award and the Energia de Portugal Award, maintaining energy as the fundamental pillar, but extending the opportunity of participation beyond borders. The competition has operating centres in Portugal, Spain and Brazil.

Car of the Year | ESSILOR Crystal Wheel Trophy 2017/2018

The 35th edition of Car of the Year I Essilor Crystal Wheel Trophy presented relevant changes. Increasing the efficiency of selection, as well as the visibility and public impact of the initiative are the objectives of the changes introduced to the Car of the Year I Essilor Crystal Wheel Trophy for the 2017/2018 edition. These changes began to attribute the award to a model and not a class and since the Car of the Year award must be attributed to one of the winners in the categories, i.e. the winners of the classes (City, Family, Executive, Sport/Convertible, SUV/Crossover and Ecological) will be the natural finalists of the major trophy.

The initiative, promoted by the Expresso weekly newspaper and by the television channel SIC/SIC Notícias, maintains the selection board format which includes permanent and invited guests, in a search for diversity of opinions. There are thus 13 permanent members and three invited members - for the edition of 2017/18 the sites Automonitor and Digital Motores and the magazine Exame Informática were included. Among the permanent members of the selection board, the entry of the television channels RTP and TVI and the magazine Caras are noteworthy. The selection board is composed, in addition to SIC/SIC Notícias and EXPRESSO, of the specialised magazine Carros e Motores, the website Razão Automóvel, Record, the newspapers Correio da Manhã and PÚBLICO, Jornal de Negócios, the magazine ACP and Rádio Renascença/RFM.

Global Management Challenge

Pursued with great success, in 2017, this Portuguese initiative, launched over 30 years ago under a partnership between the Expresso and SDG – Simuladores e Modelos de Gestão, is currently implemented in about 40 countries, spread over four continents. Since it began, more than half a million participants from all over the world have taken part, among university students and company executives.

The final of the Portuguese edition took place in Lisbon, in November, and acclaimed a team of executives supported by IAPMEI and an SME as champion.

In this contest of strategy and management, the teams have to manage a company. Over the course of the contest, they shall have to make decisions about said company. At the end, the company that obtains the best score wins.

For university students, the Global Management Challenge functions as a formative experience that complements the academic training. In turn the company executives, by taking part in this challenge, have the opportunity to update and test their knowledge and to strengthen teamwork and leadership roles.

Valued by Portugal's business fabric, more than 70 companies participated in this initiative's last edition. It is also sponsored and supported by prestigious national and international organisations.

In total, 25 teams from the entire world had to manage a virtual company, with the team from Russia having been acclaimed as the winner of the International Final.

Global Investment Challenge

Amongst other events, the Expresso and SDG – Simuladores e Modelos de Gestão launched a competition 9 years ago with the aim of increasing financial literacy, where each person can invest and test his/her knowledge on the Stock Exchange. It is the Global Investment Challenge, a competition that offers free registration and is supported by Euronext, using the online negotiation platform of Banco Best. The winner is the participant whose portfolio shows the highest yield at the end.

The competition has two categories: "General" where the overall valuation of each participant's portfolio is measured and "Students" where the valuation of the participating students' portfolio is measured.

The Global Investment Challenge began in December 2017 and ended in April 2018. The first places in each category receive a trip for two to Amsterdam which includes a visit to the city's Stock Exchange.

1.1.4.2. EXAME

Banking & Insurance

Also with the support of Informa D&B and Deloitte, EXAME once again awarded the economic and financial performance of banking and insurance.

Banco Santander Totta won the awards for Best Large Bank, Most Profitable Large Bank, Most Solid Large Bank and Large Bank with the Highest Growth.

Banco de Investimento Global won the awards for Best Small or Medium-sized Bank or Most Solid Small Bank.

BNP – Paribas Personal Finance won the award for Most Profitable Small or Medium-sized Bank.

Banco de Negócios Internacional (Europe) won the award for Small or Medium-sized Bank with the Highest Growth.

In the insurance area, Fidelidade won the awards for Best Large Life Insurer and Best Large Non-Life Insurer, Groupama Seguros won the award for Best Small or Medium-sized Insurer and Crédito Agrícola Seguros won the award for Best Small or Medium-sized Non-Life Insurer.

Fortunato Frederico, mentor of Fly London, and one of the businessmen that helped Portuguese footwear conquer the world, was distinguished with the Excellence in Leadership Award.

The 500 Largest and Best Companies

For the past 28 consecutive years, the magazine Exame has awarded the best amongst the largest companies operating in Portugal. This special publication of Exame is the most reliable guide to the Portuguese business world, and is already considered a reference on the market.

The study on which this edition is based is carried out exclusively for Exame by Informa D&B and validated by Deloitte. In addition to the ranking of the 500 best companies, ordered by turnover, the Best Company in each of the 27 business sectors analysed and the Company of the Year are selected. The company of the Year was Brisa Operação & Manutenção.

The 1000 Largest SMEs

In this partnership with Caixa Geral de Depósitos, the winning companies are selected through a study carried out exclusively for the magazine Exame by Informa D&B, with the results being validated by Deloitte.

Exame has been publishing the ranking of the 1,000 Largest SMEs, in a special dossier, for 18 consecutive years, and selects the best SME in each of the 22 sectors considered, and the best of the best. The grand winner was PEGOP.

1.1.5. Relations with Stakeholders

The presence of the IMPRESA Group remains consolidated in the different associative, regulatory and self-regulatory bodies, which allows it to participate, in an active manner, in decisions of interest to its business. This position continued to be upheld during 2017, through participation in the debate and preparation of alternatives to proposed bills, guidelines and/or standards that the Government and other Entities, at a national and European level, submitted for public consultation or to entities where we are represented.

During 2017, the IMPRESA Group maintained and/or strengthened its presence in the governing bodies of the following associations, as well as Regulatory Entities:

- ACEPI – Associação do Comércio Eletrónico e da Publicidade Interativa (Association of Electronic Commerce and Interactive Advertising) (Board of Directors)
- AEM – Associação Empresas Emitentes Valores Cotados em Mercados (Association of Companies that Issue Securities Listed in Markets) (Chairman of the General Council)
- AEP – Associação Empresarial de Portugal (Business Association of Portugal) (General Council)
- AIP/CE – Associação Industrial Portuguesa/Confederação Empresarial (Portuguese Industrial Association/Corporate Confederation) (Board of Directors);
- AMD – Associação de Marketing Direto (Direct Marketing Association) (Board of Directors)
- ANETIE – Associação Nacional das Empresas de Tecnologia de Informação e Eletrónica (National Association of Information Technology and Electronics Companies (Chairman of the General Meeting)
- APCT – Associação Portuguesa para o Controlo de Tiragem e Circulação (Portuguese Edition and Circulation Control Association) (Vice-Chairman of the Board of Directors);
- APDC – Associação Portuguesa para o Desenvolvimento das Comunicações (Portuguese Association for the Development of Communications) (Board of Directors)

- APDSI – Associação para a Promoção e Desenvolvimento da Sociedade de Informação (Association for the Promotion and Development of the Information Society) (General Council)
- API – Associação Portuguesa de Imprensa (Portuguese Press Association) (Chairman of the Board of Directors)
- CAEM – Comissão de Análise e Estudos de Meios (Media Analysis and Research Committee) (Technical Committee)
- CCPJ – Comissão da Carteira Profissional de Jornalista (Professional Journalist Certification Commission) (Executive Secretariat);
- Comissão de Classificação dos Meios de Comunicação Social (Media Classification Committee) (Chairman)
- COTEC - Associação Empresarial para a Inovação (Business Association for Innovation) (Chairman of the General Meeting)
- ICAP – Instituto Civil da Autodisciplina da Publicidade (Civil Institute of Advertising Self-discipline) (Chairman of the General Meeting)
- MAPINET (Board of Directors)
- NP – Notícias de Portugal (News from Portugal) (Chairman of the Board of Directors)
- OBERCOM – Observatório da Comunicação (Communication Observatory) (Board of Directors)
- PMP – Plataforma de Media Privados (Private Media Platform) (Chairman of the General Council)
- VISAPRESS (Board of Directors)
- ANACOM - Autoridade Nacional de Comunicações (National Communications Authority) (Advisory Board)
- ERC – Entidade Reguladora para a Comunicação Social (Social Communication Regulatory Entity) (Advisory Board)

