# altri

# ANNUAL REPORT 2016

31 DECEMBER 2016

# INDEX

*(This is a translation of a document originally issued in Portuguese. In the event of discrepancies, the Portuguese language version prevails.)*

# MANAGEMENT REPORT

To the Shareholders

Pursuant to the legal and statutory requirements, the Board of Directors of Altri, S.G.P.S., S.A. hereby presents its Management Report for the financial year of 2016. According to number 6 of article 508 - C of the Portuguese Companies Act, the Board of Directors has decided to submit a single Management Report, fulfilling all legal requirements.

## INTRODUCTION

The year 2016 was, once again, a record year in terms of production and pulp sales.

Altri was incorporated as of March 2005, as result of the demerger of Cofina. Altri is a reference European producer of bleached eucalyptus pulp and is a listed company included in Euronext Lisbon, integrating PSI 20 (Portuguese Stock Index), the benchmark stock market index. In addition to paper pulp and dissolving pulp production, the company is also present in the sector of renewable energy based on forest resources, namely industrial cogeneration from black liquor and biomass. The forest strategy is based on full use of all the components provided by the forest: pulp, black liquor and forest wastes.

Over the past years, Altri invested in Portugal about 580 million Euro on its industrial units. Currently, Altri owns three pulp mills in Portugal with a total capacity of production above 1 million tons/year of bleached eucalyptus pulp in 2016.

Forest is a strategic asset of Altri, with a forest area under management amounting 78,747 hectares in Portugal. The company is certified by the *Forest Stewardship Council®* (FSC®)[1] and by the *Programme for the Endorsement of Forest Certification* (PEFC), two of the most worldwide acknowledged certification entities. Eucalyptus stands out as the main production of Altri's forest, occupying more than 62,678 hectares and ensuring a self-supply of wood and biomass that complements the market supply. Altri Florestal management practices are certified by the main sustainable forest management certification systems, ensuring the achievement of the company's current and future goals.

Although Altri's forests are scattered across the country, the vast majority are concentrated in Tejo's valley, close to the group's mills, increasing their relevance. This proximity has a strategic importance as it allows the optimization of transportation costs, as well as an increase in efficiency in wood mobility when compared to productions located at higher distances.

Altri's industrial strategy implementation is based on integrated forest management in Portugal. This model is based on forest optimization, ensuring a full recovery of all its components. Thus, the eucalyptus is processed in Altri mills, producing pulp and power (cogeneration). The bark, the branches and forest waste are used to produce electric energy from biomass.

Altri's development strategy is clearly based on strengthening its operating efficiency and, at the same time, the diversification of revenue into segments with higher value added, enabling an increase in the value chain. In order to compete in the commodities market and with an adverse exchange rate environment, the company must cut its operating costs and to invest on the production of higher value added products, allowing for futures growth, despite the increases of pulp production capacity in recent years and despite the investments already announced for the near future all over the world.

[1] FSC-C004615

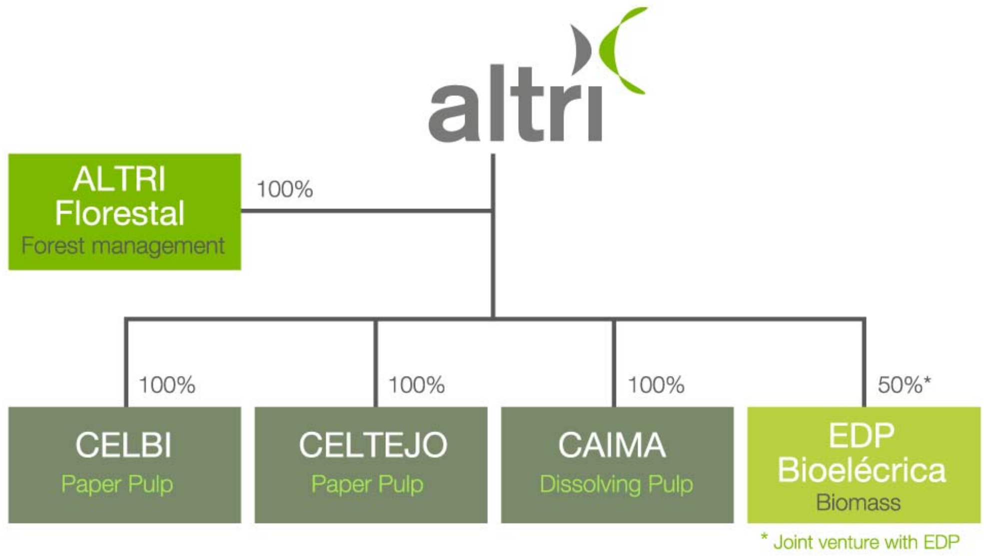
Altri aims to be the most efficient producer in placing pulp at the client's facilities. As so, the Company developed a strategy based on three pillars:

- Cutting cash cost per ton: recent year's projects and ongoing projects do not imply an increase in fixed costs, leading to a dilution of the cash cost per ton;
- Strategic location of its customers: the prime location for Altri's customers is Western and Central Europe, which optimizes the balance between quality of costumer services and transportation costs;
- Wood self-sufficiency: Altri has a forest area under management of about 79,000 hectares in Portugal, granting a potential level of wood self-sufficiency around 20%.

Since the beginning of its activity, Altri carried out various acquisitions (Celtejo in 2005 and in 2006 Celbi) that allowed Altri to reinforce its position in its operating markets through the development of several capacity increase projects.

For a better valuation of forest resources, Altri acquired in 2005, 50% of EDP Produção – Bioeléctrica, S.A., in a joint-venture with EDP to produce electricity from forest and biomass. This company is leader in its market segment with a share of 50% of licenses to produce electricity through forest biomass.

Altri's organic structure is as follows:



## MACROECONOMIC BACKGROUND

Although the year 2016 was marked by the refugees' crisis, the populist movements, the "Brexit" and by USA elections, the slight recovering of European economy continued in a stable rhythm. Euro Zone economy recorded a growth rate of 0.5% in the first and fourth quarters, and 0.3% in the second and third quarters.

In Portugal, the first half extended the period of deceleration that had already began in the second half of 2015, mainly due to the slowdown in domestic demand and in exports. In the labour market, the situation has improved with the increase in employment and the reduction of unemployment. In the third quarter, economic growth accelerated, essentially as a result of growth in exports. INE revised its growth estimate to 2%, for the fourth quarter of the year. This variation is caused by an increase on private consumption and by an increase on investment that has returned to positive levels.

In 2017, the outlook for Euro Zone economy is moderately positive, based in the recent Euro depreciation and in monetary stimulation provided by ECB to aid economic growth.

In 2016, the US economy had one of the lowest growth rates in recent years, particularly lower in the first half of the year. The main reason for this performance was the decrease in investment, stronger in the energy sector as a result of the decrease in oil prices. The labour market continued to show a very positive evolution with unemployment rates at minimum levels and wages rising at the end of the year. Domestic demand was the main contributor for the economic growth. For 2017 projections point to a growth of 2.3%, supported, in part, by an expectation of additional fiscal incentives.

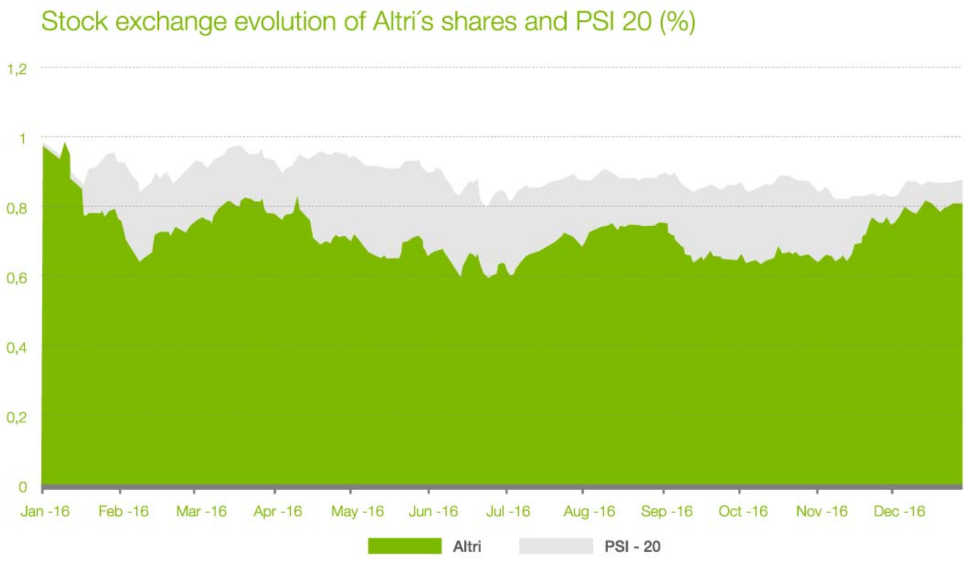
The Chinese economy maintained the slowdown of economic growth and also the change from industry to services. The economic growth rate of 6.7%, was attained mainly due to private consumption and services. For 2017, it is expected that growth rates keep slowing down.

In the foreign exchange market, the recent decrease of the Euro/USD exchange rate, that is at minimum level for the last 14 years, is the main highlight. For 2017, it is expected a further appreciation of USD is expected as a result of possible increase on interest rates, as has been suggested by FED, and the expected economic growth. Euro faces some uncertainty, arising mainly from "Brexit" impacts and from unpredictable election results in Germany and France that will occur in 2017.

## STOCK EXCHANGE EVOLUTION

(Remark: To enable a better comparison of the stock fluctuations, the PSI 20 index has been considered as being equal in value to the opening price of the shares.)

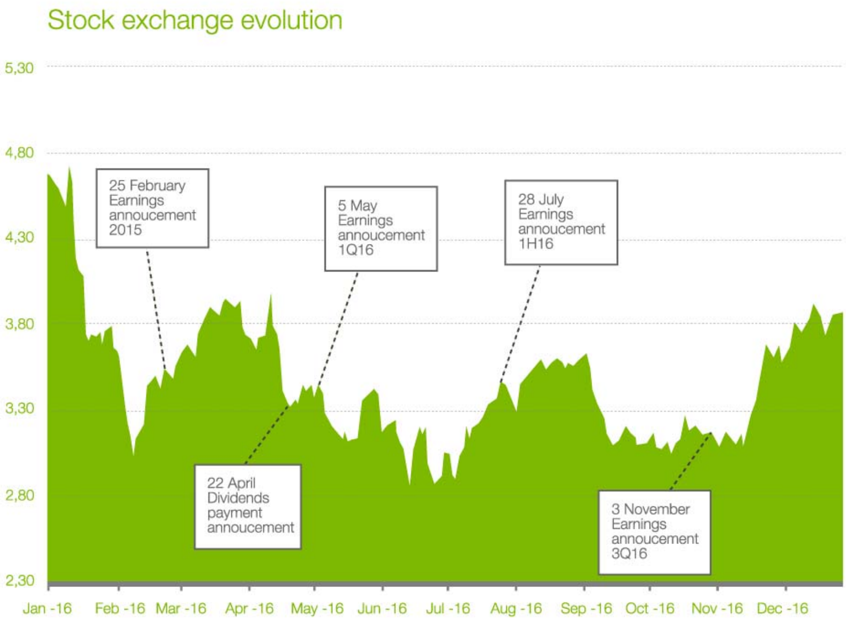
Altri's shares recorded a decrease of 19% in 2016 while PSI-20 recorded a decrease of 11% in the same period.




Altri's share price closed in 2016 at 3.864 Euro per share. The market capitalization at the end of 2016 was about 793 million Euro.

During 2016, Altri's shares were traded at a maximum price of 4.721 Euro per share and at a minimum of 2.857 Euro per share. In total, 123 million Altri shares were traded in that period, equivalent to 60% of issued capital.

The main events that marked the evolution of the Company's shares during 2016 may be described chronologically as follows:




- On February 25, the Group announced its financial performance for the year 2015, standing consolidated net profit of 117.7 million Euro with an increase over 200% when compared to 2014. The consolidated total revenues amounted to 664.8 million Euro, representing an increase of 20.3% over 2014. Consolidated EBITDA amounted to 221 million Euro, representing an increase of 94.7%. At that date, shares closed quoting at 3.547 Euro per share;
- On April 18, the Group informed that it issued an eight-year bond loan, in the amount of 40,000,000 Euro, by private placement, named "ALTRI 2016-2024";
- In the statement made on April 22, 2016, the Company informed the market that the dividends for the year 2015, amounting to 0.25 Euro per share, would be paid from May 11 onwards;
- Through an announcement made on May 5, the Group announced results for the first quarter of 2016. The consolidated total revenues during this period reached 161.7 million Euro. EBITDA reached 52 million Euro and the consolidated net profit was 25.1 million Euro;
- On July 28, Altri announced to the market the results of the 1st half of 2016, presenting a total income of 304 million Euro (-2.9%), an EBITDA of about 88 million Euro (-12%) and a net profit of about 40 million Euro (-20%);
- On November 3, Altri announced the result of the third quarter of 2016. The Group reached a total revenue of 453.4 million Euro (-8.3%); EBITDA reached 128.6 million Euro (-21.2%) and the net profit was about 57 million Euro (-32.7%);
- On November 15, 2016, Altri announced to the market the results of the private bond exchange offer carried out by its subsidiary Celbi.