The defence of freedom of information, the independence and viability of media companies were consistently advocated both within these bodies and before the Government, European Commission and members of the European Parliament:

1.1.5.1. Before the Government, Parliamentary Groups and other Entities

Throughout 2017, the evolution of the Government and Parliament's main initiatives in the Media area was closely monitored, with emphasis on the amendments to the Private Copying Laws, the Decree-Law that regulates the Collective Management Entities of Copyright and Related Rights, the Advertising Code, with particular incidence on commercial communication of food for children and young people, in addition to the follow-up of legislative proposals in different areas.

The different Public Consultations on new directives were replied to, whether directly to the European Commission, or to the ERC and ANACOM, when circulated by these Entities.
The exercise of the regulatory, monitoring and sanctioning functions of ERC and ANACOM were also followed-up, as well as the Deliberations, Recommendations, Regulations, Studies and Reports, as well as the application of European Directives in the respective areas of these Entities.

IMPRESA participated in the discussion of all these topics, both directly and indirectly through the organisations, entities and institutions to which it is linked, within its interests.

1.1.5.2. In different bodies:

ANACOM - Autoridade Nacional de Comunicações

Within the scope of the conduct of the Study on the broadening of the Terrestrial Digital Television Programme Services Offer, with ANACOM as the promoting entity, SIC conveyed its position to the entity selected for its execution, the Leadership Business Consulting (LBC) consultancy. In the audience granted to the LBC consultancy, SIC made comments on the TDT model implemented in Portugal, the critical success factors for the balanced and sustainable development of the operation and, finally, regarding the future of TDT in Portugal, SIC mentioned that the introduction of new private channels in the TDT offer could compromise the sustainability of the current generalist private open signal channels, commonly known as FTA and consequently result in irreversible damage to the existing pluralism in the national media ecosystem.

Alongside this line of activity with respect to the TDT dossier, SIC, through a written contribution dated September 11th, reinforced its concerns and convictions within the scope of the public consultation procedure on strategic guidelines, axes of action and the actions of the multi/annual activities plan of ANACOM for the 2018-2020 three-year period. In particular, SIC reinforced the need of the regulatory entity to reassess the price of the service provided by MEO on the TDT platform, and reiterated the conviction that SIC is the holder of a legal expectation to broadcast the respective generalist SIC programmes service in High Definition.

APCT – Associação Portuguesa para o Controlo de Tiragem e Circulação (Portuguese Association for Edition and Circulation Control)

After concluding, already at the end of the previous year, the wording of the Complementary Regulation for Digital Editions, this was followed by a period of consultations and clarifications on the application, with the editors and auditors, while appropriate software was being developed. Finally, it was possible to collect and treat the date on digital editions.
Control of the circulation, sales and paper subscriptions was maintained, reinforced, during periods of pronounced crisis, by the proliferation of new forms of business connected to digital editions and multi-platform distribution.
Contacts with analogous foreign entities, OJD and Marktest, continue, for collection of data and exchange of experiences, in order to maintain updated information regarding new forms of content circulation control in the digital area.

CAEM – Comissão de Análise e Estudos de Meios (Media Analysis and Research Committee)

Performed, over the course of the year, the multiple tasks assigned to it:

- Continuous monitoring of the live and pre-recorded television audience measurement system;

- Monitoring of BAREME RADIO;
- Monitoring of BAREME IMPRENSA;
- Monitoring of NETSCOPE and NETPANEL of Markest;
- Monitoring of the multimedia study done by Medi Monitor with reference to Advertising in the Internet.

In addition, negotiated and concluded the TV audiences data usage licensing contract with ARTV of the Portuguese Parliament.

Conducted a study on technical specifications for Television Audience Measurement Services in Portugal (2018-2021), with a view to the new contract.

Prepared the specifications that will define the guiding programme for the terms of the negotiation of the next television audience measurement services provision contract.

Discussed a proposal for an amendment to the Articles of Association presented by the FTA Televisions.

Elected the Governing Bodies (2017/2018), with the Chairman of the Board of Directors representing the Media.

CCPJ (Professional Journalist Certification Commission)

The dialogue with the office of the Line Minister on the need to make changes to the Journalist Statute, Regulation of the Professional License and Professional Internships, as well as the alteration of the classification of press titles and other measures in the digital context.

Gave attention to the abuses and confusions between curricular and professional internships, seeking to clarify the editors and intervening, whenever necessary, within the scope of its competences.

Continued the regular control of the editorial data of the media, in order to notify those exercising the profession without a professional license, as well as companies employing these persons without professional qualifications.

The remodelling of the computer system and the development of the new database and respective software was concluded, which allows journalists to renew their license, vote and deal with other documentation from their computer

The professional titles were renumbered and the image and the website were refreshed.

A new platform was developed which was used for the referendum of the Ethics Committee and permits online voting and treatment of data for elections, surveys and public consultations.

Took a public position whenever matters were being debated that required an interpretation of the Journalist Statute or of the Regulation of the Professional License.

COTEC - Associação Empresarial para a Inovação (Enterprise Association for Innovation)

There were various COTEC initiatives in which the representation of Impresa collaborated and/or participated:

- Circular Pioneers – 11th Meeting COTEC Europe;
- SME Innovation COTEC Network - Opening of SME Innovation COTEC Network applications and SME Innovation COTEC - BPI Award. The Chairman of Impresa is a member of its selection board;
- Disclosure of Good Practices - 14th National Meeting of COTEC Innovation;
- Meeting of Associations - General Meeting.

ICAP – Auto Regulação Publicitária (Advertising Self-regulation)

Having presented, at the end of the previous year, during the commemorations of the 25 years, the new identity (ICAP was renamed Advertising Self-Regulation) and a new image, 2017 was dedicated to the affirmation of this new positioning.

To this end, a strategy was initiated comprising various actions, with the aim of:

- Enhancing Notoriety
- Cultivating Proactivity
- Enriching Information
- Promoting Support to the Associates

To achieve these objectives:

- Launched an advertising campaign to enhance the recognition of the services it provides.
- Held discussions sessions with the Media, advertisers, advertising agencies, digital platforms, government and parliamentary groups.
- Implemented training modules, for both the public in general and for associates.
- Promoted greater activity of preventive services to assist in resolving ethical-legal issues.

In addition, reviewed the Articles of Association, taking into account the new name and launched the Self-Regulation Code on commercial communication of Food and Drinks aimed at Children.

Following this new Code, developed Pre-Clearance, a binding self-regulation system, in which a number of entities undertake to observe and analyse their advertising pursuant to the Adverting Self-Regulation Code, before its respective conveyance, to attest its ethical-legal conformity.

MAPINET (Civic Internet Anti-piracy Movement)

Because of the efficient articulation between Mapinet and IGAC, 2017 registered a significant increase in the requests for the removal of links, having reached a total of 1,357,187,786, distributed among Films, Series, Streaming, Software, Books, Magazines, Newspapers, Playstation (1.2,3), Wii, Nintendo, PC, XBox, Music and others.

Although the combat against piracy continues to be fought with unequal weapons, since there are no totally effective measures, it was nonetheless possible to remove 482,175,983 links distributed by the mentioned formats.

With respect to websites, 740 were blocked. With regards to the press, 55,205 magazine and newspaper items were blocked. In addition, this year 1 website disappeared which dedicated itself exclusively to the dissemination of this type of contents.

Although the numbers achieved are still far from what is intended, Portugal was once again considered a European success case in the fight against piracy.

The Motion Motion Picture Association of America (MPAA) also shares the same opinion, having disclosed the final data from the study conducted between 2015 and 2016 in Portugal to assess the efficacy of the blocking of websites and concluded that "the number of users of the main websites subject to a blocking order decreased 73.5%, in contrast with 16.9% at a worldwide level".

With respect to the blocking of videos on YOUTUBE, about 138 files of reference were loaded which permitted the blocking of 5298 contents loaded by users without the right to do so.

OBERCOM – Observatório da Comunicação (Communication Observatory)

In terms of performance of one of its main tasks, investigate and analyse the media and social communication - OBERCOM published, in addition to the regular Yearbook and Barometer of Communications, the following studies:

- “See cinema in Portugal” (*An analysis on new and traditional consumptions)*

- “Adblocking and Advertising Study” (*An announced causality)*

- "Television in Portugal" (Analysis of the audiences and competitive dynamics of the Portuguese television market between 1999 and 2016)

- “The Press in Portugal” (*Performance and management indicators (2008-2016))*

- “Radio in Portugal” (*Competition dynamics of Audiences and Advertising (2002-2016))*

- “Digital News Report – Investigation” (*Reuters Institute News Report 2017 – Portugal)*

In addition, it maintained the regular publication of the Magazine (five numbers) where 55 articles on issues of interest to Social Communication were published, written by national and foreign specialists.

PMP - Private Media Platform

During 2017, PMP developed its activity in the following fundamental areas:

- Representation of the collective interests of the Platform in sovereign bodies (Government and Portuguese Parliament);

- Management of the Nónio Project (unified system for collection and qualification of digital audiences);

- Response to national and European public consultations, of relevance to the sector, namely the draft law for the new General Data Protection Regulation;

- Participation in work groups on topics of interest for the media, namely Copyright, Data Protection or equality of treatment in cable channels;

- Participation in forums related to innovation and the digital economy;

- Follow-up of the topics relative to taxation in the sector;

- Participation in Conferences on the theme of Media in the Digital Era.

VISAPRESS - Cooperativa de Gestão de Conteúdos (Contents Management Cooperative)

- Lawsuit brought before the International Criminal Tribunal. In 2017, the divergences relative to the accounting expert assessments conducted to the entities mentioned in the lawsuit brought before the International Criminal Tribunal and whose first audience is scheduled for March 5th 2018 were concluded.

- In terms of fulfilment of the Plan of Activities, the following actions are noteworthy:

  - The funds arising from the licensing for the use of articles published in newspapers and magazines belonging to cooperative members of VISAPRESS were distributed and, at the same time, the equitable remuneration of private copy was distributed for the first time among the cooperative members. Within the scope of this process, the payment of the debt contracted between 2010 and 2016 by VISAPRESS began to be paid to the main cooperative members;

  - This year, continuity was given to the process initiated in 2016. To this end, 70 letters were sent to organisations suspected of using clipping services, informing them of the need to obtain from VISAPRESS the respective licensing;

  - About one hundred e-mails were sent to entities that were making available contents on their internet pages without authorisation, somehow configured as provision of clipping services, and requesting that the respective license be obtained from VISAPRESS;

- Signing of the bilateral agreement of representation with the Spanish counterpart CEDRO, which in the neighbouring country represents more than 1,000 publications;

- Organisation of the 11th Conference promoted by VISAPRESS, on the following topics: “Copyright of Publishers in Portugal” and “Analysis and Debate of the New Proposal for an EC Directive", on this topic;

- With regards to licensing, all existing licenses were renewed and nine new contracts were concluded with the following entities:

    - Informamais;
    - MEO – Serviços de Comunicações e Multimédia, S.A.;
    - Mercadona;
    - Infoportugal;
    - Morais Leitão, Galvão Teles, Soares da Silva & Associados;
    - Moneris;
    - PRA Sociedade de Advogados, RL;
    - Regional Secretariat for Parliamentary and European Affairs;
    - Sport Lisboa e Benfica.

AMD – ASSOCIAÇÃO DE MARKETING DIRETO (Direct Marketing Association)

In addition to participating with other Associations in the discussion of Laws, Regulations and joint initiatives, the following activities were also developed:

- Support to partners (In addition to the representation of all the Associates in public bodies and CTT, permanent support was provided, not only to clarify doubts and provide advice, but also in the follow-up of those travelling to provide various services, whenever requested);

- Data protection (a few months from the entry into force of the functioning of the General Data Protection Regulation – this was a key topic, in the interpretation and knowledge of the new regulatory rules, for subsequent issuing of alerts to Associates. In this regard, three Conversations at the end of the Afternoon (meeting of Associates in a hotel in Lisbon) dedicated to the topic were held, as well as an important session organised jointly with the Lisbon Faculty of Law. Regular contacts were maintained with the team of CNPD – Comissão Nacional de Proteção de Dados (National Data Protection Commission);

- Threats to advertising (jointly with other analogous Associations, or by itself, participated in various meetings, relative to the Draft Law that restricts advertising directed at minors, relative to food with a high salt content, drinks with excess sugar or fat. The diploma under discussion at the Portuguese Parliament includes some major restrictions to television, radio and digital content operators, culminating in an excessive attack against self-regulation);

- Contacts with the Portuguese Parliament (The Board of Directors participated with the 6th Commission - Economics - with respect to the issue mentioned in the previous paragraph and participated in all the events organised by the 12th Commission - Culture, Communication, Youth and Sport, related to Social Communication and Copyright. To object to a draft law which will affect, to a large extent, the majority of our Associates, in terms of telemarketing limitations, the Board of Directors was received by the Parliamentary Groups of PS (author of the draft law), PCP and PEV;

- Directorate General for the Consumer (Daily management of the Opposition/Robinson List, distributed monthly to the associates. At the invitation of the General Directorate for the Consumer, the Chairman participated in various events, within the scope of the evolution and modernisation of the laws relative to consumption);

- Bank of Portugal (The Chairman participated in meetings of the Forum of Means of Payment (AMD is a permanent member) and followed-up, with the Associates, all the alterations imposed by the new SEPA regime);

- CTT – Correios de Portugal (The major concern is in the two following areas: increase of postal tariff - higher than inflation – and decrease in the quality of the postal service. The AMD/CTT Supervisory Committee was maintained, where new CTT products are discussed and Partners complaints are presented).

1.1.5.3. Other Actions

- In partnership with the Faculty of Social and Human Sciences of Universidade Nova de Lisboa, and with the collaboration of Rádio Renascença, the sixth edition of the post-graduation course in multi-platform journalism was promoted, with theoretical classes and professional internships in the different production areas. It was another success, similar to previous ones, with some matters having been updated, and in accordance with the choice of some new Professors. At the end of this course, 117 students managed to get a good pass over the course of five years, many of which having found employment.

- Participation in the discussion and follow-up of the amendments to be introduced in the Advertising Code to limit commercial communication on television, radio, press and outdoors, of food and drinks for children and young people, which dragged on throughout 2017, both with the 6th Parliamentary Commission and with industry, advertisers, advertising agencies and Media Associations.

- Follow-up of the Self-Regulation Code in matters of commercial communication of food and drinks directed at children, produced by ICAP - Self-regulation.