## GROUP'S ACTIVITY

With its genesis in the reorganization process of Cofina with the purpose of setting into a separate holding the industrial operations, Altri held until 1 June 2008, the investments in the paper, pulp, steel and storage systems. On that date, the business of steel and storage systems was demerged to F. Ramada Investimentos SGPS, S.A.

The main investments held by Altri are as follows:

- Caima – Indústria de Celulose (Constância) – producer and distributor of dissolving pulp;

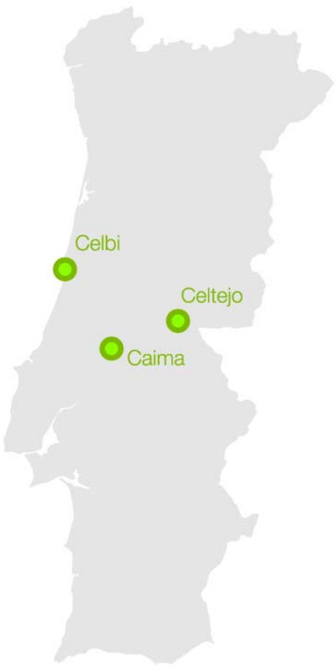
- Celulose Beira Industrial (Celbi) (Figueira da Foz) – producer and distributor of paper pulp;

- Celtejo – Empresa de Celulose do Tejo (Vila Velha de Ródão) – producer and distributor of paper pulp;

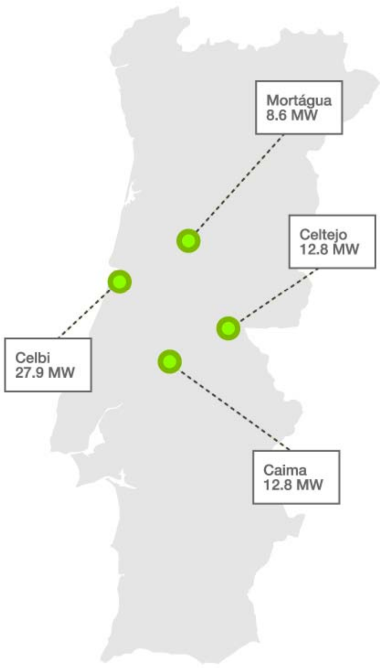
- Altri Florestal (Constância) – manager of the Group's forestry resources.

Moreover, in order to fulfil its energetic needs and expand its activity in a strategic sector, the Group holds a participation of 50% in the share capital of EDP Bioeléctrica.

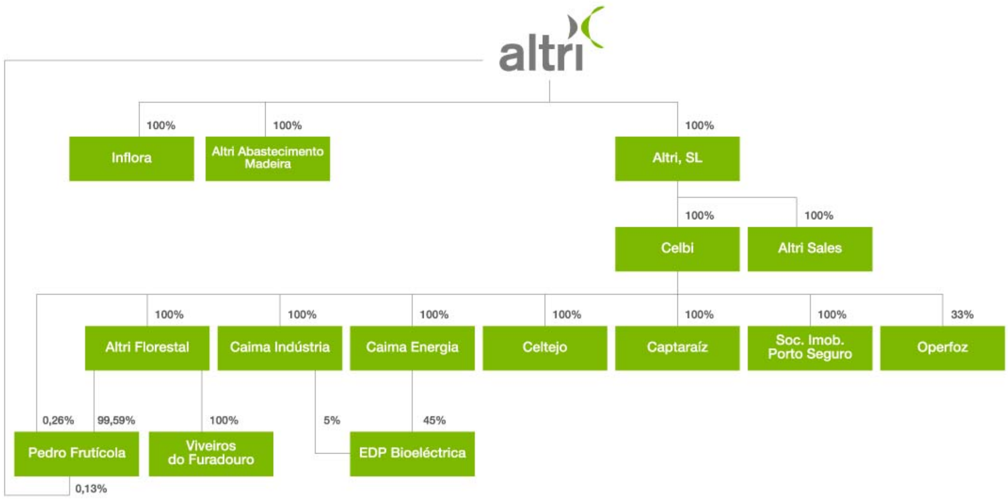
Location of the industrial units of the group




Location of the centrals of energy production



Altri's complete structure of participation as of 31 December 2016 is as follows:




**Altri's product**

Celbi and Celtejo produce eucalyptus pulp, using the sulphate process, or Kraft. Caima produces dissolving pulp, for applications in the textile industry, by the sulphite process.

Celbi pulp is bleached without the use of elemental chlorine (ECF pulp, elemental chlorine free). Caima and Celtejo's are TCF pulps (totally chlorine free), they are blanched without using chlorine compounds.

For Celbi and Celtejo's pulp the use of eucalyptus globulus as a raw material, combined with the production process make them suitable to produce tissue papers.

The characteristics of Celbi's pulp production, make it more adequate for using in the production of fine printing and writing paper, decorative laminate papers and paper for high quality printing. On the other hand, Celtejo's pulp is particularly suitable to produce some types of paper and paperboard.

Caima produces dissolving pulp using the Eucalyptus globulus as raw material. This pulp is used in the production of viscose, one of the raw materials of the textile industry, alongside cotton and polyester. There is an ongoing development project in order to make it possible in the future to use this pulp on a wider range of products, with applications in detergent and pharmaceutical industries, etc.

The target markets for paper pulp are Western Europe, Eastern Europe and the Mediterranean. Dissolving pulp is mainly sold in China, which is the largest world producer of viscose.

In addition to the dissolving pulp, Caima also sells magnesium lignosulfonate, which is mainly used in the construction industry, as an addictive for concrete.

The paper pulp produced are approved by Nordic Ecolabelling of Paper Products (Celbi and Celtejo) and by the European Ecolabel (Celbi), so that they can be used in products that intend to use this environmental label.

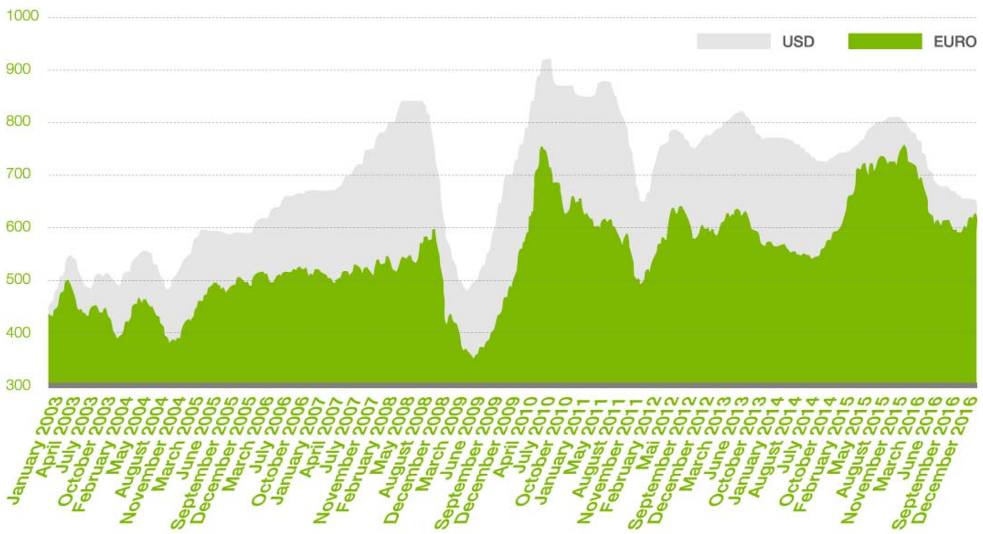
These are both environmental labelling programs based on an analysis of the product life cycle.

**Pulp Market**

According to Pulp and Paper Products Council (PPPC) World Chemical Market Pulp Global 100 Report, in 2016, total demand for hardwood pulp increased by 4.1%, leading to an absolute incremental growth of 1.25 tons, keeping the previous year growth trend.

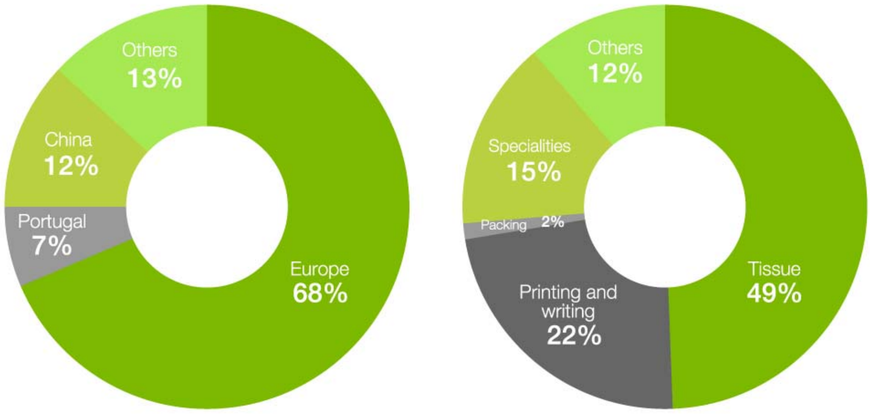
In the 4th quarter of 2016, the evolution of the BEKP price in Euro was characterized by a maintenance compared to the previous quarter (+0.3%), having reached 604 EUR/ton, which compares to an average market price (PIX) of 602 EUR/ton in the third quarter. In USD, it has recorded a decrease from 672.3 USD/ton to 655.1 USD/ton, which corresponds to a variation rate of -2.5%.

MARKET PRICE EVOLUTION IN BEKP PULP IN EUROPE SINCE 2003 UNTIL THE END OF 2016 (EUR)
Fonte: FOEX




In 2016 Altri reached, again, a new record of production and sales of pulp. Thus, during this year, Altri's three mills produced 1.031 million tons of pulp (+0.8%), of which about 104.7 thousand tons were dissolving pulp (DP).

Pulp sales by region and detail by use




In 2016, Altri’s total revenues reached 612.5 million Euro, which represents a decrease of 8% compared to 2015. The pulp sales reached 515.8 million Euro, representing a decrease of approximately of 8.7% compared to sales recorded in 2015. The average market price of BEKP in 2016 was 628.2 EUR/ton, representing a decrease of 11.1% compared to 2015.

In terms of geographical distribution of Altri’s sales, Europe (excluding Portugal) is the main destination market of Group’s sales, representing 68% of market sales, that is, approximately 705 thousand tons. China is the second biggest market, representing 12% of pulp sales.

In terms of pulp use, tissue paper producers are Altri’s main clients, with a share of 49%.

## CORPORATE RESPONSIBILITY AND SUSTAINABILITY

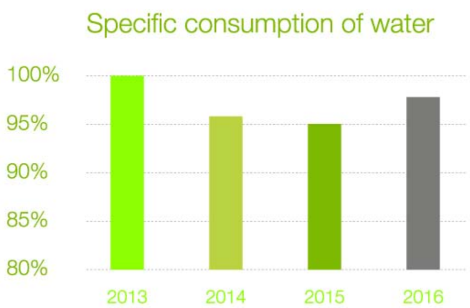
Altri believes that the use of renewable raw materials, clean technologies, more efficient production processes in terms of energy and water consumption and sustainable forest management practices are essential to mitigate climate changes and to overcome other environmental challenges that concern us as well as our stakeholders.

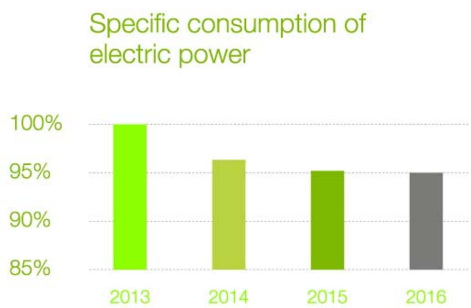
Altri assumes a responsibility to continuously improve its environmental and social performance looking for a continued increase in return of capital from its shareholders.

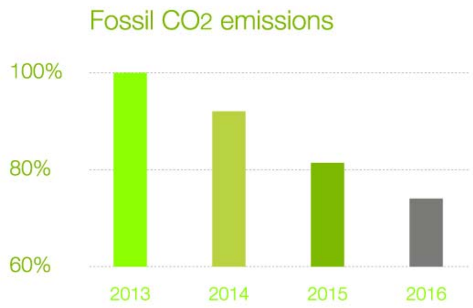
Altri believes that the welfare of its stakeholders, including society in general, their costumers, their suppliers, their employees and their shareholders, depends on the continued success of the company and on its commitment to a sustainable development.