- Participation in meetings of CAEM

- Participation in the Advisory Boards of the Regulators ERC and ANACOM.

- Contacts with Ministries, Parties and Parliamentary Groups on legislative initiatives in the Social Communication area.

- Participation in various preparatory meetings on the General Data Protection Regime, with the Government, especially in the defence of the specificities covered by the right to freedom of expression and information, including treatment for journalistic purposes.

1.1.6. Investor Relations

IMPRESA has a Department of Investor Relations, so as to ensure institutional relations and the disclosure of information to the vast universe of shareholders, potential investors, analysts, stock markets where IMPRESA shares are listed for trading and the respective regulatory and supervisory entities, CMVM and Euronext.

IMPRESA's Department of Investor Relations thus performs an important role in the pursuit of this objective, enabling the maintenance of suitable relations with shareholders, financial analysts and potential investors of IMPRESA, namely through the participation in specific conferences and the holding of road-shows at the main stock markets.

The main function of this Department consists of operating as an agent between the Board of Directors of IMPRESA and investors and financial markets in general, being responsible, under its normal activity, for all information provided by the IMPRESA Group, both with respect to the disclosure of relevant facts and other reports to the market, and the publication of periodic, quarterly, half-year and annual financial statements.

In order to perform its functions, this Department maintains a flow of constant communication with financial investors and analysts in Portugal and abroad, providing all necessary information and clarifications to respond to the requests made by these entities, in compliance with the applicable legal and regulatory provisions.

All the requests for information (received by telephone, email or mail) are replied to immediately, and there are no pending requests relative to 2016 or from preceding years.

Regarding relations with the different Stakeholders, the Investor Relations Department of IMPRESA maintained regular contacts with a vast number of shareholders, potential investors and analysts, to ensure institutional and informative relations.

Furthermore, during 2017, the Investor Relations Department of IMPRESA carried out the following initiatives:

- 3 “Roadshows” covering Lisbon, Paris and London, which include 23 meetings with investors;
- Presence at a conference in Paris, related with investments in small and medium-sized companies, which includes 7 meetings with investors;
- Meetings, at IMPRESA, with 7 investors and analysts;
- 4 telephone conferences, related to the publication of quarterly results;
- 1 public presentation, with reference to the annual results of 2016.

1.1.7. Attendance of Viewers

In 2017, 33,801 contacts were received (67% via electronic mail and 88% relative to the SIC Generalist channel), a decrease of 21% relative to the previous year, which results from the reduction of the audience attendance period.

1.1.8. Study Visits

In 2017, 41 visits were made and 842 visitors were received (an average of 21 people per visit).

Schools of the various cycles, including professional education, study centre and/or free times, are the most assiduous applicants. There are from time to time visits from faculties of companies. The visit requests come from the north to the south of the country, but with greater incidence from the Lisbon and Setúbal districts.

1.2. INTERNAL LEVEL

1.2.1. Social issues and related to workers

Since Human Capital is the most important source of competitive advantage of the IMPRESA Group, its enhancement is imperative in terms of competence, knowledge, skills and individual experiences. IMPRESA believes that the enhancement of the development of Human Capital will boost, to a large extent, the success of the execution of the Group's Strategic Plan prepared for the 2017-2019 three-year period.

Training

In 2017, the IMPRESA Group continued to reconcile the fulfilment of its strategic objectives with the expectations and individual development of its workers, in order to maintain and improve an essential climate of satisfaction, productivity and motivation.

To this end, IMPRESA seeks to provide/encourage its workers to develop their competences, not only through the possibility of attending external training actions, but also by sharing knowledge and experiences.

New challenges arise every day, challenges that represent the reality of the market where IMPRESA operates. The best response to these challenges is focusing on the training of its assets, in order to improve flexibility, adaptation and anticipation.

The table below presents the most important data of 2017 and respective comparison with 2016:

Table: Training 2016/2017

Area	Number of actions			Workers covered			Training hours		
	2016	2017	Variation	2016	2017	Variation	2016	2017	Variation
Publishing	52	42	-19.2%	235	272	15.7%	2857	2995	4.8%
Television	51	51	0.0%	442	395	-10.6%	3319	4474	34.8%
New Business	10	13	30.0%	20	34	70.0%	483	875	81.2%
Transversal	25	42	68.0%	58	57	-1.7%	995	954	-4.1%
Total Impresa Group	**138**	**148**	**7%**	**755**	**758**	**0%**	**7654**	**9298**	**21%**

Source: IMPRESA

The following actions are noteworthy:

- Aware of the importance of the implementation of marketing and bidirectional communication process strategies, in a context characterised by digital growth, the Impresa Group invested in training in the digital area in 2017, in the commercial, marketing and behavioural areas, namely through Design Thinking, Google Adwords, Google Analytics, Content Marketing, Facebook Marketing, Fundamentals of E-Commerce and Strategy and Implementation of E-Commerce.

- Internal training on Sonaps, Enps, Invenio, Means of Transmission and International Distribution, Production for the Digital Area, Virtual Reality 360º.

- Academic training: Post-graduation in Data Science & Business Analytics, Post-graduation in Visualisation of Information and MBAs.

Performance Management

In June, the first moment of assessment was maintained - the intermediate assessment - which involves the assessor, through an overall analysis, supporting the team elements in reflecting about their own performance to give them the opportunity to improve up until the moment of the annual assessment. This procedure is based on a simplified formal questionnaire, available on the worker's portal – the iPortal.

The annual assessment with reference to 2017, which involves the Self-assessment, the Manager Assessment and the Overall Manager Assessment, will be conducted in the first quarter of 2018.

Initiatives

In 2017, IMPRESA maintained its objective to work towards a greater motivation, involvement and enrichment of workers and the construction of a sustainable competitive advantage. Examples of such initiatives are listed below:

- Updating and respective publication of a new Manual of Rules, which includes the Right to Equality, the Prohibition of Discrimination and the Prohibition of Harassment, where the reporting of offences is encouraged. Reporting offences is an act of social and organisational responsibility, such that the IMPRESA Group grants all workers the possibility of identifying suspicions of offences, under complete confidentiality;

- Definition of disciplinary measures to be considered when the general rules of conduct established in the Manual of Rules are not complied with;

- Attribution of a set of benefits to all IMPRESA workers, which supplement those established in the Labour Code.

- The IMPRESA Group believes that the adoption of policies that promote greater reconciliation between professional and family life represent one of the key elements to provide workers with a better quality of life and, consequently, greater motivation, commitment and productivity. In this sense, the organisational culture of IMPRESA is guided by policies, initiatives and practices that meet the premise of reconciliation between personal and professional life, for example: Family Day, IMPRESA Race, Visão Júnior/ SIC Workshops, IMPRESA Holiday Camp, Christmas Presents, Creche Cheque, Birth remembrance and a Policy of Benefits (partnerships with other entities and established protocols that provide advantageous conditions not only to workers but to direct family members);

- Use of human capital management tools: performance management system by competence; bottom up assessment; diagnosis of the organisational climate and consequent action plans (to be implemented); welcoming of new workers;

- Annual Staff Meeting in order to promote internal networking, align the culture and values of IMPRESA and monitor compliance with IMPRESA's Strategic Plan, where team synergy promotion activities are conducted and lectures on various topics are given;

- Use of iNet, the internal communication channel. The benefits attributed to workers, the holding of internal actions, internal communiqués (mobility, appointments and CEO communications) are placed in iNet. Likewise, other information such as anniversaries, established protocols and partnerships and a field for stories/curiosities of workers and the company, called "Did you know that", is also provided;

- Use of the iPortal, contributing towards the acceleration, simplification and dematerialisation of the most administrative human resources processes, such as consulting salary receipts and personal income tax (IRS) declarations, training hours, registration of absences, management of holidays and updating of personal data;

- Focus on a training plan that meets the training needs felt by the workers of IMPRESA and their direct superiors. This analysis is prepared within the scope of the performance management system which includes, as a mandatory field, the indication of training actions to be completed. After completion, an analysis is conducted by the Human Resources Director, who with the Board of Directors of IMPRESA will initiate the annual training process to improve workers' talent in articulation with the Strategic Plan of IMPRESA;

- Launch of the "Parking Will You Lend?" initiative, in which the loan of parking places between colleagues, during your holiday period, is promoted;

- Regular pastimes with the offer of invitations to shows (theatre, concerts, conferences, etc.);

- Provision of parking spaces in Carnaxide exclusively for pregnant employees;

- Attribution of flexible working time schemes to workers with family responsibilities;

- Distribution of Christmas presents to all the workers and their children aged up to 12 years old;

- Vaccination campaign against the flu;

- Partnership with the Portuguese Blood and Transplant Institute for collection of blood;

- Internal questionnaire on safety, hygiene and health at work;

- Regular organisation of initiatives for sampling, product distribution or sale under advantageous conditions, at the Carnaxide, Paço de Arcos and Matosinhos premises;

- Dissemination and sale of books with a discount, through the SIC Book Club;

- The offer to workers and, as of this year, to direct relatives, access to products and services at a discount, through the establishment of protocols with service providers in areas such as banking, communications, children's services, beauty care, gyms, leisure, health, insurance and vehicles.

The following measures, planned for implementation in the short/medium-term, are also noteworthy:

- Review of the description of the existing functions in the IMPRESA Group and updating of the competences associated with each function, in order to achieve a better match between the organisational reality and the contextual requirements;

- Review and updating of the performance management system in articulation with the prepared review in terms of description of functions;

- Assessment of the satisfaction of workers through a questionnaire in order to assess the commitment, involvement and motivation of IMPRESA workers and formulation of an action plan based on the results obtained.

Professional Ethics

In addition to compliance with the legislative norms (Press Law, Television Law, Journalist Statutes, Code of Ethics, etc.), the large areas of the Group – SIC, Expresso and Visão – have their own Codes of Good Journalistic Practice, which are adopted by the remaining publications, after having been adapted to their specific characteristics. These Codes of Practice should not be confused with Style Guides or mere spelling rules< they are the result of in-depth discussions and result in an extension of the main ethical, deontological and legal norms applied to the exercise of the profession.

Exemption and rigour, preservation of privacy, repudiation of censorship, respect for the dignity of people, protection of sources, avoidance of images of children and young people in extreme situations and all the other principles of the Code of Ethics and of the Journalist Statutes are part of the training of candidates who will be integrated in the Group's production areas.

And because the accelerated development of new technologies generates a profusion of websites, blogs, social networks, and multi-platforms of communication, it is necessary to promote lectures and training courses to assist in finding formats and language that adapt to the new dynamics of information consumption.

In this post-truth era, characterised by social networks and content aggregators - whose algorithms despise editorial criteria, transforming into "truth" a lie shared a million times - the existence of media professionals, governed by ethical principles, is increasingly necessary.

1.2.2. Equality between Men and Women

IMPRESA, aware that equality between men and women is one of the central themes of social responsibility-driven companies, envisages the development of measures and actions that promote occupational integration and the development of careers on equal terms for men and women:

- Definition and implementation of an Equality Plan that develops measures to promote equality, gender equality and non-discrimination between men and women, with the support of the Commission for Citizenship and Gender Equality;

- Involvement of the Board of Directors in the diagnosis of equality between men and women, as well as in the preparation and discussion of the annual plans of equality promotion, where the actions to be developed will be defined, including the respective implementation, monitoring and assessment;

- Top-down awareness raising of equality policies, as well as the measures to be implemented and the objectives to be reached;

- Guarantee that, in the Manual of Norms and Procedures of IMPRESA, gender equality and non-discrimination between men and women is clearly specified;

- The criteria and procedures for recruitment and selection, whether internal recruitment, external recruitment or outsourced, must have as a common theme the principle of meritocracy and the principle of equality and non-discrimination due to gender;

- Appoint a responsible person for the establishment, implementation, monitoring and assessment of the Strategic Plan, who will be called Manager of equality and creation of the respective team of promoters of equality policies;

- Provide training in gender equality, at an initial stage directed at the Executive Committee, Human Resources Department and "Equality Team", and gradually cover the different managers and workers;

- Guarantee and monitor the use of inclusive language in all formal and informal documents and in all the communications of the Group;

- Guarantee all workers equal opportunities in attending training actions;

- Create procedures and instruments that are facilitators of the formal lodging of a complaint in the event of sexual and/or moral harassment;

- Encourage and raise awareness regarding the sharing of the father's right to parental leave, as well as the sharing of the right to provide family assistance;

- Ensure that the Annual Training Plan is based on the principle of equality and not non-discrimination between men and women;

- Comply with the principle of equal pay for equal work in terms of nature, quantity and quality;

- Assess the performance of workers based on objective criteria in order to provide a fair and rigorous assessment, exempt from any connection to feminine or masculine characteristics;

- Ensure that career promotion and progression is based on objective criteria of individual performance, being exempt from gender discrimination;

- Establish protocols with other service provision entities, located near the premises of the IMPRESA Group;

- Celebrate protocols with other entities that provide support services for the sons and daughters of the IMPRESA Group workers<

- Provide health services to the household of workers;

- Disclose to all workers the information relative to their rights and duties, in terms of equality and non-discrimination according to gender, maternity and paternity;

- Guarantee an affective equality of treatment and of gender opportunities, through compliance with the principles of equality in hiring, career progression and remuneration.

1.2.3. Non-discrimination

In the IMPRESA Group, the diversity of its workers is perceived as a competitive advantage. The individuality and diversity that each worker offers IMPRESA is respected and valued, such that the creation of a discrimination-free work environment is promoted.

It is defended that each worker has the right to equality of opportunities and of treatment with respect to access to employment, training, promotion or a professional career, and to employment conditions, and may not be privileged, benefitted, discriminated against, deprived of any right or exempted from any duty on the basis of ancestry, age, gender, sexual orientation, civil status, family situation, economic situation, social origin or condition, diminished work capacity, disability, chronic illness, nationality, ethnic origin, political or ideological convictions and union membership.

The IMPRESA Group does not tolerate any form of direct or indirect discrimination:

- The act of retaliation act that discriminates against the worker as a result of rejection or submission to a discriminatory act is invalid;

- The mere order or instruction whose purpose is to jeopardise someone on the grounds of a discriminatory factor constitutes discrimination;

- The dismissal or another sanction allegedly applied to punish an offence, which takes place up to one year after the complaint or another form of exercise of rights relative to equality and non-discrimination is presumed to be unfair;

- The employer may not, under any circumstances, require the applicant to a job or the worker to conduct or present pregnancy examinations or tests. The doctor responsible for the medical tests and examinations may only communicate to the employer if the worker is or not apt to perform the activity;

- Those that claim discrimination must indicate the worker or workers in relation to which they feel discriminated. This is applied namely in the case of invoking any discriminatory practice in the access to work or professional training or in the work conditions, namely due to time off for an antenatal consultation, protection of safety and health of pregnant workers, of workers who have recently given birth or who are breastfeeding, parental leave or absences to assist minors.

The IMPRESA Group intends to, based on mutual respect, comply with all the laws concerning equality of opportunities and conditions of development for all workers without distinction or discrimination. To this end, the worker that feels that his/her work environment does not respect the principles of equality must report his/her concerns and report possible abuses to the Human Resources Department, as mentioned in the Manual of Norms.