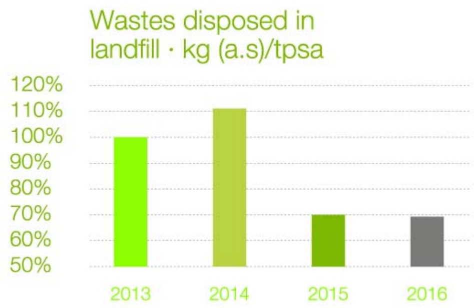
**Certification of Management Systems**: All industrial units of Altri have its management systems certified in accordance with the requirements of ISO 9001, ISO 14001 and OHSAS 18001 and have their laboratories certified by ISO / IEC 17025. Celbi and Celtejo have implemented energy management systems, certified according to ISO 50001. Celbi and Caima are also registered under EMAS, a Community Eco-management and Audit System of the European Union. Celtejo has its Research, Development and Innovation system certified by the Norm NP 4457.
The responsibility chains of wood supply are also certified by international standards of forest management (FSC® - Forest Stewardship Council ® and PEFC - Programme for the Endorsement of Forest Certification Schemes), which demonstrates the commitment established in the supply policy of Altri to check the origin of the wood along the supply chain.

**Environment:** renewable raw materials from sustainably managed forests are the base to produce Altri's eucalyptus pulp in Portugal, which manages a large area of certified forest, and all the wood produced in these areas is to supply its mills.
Altri is self-sufficient in electricity, using cogeneration systems where it is made a combined production of thermal energy and electrical power for industrial use. The excess of electricity is placed in the national network. Investment in new technologies and investing in best practices in energy efficiency have enabled to produce almost all its energy by the burning of biofuels, it is notorious the gradual reduction of fossil $CO_2$ emissions from 2013 onwards.
It has taken a lot of effort on optimizing the balance of power in Altri mills, reflecting the importance of the topic energy to the group. Also, the use of water and waste disposals have decreased over the years.

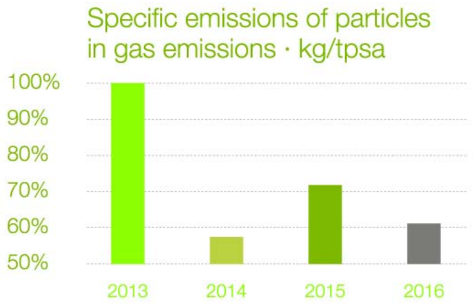





The other indicators of eco-efficiency and environmental performance in the areas of water, air, waste and natural resources, have remained stable and in line with the best available techniques defined for the sector of pulp and paper reflected in the environmental certifications of the three mills of Altri.





**Social Responsibility:** In its relationship with the community, Altri streamlines the economy of the areas in which it operates, particularly in the creation of direct and indirect employment. It also has a policy of granting internships, whether professional or as a complement to the school curriculum, which allow young people the opportunity to have contact with a business reality.

In partnership with several local institutions, Altri tries to develop and support initiatives and activities essential to the creation of relevant relationships with the surrounding community. Through donations and logistical support, the Group seeks to identify and support projects with merit and impact on the population's quality of living.

## FINANCIAL REVIEW

The consolidated financial information of Altri was prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by European Union.

The key data and indicators of consolidated activity of Altri Group can be summarized as follows:

| Thousand Euro | 2016 | 2015 | 2016/ 2015 Var % |
|---|---|---|---|
| **TOTAL REVENUES** | **612,496** | **664,825** | **-7,9 %** |
| Costs of sales | 244,831 | 237,903 | 2,9 % |
| External supplies and services | 161,135 | 162,836 | -1,0 % |
| Payroll expenses | 33,836 | 35,277 | -4,1 % |
| Other expenses | 4,890 | 4,049 | 20,8 % |
| Provisions and impairment losses | 325 | 3,652 | ss |
| **TOTAL EXPENSES (a)** | 445,018 | 443,717 | 0,3 % |
| **EBITDA (b)** | **167,477** | **221,107** | **-24,3 %** |
| **margin** | **27,3 %** | **33,3 %** | **-6,0 pp** |
| Amortisation and depreciation | 51,192 | 52,834 | -3,1 % |
| **EBIT (c)** | **116,285** | **168,274** | **-30,9 %** |
| **margin** | **19,0 %** | **25,3 %** | **-6,3 pp** |
| Results of associated companies | 3,023 | 2,950 | 2,5 % |
| Financial expenses | -24,578 | -31,946 | -23,1 % |
| Financial income | 5,966 | 8,274 | -27,9 % |
| **FINANCIAL PROFIT** | -15,588 | -20,722 | -24,8 % |
| **PROFIT BEFORE INCOME TAX** | 100,697 | 147,552 | -31,8 % |
| Income tax | -23,720 | -29,879 | -20,6 % |
| Minority interests | 0 | 17 | ss |
| **PROFIT FOR THE PERIOD ATTRIBUTABLE TO PARENT COMPANY'S SHAREHOLDERS** | **76,977** | **117,656** | **-34,6 %** |

(a) Operating costs excluding amortisation, financial expenses and income tax
(b) EBITDA = Earnings before interests, taxes, depreciation and amortisation
(c) EBIT = Earnings before interest and taxes

Altri's total revenues reached 612.5 million Euro in 2016, which represents a decrease of 8% compared to 2015. The pulp sale revenues amounted to 515.8 million Euro, which represents a decrease of 8.7% compared to 2015.

Excluding depreciation, financial costs and taxes, total costs in 2016 reached approximately 445 million Euro, very similar to the values of 2015 (+0.3%), with operating costs increasing less than the increase in production (+0.8%) and in sales (+2%).

In 2016 EBITDA reached approximately 167.5 million Euro, a decrease of 24% compared to 2015 and EBITDA margin of 2016 reached 27.3% (-6 p.p.). The operational result (EBIT) recorded in the year was about 116.3 million Euro, compared with 168.3 million Euro in the previous year.

The financial result amounted to a net charge of 15.6 million Euro. The weighted average cost of current total debt is below 3%.

The caption "Results of associated companies" mainly refers to the appropriation of 50% of the profit of EDP Bioeléctrica, a company 50% owned by Altri and consolidated by the equity method.

Consolidated net profit of Altri reached about 77 million Euro (117.7 million Euro in 2015).

Key statement of financial position indicators

| Thousand Euro | 2016 | 2015 | Var % |
|---|---|---|---|
| Biological assets | 102,302,6 | 101,472,9 | 1 % |
| Tangible assets | 359,638,8 | 364,119,9 | -1 % |
| Goodwill | 265,531,4 | 265,531,4 | 0 % |
| Investments in associated companies and joint ventures | 14,983,1 | 12,008,2 | 25 % |
| Others | 55,072,8 | 41,439,6 | 33 % |
| **TOTAL NON CURRENT ASSETS** | **797,528,7** | **784,571,7** | **2 %** |
| Inventories | 58,890,4 | 56,396,6 | 4 % |
| Customers | 92,261,4 | 91,521,3 | 1 % |
| Cash and cash equivalents | 300,094,3 | 243,154,2 | 23 % |
| Other | 36,291,8 | 19,597,6 | 85 % |
| **TOTAL CURRENT ASSETS** | **487,537,8** | **410,669,6** | **19 %** |
| **TOTAL ASSETS** | **1,285,066,5** | **1,195,241,4** | **8 %** |
| **SHAREHOLDER´S EQUITITY AND NON CONTROLLING INTERESTS** | **343,642,2** | **322,349,6** | **7 %** |
| Bank loans | 118,000,0 | 153,587,5 | -23 % |
| Other loans | 462,357,6 | 413,733,4 | 12 % |
| Reimbursable subsidies | 14,946,6 | 17,439,1 | -14 % |
| Other | 48,451,2 | 45,566,5 | 6 % |
| **TOTAL NON CURRENT LIABILITIES** | **643,755,4** | **630,326,6** | **2 %** |
| Bank loans | 38,897,7 | 10,775,0 | 261 % |
| Other current loans | 120,854,4 | 105,438,1 | 15 % |
| Reimbursable subsidies | 3,115,2 | 558,9 | 457 % |
| Suppliers | 69,045,1 | 61,243,4 | 13 % |
| Other | 65,756,4 | 64,549,8 | 2 % |
| **TOTAL CURRENT LIABILITIES** | **297,668,9** | **242,565,3** | **23 %** |

The total investment (CAPEX) performed in 2016 by the industrial units amounted to 44.7 million Euro.

Altri's nominal remunerated debt net of cash as of 31 December 2016 amounted to 438.6 million Euro, which represents a decrease of about 4.0 million Euro compared to 442.8 million Euro recorded in 2015. In 2016 the Group paid an amount of 51.3 million Euro as dividends. The free cash flow to equity generated in 2016 reached 55.3 million Euro.

In 2016, the Group paid around 67 million Euro of income taxes. In 2017, the company will recover part of this amount as it corresponds to advanced payments on account of income taxes. The income taxes cash-out estimated for 2017 will be lower than 20 million Euro.

Therefore, the company kept its priority financial strategy, which is based on systematic annual reduction of net debt through the free cash flow generated by the operating activity. Thus, it should be noted that, between 2010 and 2016, the net debt was reduced by 361 million Euro, with the free cash flow to equity amounting to 502.3 million Euro in that period. Additionally, during that same period, the company paid 140.9 million Euro as dividends.

## SUBSEQUENT EVENTS

On March 2017, Altri issued a bond loan amounting to 70 million Euro with a maturity of 7 years, designated "Altri 2017-2024". In the same date, the company acquired 500 bonds representative of the bond loan "Altri/Novembro 2018", amounting to 50 million Euro. This loan is now represented by 200 bonds with a nominal value of 20 million Euro. These transactions, approved by the Board of Directors in 2017, are in line with the group's financial strategy of extending maturities, reinforcing equity structure and diversifying financing sources.

Additionally, as of March 2017 Celbi used the early redemption clause (exercising the call option of the contract) and reimbursed the remaining amount of bond loan "Celbi 2014/2019", represented by 327 bonds with a nominal value equal to 32,700,000 Euro and that had not been exchanged in November, 2016 private bond exchange offer.

## ACTIVITY DEVELOPED BY THE NON-EXECUTIVE MEMBERS OF THE BOARD OF DIRECTORS

During 2016, the non-executive directors of the Company have developed regularly and effectively their functions which consist in monitoring and evaluating the activities of the executive directors.

Among others, during 2016, the non-executive directors regularly and actively attended the Board of Directors meetings, discussing the matters under consideration and expressing their respective opinions on the Group's strategic guidelines. Whenever necessary, they maintained a close contact with the financial and operational key staff of the Group companies. In the year 2016, and during the Board of Directors' meetings, the executive members provided all the information required by the remaining members of the Board of Directors.

## PROPOSAL OF THE BOARD OF DIRECTORS FOR APPROPRIATION OF THE NON-CONSOLIDATED NET PROFIT FOR THE YEAR

Altri, S.G.P.S., S.A., as holding company of the Group, recorded in its individual financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union, a net profit of 59,541,558.30 Euro. The Board of Directors proposes to the Shareholders' Meeting the following application:

| | |
|---|---|
| Free reserves | 8,258,640.30 |
| Dividends distribution | 51,282,918.00 |
| | -------------------- |
| | 59,541,558.30 |
| | =========== |

## 2017 OUTLOOK

2017 will be marked, from an operating perspective, by the ongoing investment projects in Celtejo and Celbi. These projects intend to reinforce the operative efficiency of those industrial units. Consequently, this year is expected to have a slight increase in production, as in recent years.

Apart from the two projects mentioned, the Group also has on a systematic basis small projects that intend cost reduction and efficiency reinforcement, and are applicable to all Group unities.

In terms of eucalyptus pulp market, it is expected that the first half of the year will record an increase on the pulp BHKP sale price, with a less favourable trend in the second half of 2017.

In terms of financial strategy, the focus is in maximizing the generation of cash flow. Reduction of net debt and remuneration of the shareholders will be the main destinations of these cash flows.

# CORPORATE GOVERNANCE REPORT

## CORPORATE GOVERNANCE

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

### A. SHAREHOLDER STRUCTURE

| I. Capital Structure |
|---|

***1. The capital structure***

Altri, SGPS, S.A. ("Company" or "Altri") share capital amounts to 25,641,459.00 Euro, fully subscribed and is made up of 205,131,672 ordinary shares with a nominal value of 12.5 Euro cents each.

Of the total issued voting rights, 75.04% are, as far as the Company is aware, attributed to the holders of qualifying holdings listed in II.7.

All the shares representing the company's share capital are traded on the regulated market Euronext Lisbon.

***2. Restrictions on the transfer and ownership of shares***

Altri's shares have no restrictions on their transfer or on their ownership. Therefore, Altri's shares are freely transferable in accordance with applicable legal standards.

***3. Own shares***

Altri does not hold any own shares, with reference to December 31, 2016.

***4. Important agreements to which the company is a party and that come into effect, amend or terminated in cases such as a change in the control of the company after a takeover bid, and the respective effects***

There are no significant agreements concluded by Altri including any clauses of control change (including after a takeover bid), that is, which come into effect, be amended or terminated in such circumstances. Also, there are no specific conditions that limit the exercise of voting rights by shareholders of the Company or other matters that may interfere with the success of takeover bids.