1.2.4. Respect for Human Rights

The respect for human rights and of workers is a *sine qua non* issue of the IMPRESA Group, being the guiding point in all its relations with its investors, partners, suppliers, customers, consumers and workers.

Within the scope of the Human Rights Policy, IMPRESA claims it is committed to respecting the internationally recognised Human Rights, thus assuming the following commitments:

- Respecting the Universal Declaration of Human Rights, the Conventions of the International Labour Organisation, and the Global Pact of the United Nations;
- Not employ child or forced labour;
- Respect the freedom of union association and recognise the right to collective negotiation;
- Prohibit unjustified discrimination on the basis of ancestry, age, gender, sexual orientation, civil status, family situation, economic situation, social origin or condition, diminished work capacity, disability, chronic illness, nationality, ethnic origin, political or ideological convictions and union membership.
- Ensure the safety, health and well-being of all workers, through the development of health management systems and occupational safety;
- Promote appropriate work conditions and not tolerate acts of psychological violence or moral coercion.

The IMPRESA Group seeks to align the Human Rights Policy with other internal policies, such as Code of Ethics and Conduct, Health, Safety and Environment Policy and Procurement Policy.

1.2.5. Combating corruption and attempted bribery

In the IMPRESA Group, all attempted bribery and corruption practices are considered illegal. Since transparency, cooperation and respect are fundamental principles of Impresa, anti-corruption practices are properly regulated. There are disciplinary measures to consider when the general norms of conduct established in the anti-corruption policy are not complied with.

Within the scope of this Policy, we are committed to implementing operational procedures aimed at fighting corruption in all forms, such as:

- The acceptance by journalists of offers whose value exceeds 10% of the minimum national salary is forbidden. The Board of Directors must be informed of these offers. Gifts must be returned to the sender, accompanied by a courteous, justification letter;

- Advertising or promotional space must be clearly marked, avoiding any ambiguity for the reader. In a news report, the name of companies, hotels, trademarks, private or public institutions, or of any other nature, must only be included if it is relevant to the information;

- Preferential news treatment must not be given to advertisers or special interest groups:

- Acceptance of travel invitations – be it in official entourages, or from private entities - is subject to prior authorisation from the Board of Directors and the recognition of its journalistic interest;

- Any service supported by third parties can only be published if accompanied by the respective mention in a clearly visible location;

- In addition, in the IMPRESA Group Procurement Policy, our suppliers and partners are aligned with the principles of transparency and fair competition, assuming a transparent conduct relative to the acquisition of goods and services, for example:

- The suppliers and/or service providers of the IMPRESA Group (or subject to their scrutiny) should be open to competition at least every three years. This criterion must be applied by all departments of the Group;

- The selection of suppliers must contemplate at least 3 suppliers and their budgets must accompany the needs sheet;

- The supplier is always assessed from a consolidated perspective;

- All supply and service provision contracts must be submitted to the validation of the Legal Department of IMPRESA, which materialises its approval in a document for that purpose.

1.2.6. Gender Diversification in the Board and Supervision committees

With the approval of the law decree DL 89/2017, in July 28th, 2017, it was established the obligation to have a company policy for Gender diversification on IMPRESA Board and Supervision committees. Since the current members mandate will end on December 31th 2018, thus the new policy will only be implemented for the new mandate for the Board and Supervision committees. So overall, IMPRESA has not defined a Gender diversification policy yet. Nevertheless, the principle of gender diversification is part of IMPRESA culture organization, and the proof of this is the vast professional experience of the board members, the fact there is female Board member for the last 10 years, and the age of its members, which strikes a balance between seniority and youth, as the more recent nominations of João Lopes Castro and Francisco Pedro Pinto Balsemão, confirms that point.

2. ENVIRONMENTAL DIMENSION

2.1. Environmental Policy

During 2017, the implementation of the policies aimed at reducing consumables, namely paper, energy and water and the recovery and treatment of waste, continued. The official declarations for Siliamb began being provided by the company Saftykleen.

Satisfactory results were achieved in the defence of the environment, due to the development of IT systems and the taking of decisions, in particular the following:

- Continued digitisation of corporate information, both through the Intranet and other electronic formats.
- Reduction of the number of cassettes used in television production and archiving; in some lines of production the use of cassettes or discs was eliminated; only internally recycled video cassettes were used;
- Continued reduction of the use of printers, all equipped with digitalisation systems.
- Control of the use of fluorinated gases.

2.2. Control and Implementation

Control of drinking water consumption

- Continuation of the placement of regulators or automatic taps in bathrooms;
- Regular verification, included in the maintenance plan, of water leakages in all existing water flushing apparatus;
- At the premises of Paço de Arcos, exclusive use of the water from the well for irrigation.

Control of electrical energy consumption

- Detailed monthly examination of electrical energy consumption and immediate decisions to reduce consumption;
- The following actions were continued:
  - Control of the number of lamps switched on in public areas and open spaces;
  - Continuation of the Installation of light switches in meeting rooms and offices;

- Management of automatic lighting hours;
- Control of minimum and maximum temperatures in the air conditioning systems;
- Reduction of the number of hours of air conditioning;
- Use of rechargeable batteries in publishing;
- Replacement of incandescent lamps by low consumption lighting;
- Awareness-raising amongst programme producers and lighting staff on the need to cut lighting consumption.

Control of consumption relative to the publication of newspapers and magazines

- Purchase of 100% of the paper from environmentally certified paper companies;
- Continued reduction of the number of copies of newspapers and magazines bought from other publishers and their replacement by purchase of subscriptions in electronic format whenever possible.

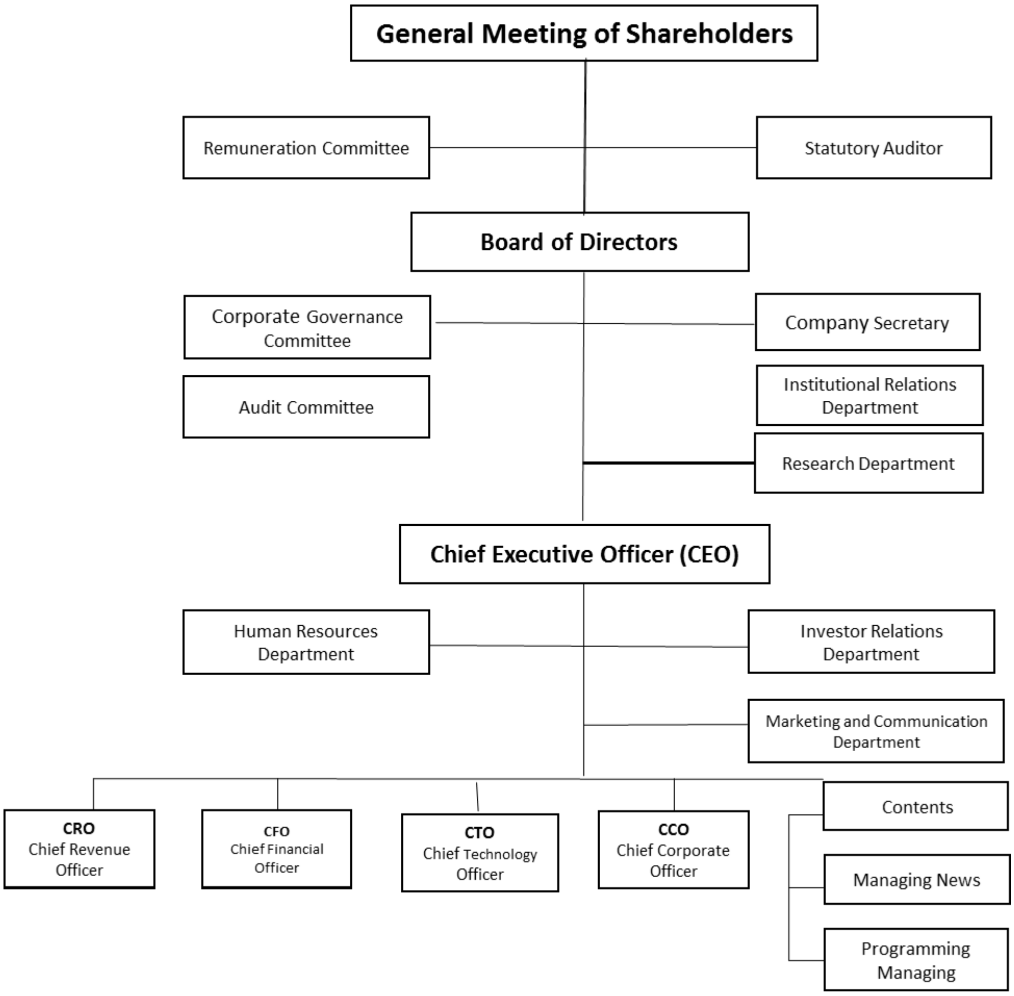
Waste

- Maintenance and promotion of the policy aimed at separating and recycling waste, with selective collection (paper/card, plastic and glass) containers;
- Waste such as batteries, cassettes, light bulbs and others, are sent to entities certified in their treatment;
- Recovery of plastic packaging waste by Ponto Verde;
- The waste generated in the facilities of the IMPRESA Group are registered annually in SIRAPA (Integrated System of Registry for the Portuguese Environment Agency), of restricted access to organisations that have environmental responsibilities attributed by law.

3. STRUCTURAL DIMENSION AND GOVERNANCE MODEL

3.1. Governance Model

The corporate governance model adopted is the one referred to in subparagraph b) of no. 1 of article 278 of the Commercial Company Code, i.e. with a Board of Directors, comprising an Audit Committee and a Statutory Auditor.



The General Meeting is responsible for appointing the members of the administration and supervisory bodies at the beginning of each term of office.

At the meeting of the Board of Directors held on July 23rd, 2012, the position of Chief Executive Officer (CEO) was created with responsibility in all areas, which is maintained in the current term of office (2015-2018)

Responsibilities of the Chairman of the Board of Directors:

- Coordinate the relations of the Board of Directors with the Chief Executive Officer;
- Preside over meetings of the Board of Directors (monthly), meetings with the CEO (weekly), the annual meeting of senior staff members and any ad hoc meetings in which he is present;
- Preside over the Strategy Committee, approve the proposal for the Strategic Plan of the Group and submit it to the Board of Directors, as well as proposals for amendment of the Plan to be submitted to the Board of Directors, and coordinate their implementation, assessment and review;
- Preside over the Supra Editorial Committee, which includes the CEO and the people responsible for the editorial areas appointed by the latter, and approve proposals concerning the editorial strategy of the various brands of the Group and submit them to the Board of Directors;
- Represent the Group institutionally, coordinate the institutional relations of the Group (namely with the EU, Government, Parliament, Regulators, Associations of the Sector, etc.) and with the shareholders;
- Coordinate the Institutional Relations Department and the Research Department, whose Directors report directly to the Chairman of the Board of Directors

Within the scope of the definition of high/level strategic objectives, the Chairman of the Board of Directors is assisted by the Strategy Committee, which he presides over, and which includes the CEO, the Chief Revenue Officer (CRO), the Chief Financial Officer (CFO), the Chief Technology Officer (CTO), the Chief Corporate Officer (CCO) and two non-executive directors. The Strategy Committee is responsible for assisting the Chairman of the Board of Directors, in preparing the

Strategic Plan of the Group, in the assessment of the application of the Plan and in its annual review.

The Chief Executive Officer (CEO) is responsible for:

- Coordinating the Group's operating management;
- Coordinating the Human Resources, External Communication and Investor Relations areas, whose directors report directly to the CEO;
- Appoint and dismiss the COOs (CRO, CFO, CTO and CCO), who report directly to the CEO;
- Individually supervise the COOs in the main policies and decisions of their respective areas;
- Preside over the Group's Operating Coordination meetings,
- Preside over the meetings with each COO and front-line management staff, as well as other ad hoc meetings not attended by the Chairman of the Board of Directors;
- Preside over the Group's presentation of accounts.

In the Plan of relations between the Chairman of the Board of Directors and the CEO, the Chairman of the Board of Directors monitors and shares with the CEO the major external trends of the business, and guides and advises the CEO in the decisions with greatest strategic impact.

With regards to financial information, the CEO, in coordination with the Audit Committee and CFO, supervises its preparation and disclosure, to ensure a true and fair view of the situation, combined with an honest review of business development and, moreover, prevent undue access to relevant information by third parties.

Two Committees have been created within the Board of Directors: the Audit Committee and the Corporate Governance Committee.

Responsibility of the Audit Committee:

- Inform the administration body of the results of the statutory audit services and explain how this contributed towards the integrity of the process for preparation and disclosure of financial information, as well as the role it played in this process;
- Follow-up the process of preparation and disclosure of financial information and present recommendations or proposals to guarantee its integrity;
- Supervise the efficacy of the risk management and internal quality control system;
- Follow-up the statutory audit of the individual and consolidated annual accounts, namely its execution, considering any findings and conclusions of the Portuguese Securities Market Commission (CMVM);
- Verify and follow-up the independence of the Statutory Auditor and, in particular, verify the suitability and approve the provision of other services, in addition to the audit services;
- Select the Statutory Auditor to be proposed to the general meeting for election and recommend, in a justifiable way, a preference for one of them;
- Fulfil any other functions attributed by law.

Also, included in the core competencies of the Auditing Committee, was created, in 2007, an internal communication system – so called whistle-blowing, so as too prevent and sanction irregular practices.

This whistle blowing system guarantees the confidentiality of the participations, as well as the anonymity of its authors.

Also guarantees that the workers of the various IMPRESA companies, will not be affected on its rights for the fact that have communicate irregularities.

The Corporate Governance Committee is responsible for:

- Assisting and supporting the Board of Directors in the performance of its function of supervising the corporate activity concerning corporate governance matters and rules of conduct, namely, (i) in refining the Company's governance and oversight model, the organisational structure and the governance principles and practices by which it will be governed; and (ii) in preparing and implementing rules of conduct, aimed at observance of the applicable provisions and strict ethical and deontological principles in the performance of the functions attributed to the members of the governing bodies and employees of the Company.

- Study, propose and recommend to the Board of Directors the adoption of the policies, rules and proceedings deemed necessary for compliance with this Regulation, the applicable legal, regulatory and statutory provisions, as well as the recommendations, standards and best practices regarding the matters referred in the previous paragraph;
- Perform any other competences or responsibilities that the Board of Directors may delegate to the Corporate Governance Committee.

The Corporate Governance Committee must also assess the performance of the CEO and collaborate in the preparation of the annual corporate governance report regarding matters within its jurisdiction.

In the companies SIC and IMPRESA Publishing the corporate governance is as follows:

a) The president and vice -president positions are held by chairman of IMPRESA and vice-chairman of IMPRESA, respectively;
b) The remaining board members designated are the CEO, CFO, CRO, CTO and CCO.;
c) The day-to-day management is supervised the Executive Committee, which is composed by CEO, the CFO, the CRO and CTO.