Some financing agreements contain standard clauses of early repayment in the event of change of shareholder control of subsidiaries (and not of the Company). The Company believes that its disclosure would be harmful to her, while not add any benefit to shareholders and considers that these clauses, common in this type of contract, do not aim the adoption of any guarantee or shielding measures in cases of change of control or change in management board composition.

***5. 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***

Altri didn't adopt any countermeasures.

***6. Shareholders' agreements that the company is aware of and that may result in restrictions on the transfer of securities or voting rights***

It is unknown the existence of any shareholders' agreements involving the Company.

II. Shareholdings and Bonds held

### 7. Qualifying holdings

As of 31 December 2016, pursuant to the requirements of articles 16 and 20 of the Securities Code ("Código de Valores Mobiliários") and article 448 of the Portuguese Companies Act, the Company informs that, in accordance with the notifications received, the companies and/or individuals that hold qualifying holdings exceeding 2%, 5%, 10%, 20%, 33% and 50% of the voting rights, are as follows:

| Norges Bank | Nr of shares held on 31-dec-2016 | %Share capital with voting rights |
|---|---|---|
| Directly | 4,149,572 | 2.02% |
| **Total attributable** | **4,149,572** | **2.02%** |

| Bestinver Gestión, S.A. SGIIC | Nr of shares held on 31-dec-2016 | %Share capital with voting rights |
|---|---|---|
| Directly | 4,205,022 | 2.05% |
| **Total attributable** | **4,205,022** | **2.05%** |

| Indumenta Pueri, S.L. | Nr of shares held on 31-dec-2016 | %Share capital with voting rights |
|---|---|---|
| Through Wilmington Capital, S.L. | 10,260,489 | 5.00% |
| **Total attributable** | **10,260,489** | **5.00%** |

| 1 Thing, Investments SGPS, S.A. | Nr of shares held on 31-dec-2016 | %Share capital with voting rights |
|---|---|---|
| Directly | 14,359,708 | 7.00% |
| **Total attributable** | **14,359,708** | **7.00%** |

(a) - The 14,359,708 Altri, SGPS, S.A. shares are directly held by the company 1 THING, INVESTMENTS SGPS, S.A., whose board of directors includes Altri's director Pedro Miguel Matos Borges de Oliveira.

| Paulo Jorge dos Santos Fernandes | Nr of shares held on 31-dec-2016 | %Share capital with voting rights |
|---|---|---|
| Through Actium Capital - SGPS, S.A. (of which he is dominant shareholder and director) | 23,854,874 | 11.63% |
| **Total attributable** | **23,854,874** | **11.63%** |

| Domingos José Vieira de Matos | Nr of shares held on 31-dec-2016 | %Share capital with voting rights |
|---|---|---|
| Through Livrefluxo - SGPS, S.A. (of which he is dominant shareholder and director) | 24,150,110 | 11.77% |
| **Total attributable** | **24,150,110** | **11.77%** |

| João Manuel Matos Borges de Oliveira | Nr of shares held on 31-dec-2016 | %Share capital with voting rights |
|---|---|---|
| Through CADERNO AZUL - SGPS, S.A. (of which he is shareholder and director) | 30,000,000 | 14.62% |
| **Total attributable** | **30,000,000** | **14.62%** |

| Promendo - SGPS, S.A. | Nr of shares held on 31-dec-2016 | %Share capital with voting rights |
|---|---|---|
| Directly (a) | 42,954,552 | 20.94% |
| Through its Director José Manuel de Almeida Archer | 1,500 | 0.00% |
| **Total attributable** | **42,956,052** | **20.94%** |

(a) - The 42,954,552 shares correspond to the total Altri, SGPS, S.A. shares directly held by the company PROMENDO - SGPS, S.A., of which the director Ana Rebelo de Carvalho Menéres de Mendonça is director and majority shareholder.

Altri was not informed of any participation exceeding 33% of the voting rights.

### 8. Number of shares and bonds held by members of the management and supervisory boards, under the terms of 447/5 of the Portuguese Companies Act

The shares and bonds held by members of management and supervisory boards in the Company and in companies in a control or group relationship with the Company, directly or through related persons, are disclosed in the appendices to the Management Report as required by Article 447 of the Portuguese Companies Act and number 7 of Article 14 of Regulation 5/2008 of the Portuguese Securities Market Commission (CMVM).

***9. Special powers of the Board of Directors, especially as regards resolutions on the capital increase***

The fourth article of Altri's articles of association, according to the deliberation of 31 March 2006, assigned to the Board of Directors powers to decide, with the prior opinion of the Supervisory Board of the company, on capital increases, by one or more occasions, up to 35 million Euro in cash.

This statutory provision under the paragraph b), number 2, of the article 456 of the Portuguese Companies Act, lasted for five years and has not been renewed, in accordance with paragraph 4 of the same legal provision, so that on 31 March 2011 it expired. From that date onwards such power is exclusive of the General Shareholders Meeting.

***10. Significant business relationships between the holders of qualifying holdings and the company***

In the year 2016 there were no significant business or commercial transactions between the Company and the holders of qualifying shareholdings notified to the Company, except those that are part of the normal activity of the company which were performed under normal market conditions for similar transactions. It should be noted, however, that the amounts involved are not material.

## B. CORPORATE BOARDS AND COMMITTEES

### I. GENERAL MEETING

**a) Composition of the Presiding Board of the General Meeting**

***11. Details and position of the members of the Presiding Board of the General Meeting and respective term of office***

As of December 31, 2016, the Board of the General Meeting was composed of the following members:

Chairman: José Francisco Pais da Costa Leite
Secretary: Cláudia Alexandra Gonçalves dos Santos Dias

The mandate began in 2014 and had its term in 2016.

**b) Exercising the right to vote**

***12. Restrictions on voting rights***

The share capital of the Company is fully represented by a single class of shares, corresponding to each share one vote, there are no statutory limitations on the number of votes that may be held or exercised by any shareholder.

The Company has not issued preferred shares without voting rights.

The participation of shareholders at the General Meeting is dependent, under the law, upon proof of ownership of the shares by reference to the "Record Date".

Individual shareholders with voting rights and companies who are shareholders of the Company may be represented by the person designated for that purpose. The representation should be communicated to the Chairman of the General Meeting, in writing, until the end of the third working day prior to the day scheduled for the meeting.

A shareholder may appoint different representatives for the shares owned in different securities accounts, without prejudice to the principle of unity of vote and of vote in different directions allowed to shareholders acting as professionals.

Shareholders can exercise voting rights via postal voting on all matters subject to the General Meeting which may be exercised by written declaration, together with the identification of the shareholder and his signature duly recognized, as required by law. According to the articles of association, the declaration of intention to cast postal votes and the supporting document proving the quality of shareholder must be delivered in the Company's headquarters, until the end of the third working day prior to the day scheduled for the meeting, with identification of the sender, addressed to the Chairman of the General Shareholders' Meeting. It isn't provided the possibility to exercise voting rights by electronic means. In that regard, the Company has not yet triggered the mechanisms required for its implementation since this modality was never requested by any shareholder and considering that this circumstance does not constitute any constraint or restriction on the exercise of voting rights by shareholders.

The Company discloses, within the legal deadlines, and in all places requested by law, in Portuguese and English, the notice of General Meetings, which contain information on how to enable the shareholders to participate and exercise the right to vote and on procedures to be followed for voting by correspondence or designated representative. The Company discloses also, as required by law, the resolution proposals, preparatory information required by law and the minutes of letter of representation and voting forms for voting by correspondence, all to ensure, promote and encourage shareholder participation, by themselves or by their representatives, in the General Meetings.

***13. 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 Article 20/1***

There is no limitation on the number of votes that can be held or exercised by a single shareholder or group of shareholders.

***14. Shareholders' resolutions that, imposed by the articles of association, may only be taken with a qualified majority***

According to the Articles of the Company, the corporate decisions are taken by majority vote, whatever the percentage of share capital represented at the meeting, except when a different majority is required by law.

In a second call, the General Meeting may decide independently of the number of shareholders present and the capital they represent.

The deliberative quorum of the General Meeting is in accordance with the Portuguese Companies Act (CSC).

## II. MANAGEMENT AND SUPERVISION

**a) Composition**

***15. Identification of corporate governance model adopted***

Altri adopts the model of government called monist, which includes a management structure centralized in a Board of Directors and a supervising structure centralized in a Supervisory Board and a Statutory Auditor.

The Board of Directors is thus the board responsible for management of the Company's business in achieving its social object.

***16. Articles of association rules on the procedural requirements governing the appointment and replacement of members of the Board of Directors, the Executive Board and the General and Supervisory Board, where applicable***

The Members of the Board of Directors of the Company are appointed by the Shareholders' General Meeting for a three years' mandate and may be re-elected once or more.

The Board is made up by three to nine members, shareholders or not, appointed by the Shareholders' General Meeting. At the General Shareholders' Meeting elections, one, two or three Directors shall be elected individually among the candidates proposed on the lists endorsed by groups of shareholders, depending on whether the total number of Directors is three or four, five or six, seven or more than seven, provided that none of the said groups own shares representing over 20 % (twenty per cent) or less than 10 % (ten per cent) of the share capital. Each of the referred lists shall propose at least 2 (two) candidates eligible for each one of the available posts, one of them being nominated as substitute. No shareholder may endorse more than 1 (one) of the mentioned lists.

The General Shareholders' Meeting may not proceed to the election of any further Directors until one, two or three have been elected, as per the dispositions above, unless the above mentioned lists have not been presented. In the case of there being no elected Director, his/her respective substitute shall be called. In the case of there being no substitute, a new election shall be called, in which the dispositions above shall be applied with the necessary adaptations.

***17. Composition of the Board of Directors***

The Board of Directors is currently made up of 7 members who are responsible for carrying out all the management functions to implement the operations inherent to its corporate goals, acting in the best interests of the Company, its shareholders and other stakeholders. On December 31, 2016, this corporate board was composed of the following members:

- Paulo Jorge dos Santos Fernandes – President and Co-CEO
- João Manuel Matos Borges de Oliveira – Vice-President and Co-CEO
- Domingos José Vieira de Matos – Member
- Laurentina da Silva Martins – Member
- Pedro Miguel Matos Borges de Oliveira – Member
- Ana Rebelo de Carvalho Menéres de Mendonça – Member
- José Manuel de Almeida Archer – Member

All Board of Directors members were appointed by the Shareholder's General Meeting held in April 24, 2014 for the period 2014/16, except for José Manuel de Almeida Archer, appointed in September 29, 2015, to replace in the Board the deceased Board Member Pedro Macedo Pinto de Mendonça.

| NAME | FIRST APPOINTMENT | END OF MANDATE |
|---|---|---|
| Paulo Jorge dos Santos Fernandes | March 2005 | December 31, 2016 |
| João Manuel Matos Borges de Oliveira | March 2005 | December 31, 2016 |
| Domingos José Vieira de Matos | March 2005 | December 31, 2016 |
| Laurentina da Silva Martins | March 2009 | December 31, 2016 |
| Pedro Miguel Matos Borges de Oliveira | April 2014 | December 31, 2016 |
| Ana Rebelo de Carvalho Menéres de Mendonça | April 2014 | December 31, 2016 |
| José Manuel de Almeida Archer | September 2015 | December 31, 2016 |

***18. Distinction to be drawn between executive and non-executive directors and, as regards non-executive members, details of members that may be considered independent***

The composition of the Board of Directors complies with a balance between the number of executive and non-executive directors.

As of December 31, 2016, the Board of Directors, composed by seven members, included three non-executive members Laurentina da Silva Martins, Ana Rebelo de Carvalho Menéres de Mendonça and José Manuel de Almeida Archer.

The Board Directors does not include any member that satisfies the standard of independence referred in recommendation II.1.7 of Corporate Governance Code issued by the Portuguese Securities Regulator (CMVM) since the non-executive director Laurentina Martins was an employee of the subsidiary Caima – Indústria de Celulose, S.A., the non-executive director Ana Rebelo de Carvalho Menéres de Mendonça, is the director and controlling shareholder of the company Promendo SGPS, S.A., and the non-executive director José Manuel de Almeida Archer is also a shareholder and director of the Company Promendo, S.G.P.S. S.A..

Despite these conditionals, to allow the non-executive directors an independent and informed decision, the Company developed some mechanisms:

- Notices of meetings of the Board of Directors sent to all directors include the agenda, even tentatively, of the meeting, and are accompanied by all the relevant information and documentation;
- Availability of executive directors for the provision to non-executive directors, of any additional information which they consider relevant or necessary, and to carry out further studies and analyses in relation to all matters which are the subject of deliberation or that, are under review in some way, in the Company;
- The non – executive directors have wide powers to obtain information on any aspect of the Company, to examine its books, records, documents and other antecedents of the Company's operations. They can request relevant information directly to the directors and to the financial and operating senior staff of all group companies, without requiring any intervention of the executive directors in this process.

Given the corporate model adopted and the composition and mode of operation of its governing boards, including the independence of the supervisory boards, without, delegation of powers among them, the Group considers that the designation of independent directors to the Board would not yield significant improvements for the proper functioning of the corporate governance model, which has revealed itself proper and efficient.

The Director's report includes in its chapter "Activity developed by the non-executive members of the Board," a description of the activity of the non-executive directors during 2016.

***19. Professional qualifications and other relevant curricular information of each member of the Board of Directors***

The qualifications, experience and positions held in other Companies by the members of the Board of Directors are presented in Appendix I.

***20. Customary and meaningful family, professional or business relationships of members of the Board of Directors with shareholders that are assigned qualifying holdings that are greater than 2% of the voting rights***

On December 31, 2016, the President of the Board of Directors and Co-CEO Paulo Jorge dos Santos Fernandes is a director and controlling shareholder of the company ACTIUM CAPITAL - SGPS, S.A., company which owns 11.63% of the share capital of Altri.

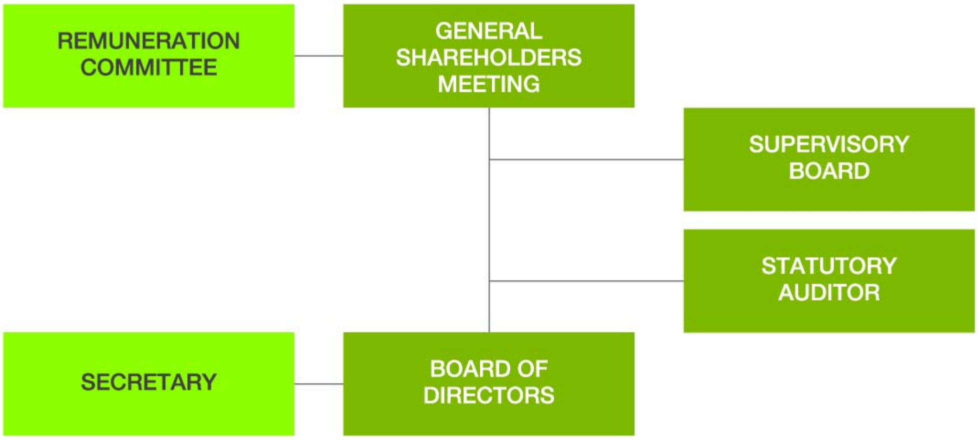
The Vice-President of the Board of Directors and Co-CEO João Manuel Matos Borges de Oliveira is a director and shareholder of CADERNO AZUL - SGPS, S.A., company which owns a stake of 14.62% in the capital of Altri.

The director Pedro Miguel Matos Borges de Oliveira is the President of the Board of Directors of the Company 1Thing Investments S.G.P.S., S.A., holder of a 7% stake in the capital of Altri, and is brother of the director João Manuel Matos Borges de Oliveira.

The director Domingos José Vieira de Matos is director and dominant shareholder of LIVREFLUXO - SGPS, S.A., company which owns 11.77 % of the share capital of Altri, SGPS, S.A..

The company Promendo SGPS, S.A., holder of 20.94% of the share capital of Altri, SGPS, S.A. has as its director and dominant shareholder Ana Rebelo de Carvalho Menéres Mendonça.

***21. Organizational 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***




The Board of Directors develops its functions of management and coordination of the Group companies on a collective basis and is currently made up of a president and six members, three of them being non-executive.

The Board has been exercising its activity in constant dialogue with the Supervisory Board and the Statutory Auditor, providing the assistance requested with transparency and rigor, complying their regulations and best practices of corporate governance.

There is no limit to the maximum number of positions that the Board members can accumulate as directors of other companies. The members of Altri's Board of Directors are, in most cases, part of the management of the most significant group companies, to enable their activities to be more closely monitored.
The Board of Directors believes that due to its organizational structure, the only essential specialized commission considering its size and complexity, is the Remuneration Committee, as explained in paragraph 28 below.

The Remuneration Committee is the board responsible for performance evaluation and approving the remuneration of Board members and other corporate bodies, in compliance with the remuneration policy of the Company, approved by shareholders in General Meetings.

Altri's Corporate Finance area, given its integrated and cross-sectional view at the level of all companies in the group, is responsible, on the one hand, for the definition of financial management strategies and policies and, second, to secure interface capital markets, debt and banking. Altri's Corporate Finance also develops the mechanisms necessary to implement the outlined financial management strategies and policies.

The planning and management control area provides support in the implementation of corporate strategies and / or business, followed by the group. This area prepares and analyses the management information at the level of all companies in the group, as well as at the consolidated level, monthly, quarterly, semi-annual and annual monitoring deviations from the budget and proposes the necessary corrective measures. Also bears responsibility for building business plans, integrating multidisciplinary work teams created for this purpose, activities that develops along with the ongoing development and technical studies and benchmark existing businesses in order to monitor the performance of Altri having regard to its strategic position.

The legal area provides legal support in all areas of group activity, monitoring and ensuring, on the one hand, the legality of the activities, and ensuring, on the other, relations with Euronext Lisbon, with the CMVM and the shareholders when that in question are legal matters. This area is also responsible for monitoring the corporate governance policy with a view to achieving best practice in this area. This area is also responsible for drawing and / or analysis of contracts that maximize safety and reduce legal risks and potential costs, the management of issues relating to intellectual and industrial property used by the group, such as patents and trademarks, logos, domains and copyright, still exercising the corporate secretarial functions on a permanent monitoring of legal compliance, supporting the Board of Directors to implement their strategies.

The area of investor relations establishes the relationship between the group and the financial community, permanently disseminating relevant and updated information on the same activity. This area is also responsible for assisting the Board of Directors in providing updated information on the capital market as well as aid for the management of institutional relations of Altri, establishing permanent contact with institutional investors, shareholders and analysts and representing the group in associations, forums and events (national or international).

In addition, the operating companies of Altri have their own management control areas that exercise their activity at all levels of the subsidiary companies and prepare monthly reports periodically reported to the respective Boards of Directors.

The distribution of functions between the various members of the Board of Directors is carried out as follows:

**PAULO FERNANDES**
President
Co-CEO

**JOÃO BORGES DE OLIVEIRA**
Vice-President
Co-CEO

**DOMINGOS MATOS**
**LAURENTINA MARTINS**
**PEDRO BORGES DE OLIVEIRA**
**ANA REBELO MENDONÇA**
**JOSÉ ARCHER**
Board Members

Generically, Altri's directors focus their activities in managing the Group holdings and defining its strategic development guidelines. The strategic decisions are adopted by the Board including all its members, executives and non-executives, in the normal accomplishment of their duties.

The daily management of each subsidiary is a responsibility of its Board of Directors, which includes some of Altri's directors but also some other members with defined functions.

Thus, taking into consideration the activities developed by the Board Members, both in Altri and in the several subsidiaries, the functional organizational chart can be presented as follows:


**b) Functioning**

***22. Availability and place where rules on the functioning of the Board of Directors may be viewed***

The Board of Directors regulation is available on the website of Altri (www.altri.pt) (tab "Investors", section "Governance").

***23. The number of meetings held and the attendance report for each member of the Board of Directors***

The Company's articles of association provide that the Board of Directors shall meet whenever convened by its chairman, on his own initiative or at the request of any other director and at least once a month.

During 2016, the Board of Directors met twelve times and assiduity corresponded, in all meetings, to 100%.

The meetings of the Board are scheduled and prepared in advance, and timely documentation relating to the matters contained in its agenda are provided, to ensure all members of the Board the conditions for the informed exercise of their functions. Similarly, minutes of meetings, once approved, and the respective notices of meeting are forwarded to the President of the Supervisory Board.

***24. Details of competent corporate boards undertaking the performance appraisal of executive directors***

The performance assessment of executive directors belongs to the Remuneration Committee and is based on the functions performed by them in Altri and in its subsidiaries, in compliance with the remuneration policy of the Company, approved by shareholders in General Meetings.

The assessment is based on the functions performed by members representing the Board of Directors and other corporate boards of Altri, considering the responsibilities assumed by each of these members, the added value of each and the accumulated knowledge and experience on the job.

***25. Predefined criteria for assessing executive directors' performance***

The remuneration of executive members of the Board of Directors includes a variable component of medium term (2011 to 2016, corresponding to two terms) computed based on total shareholders' return, on the sum of net profit for that period and on the evolution in the Company's business.

***26. Availability of each member of the Board of Directors 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***

The professional activity of the current members of Altri's Board of Directors, with reference to other companies where they have directors' functions and other relevant activities undertaken are presented in Appendix I.

It should be noted, that the members of Board of Directors showed their total commitment and availability in the exercise of their functions being present and participating in all meetings of that Board.

**c) Committees within the Board of Directors**

***27. Details of the committees created within the Board of Directors and the place where the rules on the functioning thereof is available***

The Board of Directors believes that the only committee required to meet the essential needs of the Company, considering its size and complexity, is the Remuneration Committee.

Altri has set a Remuneration Committee for the period 2014/2016, which composition is as follows:

- João da Silva Natária – President
- José Francisco Pais da Costa Leite – Member
- Pedro Nuno Fernandes de Sá Pessanha da Costa – Member

The Remuneration Committee has a regulation valid for the current term, approved at a meeting of that committee held on December 2014 and which is available for consultation on the Company's website (www.altri.pt) (tab "Investors", "Governance" section).

***28. Composition, if applicable, of the executive board and/or identification of board delegates***

Altri, considering its organizational structure, and the small size of the Board of Directors, composed by seven members, considers it unnecessary a formal appointment of an Executive Committee on the Board of Directors.

As stated in paragraph 18 of this report, four members of the Board of Directors perform executive functions, observing the following:

(i) notices of meetings of the Board of Directors sent to all directors include the agenda, even tentatively, of the meeting, and are accompanied by all the relevant information and documentation;

(ii) availability of executive directors for the provision to non-executive directors, of any additional information which they consider relevant or necessary, and to carry out further studies and analyses in relation to all matters which are the subject of deliberation or that, are under review in some way, in the Company;

(iii) the non – executive directors have wide powers to obtain information on any aspect of the Company, to examine its books, records, documents and other antecedents of the Company's operations. They can request relevant information directly to the directors and to the financial and operating senior staff of all group companies, without requiring any intervention of the executive directors in this process.

Thus, the Company considers that are guaranteed the necessary conditions for decisions on strategic matters, taken by the Board of Directors as a body composed of all its members, executive and non-executive, in the normal performance of their duties, enlightened and informed way, totally focused on creating value for shareholders.

However, the Board has regularly reflected on the adequacy of the organization, having been always the result of these reflections completion of the conformity of this structure with the best corporate governance practices, which has been materialized in the positive performance of the Company.

***29. Description of the powers of each of the committees established and a summary of activities undertaken in exercising said powers***

As mentioned in paragraphs 27 and 28, the Board of Directors believes that the only specialized committee indispensable to satisfy the needs of the Company, considering its dimension and complexity, is the Remuneration Committee.

According to the Articles of Association, the Remuneration Committee is the corporate board responsible for performance evaluation and approving the remuneration of Board members and other corporate boards, in compliance with the remuneration policy of the Company, approved by shareholders in General Meetings.

The performance assessment of executive directors belongs to the Remuneration Committee and is based on the functions performed by them in Altri and in the Group as well as the responsibility and the added value by each one of the directors and the accumulated experience and knowledge on their functions.

## III. SUPERVISION

**a) Composition**

***30. Details of the Supervisory Board representing the model adopted***

The Supervisory Board and Statutory Auditor are the supervision boards of the Company.

***31. Composition of the Supervisory Board 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***

The Supervisory Board is appointed by the Shareholders' General Meeting, for a three years' mandate, composed of three members and one or two substitutes, responsible for the supervision of the company and the appointment of the Statutory Auditor. In December 31, 2016, the Supervisory Board was composed by the following members:

- Pedro Nuno Fernandes de Sá Pessanha da Costa – President
- André Seabra Ferreira Pinto – Member
- José Guilherme Barros Silva – Member
- Luis Filipe Alves Baldaque de Marinho Fernandes – Substitute

The Supervisory Board members were appointed for the first time in April 2014 for the period 2014/2016.

***32. Details of the members of the Supervisory Board which are considered to be independent pursuant to Article 414/5 of Portuguese Companies Act***

As a collective board, the assessment of independence of the Supervisory Board is made to all those who compose it, given the application of the number 6 of Article 414 of the Portuguese Companies Act, considering independence in accordance with the definition that is given by number 5 of article 414 and incompatibility according to definition of the number 1 of article 414-

A, both of the Portuguese Companies Act. All members that compose the Supervisory Board comply the rules of incompatibility and independence identified above.

***33. Professional qualifications of each member of the Supervisory Board and other important curricular information***

As regards the skills to exercise these functions, all members have appropriate skills to fulfil their duties and the chairman is adequately supported by the other members of the Supervisory Board. Appendix I presents the qualifications and professional activities of the members of the Supervisory Board.

**b) Functioning**

***34. Availability and place where the rules on the functioning of the Supervisory Board may be viewed***

The Supervisory Board regulation is available on the website of Altri (www.altri.pt) (tab “Investors”, section "Governance").