3.2. Activity Indicators

3.2.1. Qualitative criteria

The Corporate Governance Committee defined six criteria for the assessment of performance of the activity: “Communication, Impact and Influence”; “From Vision to Results”; “Team Management and Development”; “Customer and/or Target Group Driven”; “Team and Group Spirit”; and “Best Practices, Innovation and Change”.

3.2.2. Quantitative criteria

The Remuneration Committee, in line with the best market practices, decided to apply a multi-annual variable remuneration model, based on the following cumulative criteria of achievement, defined annually: “Positive Assessment of Performance”; “Achievement of a Consolidated Value of Net Bank Debt” and “Achievement of a Consolidated Value of EBITDA”.

3.3. Risk

3.3.1. Control and Risk Management

At IMPRESA there are the following bodies with responsibility for the following-up and implementation of internal control and risk management:

- The Risk Management Office which follows and monitors different security events that might generate risks for the different companies of the Group. The Risk Management Office is also responsible for formalising the defined strategic objectives on risk-taking, identifying risks and events that might generate risks inherent to the activities developed, analysing the impact of each identified risk and managing and monitoring the identified risks. The Risk Management Office holds periodic meetings with the Audit Committee, disclosing and proposing any necessary measures for the assessment of the implemented risk management system.

- Assets, Risk and Sustainability Department, which supervises insurance contracting at the level of the Group, to achieve the most appropriate solutions to cover insurable risks;

- The Financial Department develops the following aspects on risk control:

    - Negotiation, contracting and management of bank financing, in order to meet the financial needs of the Group;
    - Negotiation and contracting of appropriate financial instruments, aimed at reducing exposure to interest and exchange rate risks;

- Department of Legal Affairs, which, at the level of the operating subsidiaries, supervises the application of the legislation in force, in particular the specific regulations applicable to the media sector, in order to minimise the risks associated to any non-compliance.

- Institutional Relations Department.

These bodies analyse:

- Economic risks (activity and facilities): Risks primarily related to situations which affect the current operation of companies, namely fire, loss of production of newspapers and magazines, broadcasting cuts in television activity, and failure of computer systems.

- Financial risks (credit, liquidity, exchange rate and interest rate risk):

    - Credit risk is essentially related to the accounts receivable arising from advertising sales. To reduce credit risk, IMPRESA has defined credit granting policies, with credit ceilings per customer and collection deadlines, and financial discount policies for early repayment or cash payment.

    - Liquidity risk can occur if the financing sources, such as cash flow from operating activities, divestment, credit lines and financing activities, do not meet the financing needs, such as cash outflow for operating and financing activities, investments, shareholder remuneration and repayment of debt.

- Exchange rate risk is essentially related to the acquisition of television programmes.

- Interest rate risk is essentially related to interest paid in relation to the contracting of financing with variable interest rates, which are consequently exposed to changes in market interest rates.

- Legal Risks: Risks related to compliance with the legislation in force, applicable to the media sector.

The management of the IMPRESA Group takes particular care to adopt a risk management policy aimed at minimising any consequences on the business, people or assets of the Group, arising from any intentional or unintentional threats.

Also at the level of the operating subsidiaries, plans relative to external situations which may affect current company operation, namely fires, production stoppages, broadcasting failure, IT system failures, etc., have been established and implemented, with the objective of safeguarding people and goods, and ensuring, as far as possible, the continuity of production not only of newspapers and magazines (Expresso and New Media Solutions area), but also television and digital content activities.

3.2.2. Self-protection measures and risk factors

In 2017, the "security" plans and the “self-protection measures” were reviewed in accordance with the annual plan.

The prior project of the "Self-protection Measures" for the facilities of IMPRESA in Paço de Arcos was prepared taking into account the extension project. The safety project of the new facilities was sent and approved by the ANPC. The "Self-protection measures" must be ready for submission to the ANPC until the end of 2018.

The "Internal Safety Plans", according to the recommendations of the ANPC for the facilities of Parque Holanda (PH) and Matosinhos, continued to be developed.
The Safety Delegates were appointed and trained, together with the Department of Human Resources, for the facilities of Paço de Arcos, Carnaxide, Parque Holanda and Matosinhos, and given their respective identifying material and procedural manual.

The level of "weak risk" at the premises of Paço de Arcos and Matosinhos has remained steady. A situation of "average risk" at the facilities of SIC 119 and facilities of SIC – PH remains unchanged.

Risks relative to facilities and infrastructures

- Monitored and controlled the "risk factors", within the scope of the process of transformation of the building of Paço de Arcos, for operation in 24/7. Alerts were issued for the risks assumed and changes were suggested for the investment processes and engineering projects for the new areas to be expanded.

- Regarding the technical infrastructures, the recommendations were respected and the necessary investments authorised and installed, having increased the capacity to supply electrical energy, the air conditioning and the safety required for continuous operation 24/7. The risk assessment resulted in an upward revision of the proposed investment.

- Regular tests were made to control of internal air quality at the different facilities. Active legionella was controlled as per usual.

- "Weak risk" level in all Group facilities.

Risk of interruption in communications

- External accesses
- Secured fibre connections
- The "weak risk" level was maintained
- Intra-building communication
- Secured fibre connections
- The "weak risk" level was maintained

- Distribution of television signals
- Dual fibre pathways, redundancy in codification ensured by the operator-clients.
- Transmission of channels via Paço de Arcos without problems.
- The "weak risk" level was maintained

- Mail system
- Mail system secured by the Microsoft 360 service.

Risks in the execution, printing of newspapers and magazines

- A review was also, as usual, made of the alternative plans for printing the Group's newspapers and magazines, in the event of a breakdown or financial collapse causing unforeseen and prolonged operational stoppage at the printers where they are usually produced.

- Ink and paper stocks are also in place, to assure the continuity of printing, in the case of unforeseen interruption in the supply of these materials, purchased from abroad. The "weak risk" level was maintained.

- With respect to the editing and photography systems, the "weak risk" level was maintained.

Risk of interruption of the broadcast of the SIC television channels

- Regarding SIC channel broadcasts, several emergency broadcasting alternatives are foreseen to ensure their continuity, in the case of interruption resulting from the malfunction of various systems. The persons in charge of the Information Services, Continuity, IT and Technical Support are prepared and equipped with the necessary means to act, in emergency situations.

- In 2017, the "broadcast continuity" system is fully operational at the facilities of Paço de Arcos, ensuring an active backup to the broadcasts and reducing the risk of prolonged interruptions.

- "Weak risk" level.

Inappropriate use of sensitive customer data

- The IMPRESA Group's responsibility policy, which requires the legal obligations and recommendations of the CNPD to be respected, was maintained.

- Systematic monitoring to ensure that usage policies, cookies and guarantees of confidentiality are clear and duly transmitted to customers.

- The "weak risk" level was maintained.

Heritage preservation - paper and digital contents

- The responsibility policy of the IMPRESA Group was maintained, which consists of preserving the contents produced for the paper editions, TV and digital support.

- Digitising, indexing and content preservation plans were complied with.

- The "weak risk" level, with respect to the loss of contents produced by IMPRESA, was maintained.

Insurance

- The insurance policies that guarantees IMPRESA the financial means to address emergency situations, arising due to disasters or dramatic events outside of its control, remain unchanged.

- The "weak risk" level relative to existing coverages was maintained.

Lisbon, March 6th, 2018

The Board of Directors,

Francisco José Pereira Pinto de Balsemão

Francisco Maria Supico Pinto Balsemão

Francisco Pedro Presas Pinto de Balsemão

Alexandre de Azeredo Vaz Pinto

António Soares Pinto Barbosa

Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia

José Manuel Archer Galvão Teles

João Nuno Lopes de Castro