***35. Number of meetings held and the attendance report for each member of the Supervisory Board***

During 2016 the Supervisory Board of the Company met 5 times, with only one absence in one of the meetings that was adequately justified, and the corresponding minutes are recorded in the minutes’ book of the Supervisory Board.

***36. The availability of each member of the Supervisory Board indicating the positions held simultaneously in other companies inside and outside the group, and other relevant activities undertaken by members of this Board throughout the financial year***

The members of Supervisory Board showed availability in the exercise of their duties attending and participating in almost all meetings of the Board, with only one absence in one meeting, which was properly justified. The information regarding other undertaken positions, qualifications and professional experience of the Supervisory Board members are detailed on Appendix I.

**c) Powers and duties**

***37. Description of the procedures and criteria applicable to the supervisory body for the purposes of hiring additional services from the external auditor***

The Supervisory Board analyses and approves the nature of other additional services to be performed by the External Auditor, evaluating if the independence is ensured.

The Supervisory Board, exercising its functions, carries out an annual evaluation of independence of the External Auditor, particularly regarding non-audit services. Additionally, the Supervisory Board receives, annually, the declaration of independence of the External Auditor where are described the services rendered by it and by other entities of the same network, their fees, possible threats to their independence and safeguard measures. All the potential threats to the independence of the External Auditor are evaluated and discussed with him as well as the respective safeguard measures.

The Board of Directors, at the request of the projects assigned to the group companies’ auditors, ensures, before its adjudication, that no services are contracted to them or to their network that, in accordance with the recommendation of the European Commission no. C (2002) 1873 of 16 May, would threaten their independence.

***38. Other duties of the supervisory board***

The supervision of the Company is assigned to the Supervisory Board, as provided by article no. 420 of the Portuguese Companies Act.

The Supervisory Board also represents the Company regarding the External Auditor and Statutory Auditor and is responsible for proposing the provider for these services, their remuneration and to ensure that they are guaranteed, within the group, suitable conditions for them to provide their services. The Supervisory Board is the first recipient of the reports issued by the External Auditor as well as the group's representative in the relationship with that entity.

The Supervisory Board is responsible for preparing an annual report on its activity and for giving an opinion on the annual report and proposals presented by the Board of Directors as well as monitor the effectiveness of risk management and internal control.

The Board of Directors, together with the Supervisory Board, regularly reviews and oversees the preparation and disclosure of financial information in order to prevent access, improper and untimely of third parties to relevant information.

Additionally, the Supervisory Board issues an opinion on transactions between the directors of Altri and the company or between Altri and companies in a group or domain relationship with the one in which the interested part is director, regardless of the amount, under article 397 of Portuguese Companies Act.

The External Auditor, within the annual audit, analyses the functioning of the internal control mechanisms and reports deficiencies identified; verifies that the key elements of internal control systems and risk management implemented in the company in relation to the process of financial reporting are presented and disclosed in the annual Corporate Governance Report and issues a legal certification of accounts and audit report, which certifies whether that report disclosed about the structure and practices of corporate governance includes the elements referred to in Article 245 -A of Securities Code.

During 2016, the Statutory Auditor monitored the development of company's activity and carried out the tests and inspections deemed necessary to the review and legal certification of the accounts, in interaction with the Supervisory Board and with full cooperation of the Board of Directors.

In addition, the Statutory Auditor pronounced itself on the work it developed in 2016 in its annual audit report subject to the assessment of the Shareholders' Annual General Meeting.

## IV. STATUTORY AUDITOR

***39. Details of the statutory auditor and the partner that represents same***

The Statutory Auditor of the Company for the period 2014/2016 is Deloitte & Associados, SROC, S.A., represented by Jorge Manuel Araújo de Beja Neves, who was replaced, in 2016, by António Manuel Martins Amaral.

***40. Number of years that the statutory auditor consecutively carries out duties with the company and/or group***

Deloitte & Associados, SROC, S.A., is responsible for the functions of the Statutory Auditor since 2005 and was re-elected for another mandate on the proposal of the Supervisory Board, in the General Meeting of April 24, 2014.

The proposal submitted by the Supervisory Board for the election of Deloitte & Associados, SROC, S.A. for a new mandate was supported by a previous study in which we considered the auditor's independence and the advantages and disadvantages of maintaining and presented such a proposal based on the conviction that the quality of the work done by Deloitte & Associados, SROC, S.A. and experience in the sector where Altri acts, overlap the possible drawbacks in maintenance. It was surely conviction of that board that maintaining Deloitte & Associados, SROC, S.A. in functions would not endanger the integrity and the independence with which those functions would be performed in the Company.

***41. Description of other services that the statutory auditor provides to the company***

The Statutory Auditor is simultaneous the External Auditor of Company as detailed in sections below.

## V. EXTERNAL AUDITOR

***42. Details of the external auditor appointed in accordance with Article 8 and the partner that represents same in carrying out these duties, and the respective registration number at the CMVM***

The External Auditor of Company is Deloitte & Associados, SROC, S.A. appointed for the effect of article 8 of CVM, represented by Jorge Manuel Araújo de Beja Neves, registered under the number 746 in the Portuguese Securities Regulator (CMVM). The company was notified that António Manuel Martins Amaral, registered under the number 1130 in the Portuguese Securities Regulator (CMVM), replaced Jorge Beja Neves as representative partner.

***43. State the number of years that the external auditor and respective partner that represents same in carrying out these duties consecutively carries out duties with the company and/or group***

The External Auditor was appointed for the first time in 2005 having accomplished three mandates, and its representative changed in April 2014.

The proposal submitted by the Supervisory Board for the election of Deloitte & Associados, SROC, S.A. for a new mandate was supported by a previous study in which it was considered the auditor's independence and the advantages and disadvantages of maintaining and presented such a proposal based on the conviction that the quality of the work done by Deloitte & Associados, SROC, S.A. and experience in the sector where Altri acts, overlap the possible drawbacks in their maintenance. It was surely conviction of that body that maintaining Deloitte & Associados, SROC, S.A. in functions would not damage the integrity and the independence with which they would still exercise in the Company.

***44. Rotation policy and schedule of the external auditor and the respective partner that represents said auditor in carrying out such duties***

Regarding the external auditor, until the new statute of the "Ordem dos Revisores Oficiais de Contas", approved by the Law nr. 140/2015, of 7th September, became effective, the Company did not have a rotation policy based on a pre-determined number of terms, as this was not a common practice and considering the disadvantages of the rotation.

The policy adopted by the Supervisory Board on this matter, until that approval, has been, previously to the presentation of proposals for the election of the External Auditor for a new term, to carry out a thorough evaluation of the external auditor performance and also the advantages and drawbacks of keeping in functions the same auditor. The principle of rotation was not adopted because from that evaluation resulted the conviction that keeping the same auditor beyond that period did not endanger the required and necessary independence of the Auditor.

The new statute of the "Ordem dos Revisores Oficiais de Contas", mandatory from 1 January 2016, establishes a new policy regarding external auditor's rotation for public interest entities, as is Altri's case. As so, the Supervisory Board initiated a selection process in order to choose a new external auditor in the Annual General Meeting of 2017.

***45. Details of the Board responsible for assessing the external auditor and the regular intervals when said assessment is carried out***

The Supervisory Board, in the fulfilment of its functions, annually assesses the External Auditor independence. Additionally, the Supervisory Board promotes whenever necessary or appropriate in light of developments in the Company's business or the evolution of the market, a reflection on the adequacy of the External Auditor to carry out its duties.

***46. Details 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 said recruitment***

Other assurance services rendered by External Auditor in 2016 include, essentially, revision and compliance services regarding indirect taxes. Tax consulting services and other services relate mainly with the revision of tax files and tax advisory. A part of the services rendered in 2016 were agreed and initiated in previous years.

The other services are provided by different teams of those involved in the audit process, so it enhances auditor's independence.

The Supervisory Board has reviewed and approved the scope of those services and concluded that they did not threaten the independence of the External Auditor. In this aspect, the hiring of Deloitte & Associados, SROC, S.A. proved to be the most appropriate due to its solid experience and expertise in the field of taxation and fiscal incentives. Moreover, the intervention of Deloitte & Associados, SROC, S.A. is often combined with technicians and experts independent from its network, namely consultants.

In 2016, the fees charged by Deloitte & Associados, SROC, S.A. to Altri's Group represented less than 1% of the total annual turnover of Deloitte & Associados, SROC, S.A. in Portugal. The quality system of the External Auditor controls and monitors the potential risk of loss of independence or conflicts of interest with Altri.

***47. Details 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*:**

| | | 2016 | | 2015 | |
|---|---|---|---|---|---|
| Company | | | | | |
| | Audit and statutory audit (€) | 1,000 | 0.2% | 1,000 | 0.2% |
| | Other assurance services (€) | - | 0.0% | - | 0.0% |
| | Tax consulting services (€) | - | 0.0% | 10,000 | 1.5% |
| | Other services (€) | - | 0.0% | 4,500 | 0.7% |
| Group entities | | | | | |
| | Audit and statutory audit (€) | 209,817 | 38.8% | 252,944 | 38.3% |
| | Other assurance services (€) | 178,927 | 33.1% | 198,044 | 30.0% |
| | Tax consulting services (€) | 77,873 | 14.4% | 45,453 | 6.9% |
| | Other services (€) | 73,290 | 13.5% | 147,655 | 22.4% |
| Total | | | | | |
| | Audit and statutory audit (€) | 210,817 | 39.0% | 253,944 | 38.5% |
| | Other assurance services (€) | 178,927 | 33.1% | 198,044 | 30.0% |
| | Subtotal assurance services | 389,744 | 72.1% | 451,988 | 68.5% |
| | Tax consulting services (€) | 77,873 | 14.4% | 55,453 | 8.4% |
| | Other services (€) | 73,290 | 13.5% | 152,155 | 23.1% |
| | | 540,907 | 100.0% | 659,596 | 100.0% |

## C. INTERNAL ORGANIZATION

### I. Articles of Association

### *48. Rules governing amendment to the articles of association*

The statutory amendments follow the applicable legal terms, including the Portuguese Companies Act, which require a two-thirds majority of the issued votes for the adoption of such resolution.

### II. Reporting of Irregularities

### *49. Reporting means and policy on the reporting of irregularities in the company*

Altri has a code of ethics and conduct that governs the ethical principles common to the whole Group and that apply to all relationships established between group companies and their stakeholders and has the main goal of driving, through common ethical principles, personal and professional behaviours of the group workers regardless their function or position.

The Code of Ethics and Conduct was widely disseminated to all employees and partners and is published on the Company's website (www.altri.pt) (tab “Investors”, "Governance" section).

This code is applied to all Group employees, including the management boards of all group companies, as well as to – with the required adaptions – its external auditors, clients, suppliers and any other service provider, regardless being occasional or permanent services.

All Altri employees should guide their conduct by the following principles:

- Strict compliance with the law, regulations, recommendations and statutory provisions and the internal rules, policies and guidelines of Altri;
- Integrity, ethics, transparency and honesty in decision-making;
- Cooperation and professionalism in relationships with partners and local communities in which each company is inserted;
- Conducting business within a framework of loyalty, rigorously and good faith in meeting the objectives of Altri;
- High consciousness of the necessity for confidential treatment of all information that is produced or to which it has access in the performance of functions;
- Diligent and thrifty treatment of all work tools or assets of the companies, ensuring their protection and its good condition refraining from any use for their own benefit.

The Supervisory Board is the body which should be addressed any reports of irregularities, by any employee, partner, supplier or any other stakeholder.

Altri Group has a specific mechanism for the reporting of irregularities to substantiate ethical violations or cool with significant impact in the areas of accounting, in the fight against corruption, banking and financial crime (Whistleblowing).

When the Board of Directors receives a request for clarification related to the whistleblowing system, forwards it immediately to the Supervisory Board.

The reporting to the Audit Committee of any irregularity or error indication should be made by letter in a sealed envelope with the reference to its confidentiality, to the following address: Rua General Norton de Matos, number 68, R / C, 4050 424 Porto. Anonymous reports are accepted only exceptionally.

## III. INTERNAL CONTROL AND RISK MANAGEMENT

***50. Individuals, boards or committees responsible for the internal audit and/or implementation of the internal control systems***

Risk management, as a key issue of the principles of good corporate governance is an area considered critical in Altri, which promotes permanent awareness of all employees, at all levels of the organization, putting in them such responsibility in all processes of decision-making.

Altri has no autonomous internal audit services and compliance. Risk management is ensured by the several Altri's operating units based on a preliminary identification and prioritization of critical risks, by developing risk management strategies in order to implement control procedures considered appropriate to reduce the risk to an acceptable level.

Altri has been monitoring the appropriation of this risk management model that has proved to be entirely appropriate given the organizational structure of the Company.

***51. Detail of hierarchical and/or functional dependency in relation to other boards or committees of the company***

The Supervisory Board is responsible for supervise action taken related to the evaluation of the operation of risk management mechanisms. It is therefore responsibility of this corporate body the supervision of the actions carried out the Company in these matters.

The External Auditor, in the exercise of their functions, checks the adequacy of mechanisms and procedures involved ensuring the reporting of its conclusions to the Supervisory Board.

The Board of Directors is responsible for monitoring these mechanisms and procedures.

***52. Other functional areas responsible for risk control***

The Board of Directors is the body responsible for setting the overall strategic guidelines of the group, and is duly supported by the subsidiary management teams, ensuring not only the continuous monitoring, and the reporting to the Board of Directors of Altri, of their situations detected, to ensure continuous and effective risk controls.

Risk management is ensured by various Altri's operating units. The methodology of risk management includes several steps:

- First, internal and external risks that may materially affect the Groups' strategic

objectives are identified and prioritized;
- The operational management of the various business units identify risk factors and events that may affect the operations and activities of Altri, as well as any procedures and control mechanisms;
- Additionally, the impact and the probability of occurrence of each risk factor are weighted and according to the exposure level, the need to respond to the risk is evaluated; and
- The risk mitigation actions are monitored and the level of exposure to critical factors is constantly monitored.

The Board of Directors decides the level of exposure assumed by the group in its various activities and, without prejudice the delegation of tasks and responsibilities, sets overall limits of risk and ensures that policies and procedures for risk management are followed.

In the monitoring of the risk management process the Board of Directors as a board responsible for Altri's strategy, has the following objectives and responsibilities:

- Be aware of the most significant risks affecting the group;
- Ensure the existence within the Group, of appropriate levels of knowledge of the risks affecting the operations and how to manage them;
- Ensure the disclosure of the risk management strategy at all levels of hierarchy;
- Ensure that the Group is able to minimize the likelihood and impact of risks in the business; and
- Ensure that the risk management process is adequate and that it maintains a close monitoring of those risks with higher probability of occurrence and higher impact in the group´s operations.

The subsidiaries manage their own risks, within the established criteria and delegations set by the board of Directors.

***53. Details and description of the major economic, financial and legal risks to which the company is exposed in pursuing its business activity***

The Board of Directors considers that the Group is exposed to the normal risks associated with its operations, namely in its operating units. Therefore, the main risks considered by the Group are:

<u>Credit risk</u>

Like any activity involving a commercial component, the Group's exposure to credit risk is attributable mainly to the accounts receivable resulting from the Group's operating activity.

This risk is monitored and controlled through a system for collecting financial and qualitative information, provided by entities that provide credible risk information, which allows customers to evaluate the feasibility of the fulfilment of their obligations, in order to minimize the risk associated with granting credit.

Credit risk evaluation is done in a regular basis, by analysing the current economic conjuncture conditions, in particular the credit situation of each company and, when necessary, adopting the corrective measures.

Credit risk is mitigated by the management of risk concentration of customer and by careful selection of counterparties and the credit insurance contracts with specialized institutions and covering a significant portion of credit granted.

Market risk

*Interest rate risk*

Considering the Group’s debt, possible variations on the interest rate may have an unwanted impact on the results. Therefore, the Group adopts a balanced position between the cost of the debt and its exposure to the interest rate variability. When the reasonable risk is exceeded, the Group engages interest rate swaps in order to reduce its exposure to risk and to restrict the potential volatility of results.

The Group's exposure to interest rates arises primarily from long-term loans which consist mostly of debt indexed to Euribor.

*Exchange rate risk*

Due to the great volume of transactions with non-resident entities and with different currencies, exchange rate instability might have a relevant impact on the Group’s performance. Therefore, whenever the Group considers necessary to reduce the volatility of its results, the position is covered by contracting derivatives to reduce the volatility of its results.

Commodities price variability risk

By developing its activity in a sector of commodities (pulp), the Group is particularly exposed to its price fluctuations, with the correspondent impacts in their results. However, being in these sectors allows the access to paper pulp price fluctuations hedging contracts in amounts considered adequate for the foreseen operations, reducing the volatility of group’s results.

Liquidity risk

Liquidity risk can occur if the sources of financing, such as operating cash flows, cash flows of disinvestment, credit lines and cash flows from financing do not meet the financing needs, such as outputs cash for operating and financing activities, investment, shareholders returns and debt repayment.

The main objective of the liquidity risk management policy is to ensure that the Group has available at all times, the financial resources needed to meet its responsibilities and pursue the strategies outlined by honouring all commitments made to third parties when they become due, through proper management of the maturity of funding.
The Group adopts an active strategy of refinancing focused on maintaining a high level of immediately available funds to meet short term needs and the extension or maintenance of debt maturity in accordance with the forecasted cash flows and the capacity of leveraging of the balance sheet.

Legal, Fiscal and Regulation risks
Altri, as well as your business, comprises permanently, legal, tax and regulatory advices, which works in conjunction with the business areas, ensuring preventively to protect the group's interests in strict compliance with the legal provisions applicable to the business areas of the Company.

This advice is also supported at national and international level by external service providers which are contracted from firms with established reputation and in accordance with highest standards of competence, rigor and professionalism.

However, Altri and its subsidiaries may be affected by legal changes both in Portugal and in the European Union or other countries where it develops its activities. Altri does not control, of course, such changes, if any, may have an adverse impact on the group's business and may therefore impair or prevent the achievement of strategic objectives.

The Group's attitude is of permanent cooperation with the authorities regarding the respect and observance of the law.

Forest Risk

Altri, through its subsidiary Altri Florestal, has a forest area under management amounting to 79,000 hectares, of which 80% is eucalyptus. The forest is certified by FSC®[1] (Forest Stewardship Council®) and PEFC (Programme for the Endorsement of Forest Certification), entities that establish the principles and criteria for which is evaluated the sustainability of the forest's management in economic, environmental and social terms.

In this context, all forestry activity is directed towards the optimization of available resources while preserving the environmental stability and ecological values present in its assets and ensuring its development.

The risks associated with any forestry activity are also present in Altri Florestal management. Forest fires, pests and diseases that can occur in forests spread through the country are the biggest risks threatening this sector. These threats, if they occur, depending on their intensity, affect the normal function of the forest's exploration and the production's efficiency.

In order to prevent and reduce the impact of forest fires, Altri Florestal participates in a complementary companies group called AFOCELCA that has the goal of providing, coordinating and managing the resources available for fire-fighting. At the same time, large investments are made to clean forest areas in order to reduce the risk of spread of the fires as well as reduce losses.

Regarding pests and diseases, its arising can reduce significantly the growth of the forest productivity causing irreversible damages. For combating these problems integrated fight procedures were established through biological fight and using phytopharmaceuticals products to control populations of harmful insects and reduce the negative effects of its presence. On the other hand, in the most affected areas, Altri Florestal is using genetic material more suitable for new plantations which, by its characteristics, allows more resistance to risks arising from biotic or abiotic factors.

***54. Description of the procedure for identification, assessment, monitoring, control and risk management***

As mentioned in the paragraph 52, the Board of Directors is the body responsible for setting the overall strategic guidelines of the group, and is duly supported by the subsidiary management teams, ensuring not only the continuous monitoring, and the reporting to the Board of Directors of Altri, of their situations detected, to ensure continuous and effective risk controls.

The process of identification and evaluation, monitoring, control and risk management in Altri works as follows:

The risks that the group faces in the normal course of its business are identified. For all identified risks, is measured the impact on financial performance and the value of the group. The risk value is compared with the costs of hedging instruments, if available and, consequently, the development of identified risks and the hedging instruments is monitored, which follows, more or less, in compliance with the following methodology:

- First, internal and external risks that may materially affect the Groups' strategic objectives are identified and prioritized;

[1] FSC-C004615

- The operational management of the various business units identify risk factors and events that may affect the operations and activities of Altri, as well as any procedures and control mechanisms;
- Additionally, the impact and the probability of occurrence of each risk factor are weighted and according to the exposure level, the need to respond to the risk is evaluated; and
- The risk mitigation actions are monitored and the level of exposure to critical factors is constantly monitored.

The Company has implemented additional risk management strategies that aim to ensure, essentially, that the systems and control procedures and the established policies allow answering expectations of management bodies, shareholders and other stakeholders.

Some of these strategies are the following:

- Systems and control procedures and policies are established in accordance with all applicable laws and regulations;
- The financial and operational information is complete, reliable, safe and reported on a regular and timely manner;
- Altri resources are used efficiently and rationally; and
- The shareholder value is maximized and operational management takes the necessary measures to correct problems reported.

***55. Core details on the internal control and risk management systems implemented in the company regarding the procedure for reporting financial information***

In what refers to risk control in the process of disclosure of financial information, a form of control is the involvement of a very limited number of Altri employees in the process.

Everyone involved in financial analysis are considered as having access to privileged information and is especially knowledgeable about the content of their obligations as well as the sanctions resulting from the misuse of such information.

The internal rules for the disclosure of financial information are intended to securing their timing and prevent the asymmetry of the market.
The system of internal control in areas of accounting and preparation and disclosure of financial information is based on the following key elements:

- The use of accounting principles, detailed throughout the notes to financial statements, is one of the bases of the control system;
- Plans, procedures and records of the Company and its subsidiaries provide reasonable assurance that transactions are recorded only properly authorized and that such transactions are recorded in accordance with generally accepted accounting principles;
- Financial information is analysed in a systematic and regular basis for the management of operational units, ensuring a permanent monitoring and control its budget;
- During the process of preparing and reviewing financial information, is previously established a timetable for closure of accounts and shared with the different areas involved, and all documents are reviewed in depth;
- At the level of individual financial statements of the various group companies, the accounting records and preparing financial statements are provided by administrative and accounting services. The financial statements are prepared by official chartered of accounts and reviewed by the financial management of each subsidiary;
- The consolidated financial statements are prepared quarterly by the consolidation team. This process is an additional element of monitoring the reliability of financial reporting, particularly by ensuring the uniform application of accounting principles and procedures for cut-off of operations as well as check balances and transactions between group companies;

- The consolidated financial statements are prepared under the supervision of the financial management. The annual report is sent for review and approval by the Board of Directors. After the approval, the documents are sent to the External Auditor, which issues the Statutory Audit and Auditor's Report; and
- The process of preparing the financial information and consolidated directors' report is monitored by the Supervisory Board and by the Board of Directors. Each quarter, these corporate boards meet and analyse the individual and consolidated financial statements of the Company.

As regards to risk factors that could materially affect the accounting and financial reporting, we should highlight the use of accounting estimates that are based on the best available information during the preparation of financial statements as well as the knowledge and experience of past or present events. We also stress the balances and transactions with related parties: Altri's Group balances and transactions with related parties relate essentially to the operational running of the group companies as well as to granting and obtaining loans at market rates.

The Board of Directors, together with the Supervisory Board, regularly review and monitor the preparation and disclosure of financial information in order to prevent access, improper and untimely, of other persons to relevant information.

## IV. Investor Assistance

***56. Department responsible for investor assistance, composition, functions, the information made available by said department and contact details***

The Company has an investor assistance department which includes the group's market liaison officer and the investor relations.

The contact for investors to obtain information is as follows:

Rua do General Norton de Matos, 68 – r/c
4050-424 Porto
Tel: + 351 22 834 65 02
Fax: + 351 22 834 65 03
Email: investor.relations@altri.pt

Altri provides financial information relating to its individual and consolidated operations, as well as that of its subsidiary companies, through its official internet website (www.altri.pt). This website is also used by the Altri to provide information on press releases, previously disclosed in the Information Disclosure System of the CMVM, as well as any relevant facts occurring in the life of the Company. This page also includes Altri Group's reports and accounts of the latest years. The majority of the information is available in the site both in Portuguese and in English.

***57. Market Liaison Officer***

The functions of Group's market liaison officer are performed by Alfredo Luís Portocarrero Teixeira and the investor relations functions are performed by Ricardo Mendes Ferreira.

***58. Data on the extent and deadline for replying to the requests for information received throughout the year or pending from preceding years***

Whenever necessary, the market liaison officer ensures that all relevant information regarding events, facts considered as relevant, disclosure of quarterly results and answers to any requests for clarification by the investors or the general public on public financial information is provided. All information requested by investors are analysed and provided within a maximum of five days.

## V. Website

***59. Address(es)***

Altri's has available a web page with information about the Company and the Group. The address is: www.altri.pt.
.

***60. Place where information on the firm, public company status, headquarters and other details referred to in Article 171 of the Commercial Companies Code is available***

www.altri.pt \ about \ about altri

***61. Place where the articles of association and regulations on the functioning of the boards and/or committees are available***

www.altri.pt \ investors \ governance \ articles of association
www.altri.pt \ investors \ governance

***62. Place where information is available on the names of the corporate boards' members, the Market Liaison Officer, the Investor Assistance Office or comparable structure, respective functions and contact details***

www.altri.pt \ about \ management team
www.altri.pt \ investors \ investors assistance

***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***

www.altri.pt \ investors \ reports and presentations
www.altri.pt \ investors \ financial calendar

***64. Place where the notice convening the general meeting and all the preparatory and subsequent information related thereto is disclosed***

www.altri.pt \ investors \ 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***

www.altri.pt \ investors \ general meetings

**D. REMUNERATION**

I. POWER TO ESTABLISH

***66. Details of the powers for establishing the remuneration of corporate boards, members of the executive committee or chief executive and directors of the company***

The Remuneration Committee is responsible for approving the remuneration of the Board of Directors and other corporate bodies representing the shareholders, in accordance with the remuneration policy approved by the shareholders at the General Meeting.

II. REMUNERATION COMMITTEE

***67. Composition of the remuneration committee, including details of individuals or legal persons recruited to provide services to said committee and a statement on the independence of each member and advisor***

Altri currently has set a Remuneration Committee, elected by the general meeting of shareholders for a mandate of three years, starting in 2014 and ending in 2016, and whose composition is as follows:

- João da Silva Natária – President
- José Francisco Pais da Costa Leite - Member
- Pedro Nuno Fernandes de Sá Pessanha da Costa – Member

All members of the Remuneration Committee are independent from the members of the Board of Directors. Additionally, in 2016 no persons or entities were hired to assist the members of the Remuneration Committee.

***68. Knowledge and experience in remuneration policy issues by members of the Remuneration Committee***

The experience and the professional qualifications of the Remuneration Committee members are in their curricula available on the Company website, www.altri.pt, tab "Investors", Section "Investors/General meetings/2014/Annex: Résumés".

Altri believes that the experience and professional careers of the members of the Remuneration Committee allow them to perform their duties accurately and effectively. In particular, João da Silva Natária has extensive experience and specific knowledge in matters of remuneration policy. Additionally, and whenever necessary, this committee uses specialized resources, internal or external, to support its decisions.

III. Remuneration structure

***69. Description of the remuneration policy of the Board of Directors and Supervisory Boards as set out in Article 2 of Law No. 28/2009 of 19 June***

As provided in Law 28/2009, of 19 June, a statement on the remuneration policy of the Management and Supervisory boards is submitted annually for appreciation by the General Shareholders Meeting.

The policy on remuneration and compensation of the corporate boards of Altri, approved at the General Meeting held on 21 April 2016, respects, the following principles:

Board of Directors:

In order to establish the value of individual remuneration of each director it will be taken into account:

- The functions performed in the Company and in its subsidiaries
- The responsibility and the added value by individual performance
- Knowledge and experience accumulated on the job
- The economic situation of the Group; and
- The remuneration in the same sector companies and other companies listed on Euronext Lisbon.

The total fixed remuneration of the Board of Directors, included the remuneration that subsidiaries pay to members of Board of Directors cannot exceed 2 million Euro per year.

1. *Executive directors*
   - Fixed component, paid monthly;
   - Medium term variable component: Intended to align more strongly the interests of executive directors with those of shareholders and will be calculated covering two mandates period, 2011-2013 and 2014-2016, based on:
     - Total shareholder return (shares valorisation plus distributed dividend)
     - Sum of the net consolidated results of six years (2011 to 2016)
     - Company's business development

   The total amount of the variable component cannot exceed 50% of fixed remuneration earned during the period of 6 years.

2. *Non-executive directors*
   The individual remuneration of any non-executive director cannot exceed 120,000 Euro per year, being exclusively fixed.

SUPERVISORY BOARD:
The remuneration of Members of the Supervisory Board will be based on yearly fixed values at levels considered adequate for similar functions.

GENERAL SHAREHOLDERS MEETING:
The remuneration of the Board of the General Shareholders Meeting will be exclusively fixed and will follow market practices.

STATUTORY AUDITOR:
The Statutory Auditor will have a fixed remuneration based on performance of his duties and in accordance with the market price, under the supervision of the Supervisory Board.

COMPENSATION FOR TERMINATION OF FUNCTIONS BEFORE OR ON TERM OF MANDATE:
The remuneration policy maintains the principle of not covering the granting of any compensation to directors or other governing boards, concerning their termination of functions, either early or at the scheduled end of their terms of office, subject to compliance with the legal provisions in force.

It should be added in this respect that in 2016 there was no place to any compensation to former directors.

SCOPE OF PRINCIPLES:
The remuneration policy described above is applicable to Altri and to all companies directly or indirectly controlled by it and the amounts and limits of remuneration, set by it to the remunerations of the Board of Directors, cover the totality of remunerations paid by Altri and by the companies directly or indirectly controlled by it to its members of the Board of directors.

***70. Information on how remuneration is structured so as to enable the aligning of the interests of the members of the board of directors with the company's long-term interests and how it is based on the performance assessment and how it discourages excessive risk taking***

The remuneration policy for executive directors aims to ensure a proper and thorough compensation for the performance and contribution of each director for the success of the organization, aligning the interests of the executive directors with those of the shareholders and of the company. Additionally, the remuneration policy provides for a variable component with deferred payment aiming to more strongly align the interests of the executive directors with those of the shareholders and the long-term interests of the Company.

The proposal for remuneration of executive directors are drawn up considering the functions performed in Altri, SGPS, S.A. and in its subsidiaries, the responsibility and added value by individual performance, the knowledge and the experience accumulated on the job, the economic situation of the company, the remuneration paid by other companies from the same sector and other companies listed on Euronext Lisbon. Regarding the latter point, the Remuneration Committee considers all national companies of equivalent size, particularly listed on Euronext Lisbon, and also companies in international markets with characteristics similar to Altri.

***71. Reference, where applicable, to there being a variable remuneration component and information on any impact of the performance appraisal on this component***

In the General Shareholders Meeting held in 21 April 2016, it was approved the remuneration policy as detailed in paragraph 69 above, which includes a variable component depending on performance during the period between 2011 and 2016.

No mechanisms to prevent executive directors from having employment contracts that question the grounds of the variable remuneration are implemented. However, the Remuneration Committee considers these factors in the criteria for determining the variable remuneration. The Company did not celebrate any agreements with members of the Board of Directors that have the effect of mitigating the risk associated to variability of the remuneration or has become aware of any identical contracts with third parties.

***72. The deferred payment of the remuneration's variable component and specify the relevant deferral period***

There is currently no variable compensation due which payment was deferred in time.

***73. The criteria whereon the allocation of variable remuneration on shares is based***

Altri has not in place nor intends to have any form of compensation that may include shares or any other equity based compensation system.

***74. The criteria whereon the allocation of variable remuneration on options is based***

Altri does not have in place any form of compensation that includes stock options.

***75. The key factors and grounds for any annual bonus scheme and any additional non-financial benefits***

Altri hasn't any annual bonus scheme or any other non-financial benefits.

***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***

Altri has no supplementary pension or early retirement schemes for corporate boards or key staff. The director Laurentina Martins benefits of a plan assigned before her appointment to the Board of Directors because, at the grant date, she was a worker of the subsidiary Caima - Indústria de Celulose, S.A.. The main features and information about this plan are detailed in note 29 a) of the notes to the consolidated financial statements at 31 December 2016.

On 2016 no contribution to the fund as made. As of that date the present value of the payable pensions amounts to 382,443 Euro. Additionally, during 2016 this director received Euro 33,705 from the fund, as retirement pension for age limit.

## IV. REMUNERATION DISCLOSURE

***77. Details on 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 the different components that gave rise to same***

The remuneration received by the Board of Directors of Altri during 2015, for their functions, include only fixed remunerations paid directly by Altri S.G.P.S., S.A.. They amounted to Euro 1,467,800 distributed as follows: Paulo Fernandes – Euro 392,000; João Borges de Oliveira – Euro 392,000; Domingos Matos – Euro 225,400; Pedro Borges de Oliveira – Euro 225,400; Ana Mendonça – Euro 114,000; Laurentina Martins – Euro 59,500; José Archer – Euro 59,500.

***78. Any amounts paid, for any reason whatsoever, by other companies in a control or group relationship, or are subject to a common control***

The remunerations received by the members of the Board of Directors were fully paid by Altri S.G.P.S., S.A. and there are no directors paid directly by any Group's subsidiaries.

***79. Remuneration paid in the form of profit sharing and/or bonus payments and the reasons for said bonuses or profit sharing being awarded***

During the year, there weren't any remuneration in the form of profit sharing or bonuses.

***80. Compensation paid or owed to former executive directors concerning contract termination during the financial year***

During the year, no amounts relating to compensation to directors whose functions have ceased have been paid or became due.

***81. Details of the annual remuneration paid, as a whole and individually, to the members of the company's supervisory board***

The remuneration of the Supervisory Board is composed of a fixed annual amount based on Altri's situation and on the current market practices. In the year ended 31 December 2016, the remuneration of Supervisory Board members amounted to Euro 31,620 distributed as follows: Pedro Pessanha – Euro 15,000; André Pinto – Euro 8,310; José Guilherme Silva – Euro 8,310.

The remuneration of the Statutory Auditor is described in paragraph 47 above.

***82. Details of the remuneration in said year of the Chairman of the Presiding Board to the General Meeting***

The remuneration of the Chairman of the Board of the General Meeting in the year ended in 31 December 2016 was Euro 5.000.

## V. AGREEMENTS WITH REMUNERATION IMPLICATIONS

***83. The envisaged contractual restraints for compensation payable for the unfair dismissal of directors and the relevance thereof to the remunerations' variable component***

The remuneration policy maintains the principle of not including the granting of any compensation to directors or other governing boards, concerning the termination of their functions, either early or at the scheduled end of their terms of office, subject to the compliance with the legal provisions in force.

***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 Article 248-B/3 of the Securities Market Code that envisages compensation in the event of resignation or unfair dismissal or termination of employment following a takeover bid***

There are no agreements, between the Company and members of the board of directors or other key staff, pursuant to paragraph 3 of Article 248-B of CVM, which provide compensations in case of resignation, unfair dismissal or termination of employment contract following a takeover bid. There aren't also planned agreements with directors to ensure any compensation in case of non-renewal of their terms of office.

### VI. Share-Allocation and/or Stock Option Plans

***85. Details of the plan and the number of persons included therein***

Altri has no plan to grant shares or stock options to the Board of Directors or to its employees.

***86. Characteristics of the plan***

Altri does not have any plan to grant shares or stock options.

***87. Stock option plans for the company employees and staff***

There are no stock options granted for the acquisition of shares which benefit company employees and staff.

***88. Control mechanisms for a possible employee-shareholder system inasmuch as the voting rights are not directly exercised by said employees***

Not applicable as explained above.

## E. RELATED PARTY TRANSACTIONS

### I. CONTROL MECHANISMS AND PROCEDURES

***89. Mechanisms implemented by the Company for the purpose of controlling transactions with related parties***

Currently, there are no established procedures or criteria for defining the relevant significance level of business between the Company and holders of qualifying holdings, or entities in any relationship or group with those shareholders, from which the intervention of the supervisory board is required.
However, the Company conducts its action with principles of rigor and transparency, with scrupulous observance of the competitive market rules.

***90. Details of transactions that were subject to control in the referred year***

There weren't performed businesses or significant transactions between the Company and members of its governing boards (both management and supervision), the holders of qualified shareholdings or companies in a control or group**,** except those that are part of the current activity of the group and which were carried out under normal market conditions for similar transactions.

There weren't performed any business or transactions with members of the Supervisory Board.

The non-audit services provided by the Statutory Auditor were approved by the Supervisory Board and are detailed in paragraph 47 above.

Transactions with group companies are not material and were made under normal market conditions and are part of the current activity of the Company and therefore are not subject to separate disclosure.

***91. A description of the procedures and criteria applicable to the supervisory body when the same provides preliminary assessment of the business deals to be carried out between the company and the holders of qualifying holdings or entity-relationships with the former***

Transactions with Altri directors or companies that are in a group or control relationship with the one in which the intervener is a director, regardless of the amount, are subject to the prior authorization of the Board of Directors with a favourable opinion of the Supervisory Board pursuant to Article 397 of the Portuguese Companies Act. In 2016 it was not necessary to the Supervisory Board to issue an opinion because no transactions that require the approval of that board occurred.

| II. DATA ON BUSINESS DEALS |
|---|

***92. Details of the place where the financial statements including information on business dealings with related parties are available***

Information on related parties is disclosed in note 31 of the notes to consolidated financial statements and note 18 of the notes to the individual financial statements of the Company.

# PART II - CORPORATE GOVERNANCE ASSESSMENT

## 1. Details of the Corporate Governance Code implemented

This report provides a description of the governance structure adopted by Altri, as well as the policies and practices that are adopted.

The report complies with the standards of Article 245-A of the Portuguese Securities Market Code and discloses in accordance with the comply or explain principle, the degree of compliance with the CMVM recommendations incorporated in 2013 CMVM Corporate Governance Code, since this is the Corporate Governance Code adopted by the Company.

There are also fulfilled the duties of disclosure required by Law 28/2009 of 19 June, Articles 447 and 448 of the Portuguese Companies Act and CMVM Regulation Nr. 5 / 2008, of 2 October 2008.

All the legal provision referred on this report and the recommendations listed in the Corporate Governance Code of 2013, can be found in www.cmvm.pt.

This report should be read as part of the Annual Management Report and as part of the Individual and Consolidated Financial Statements for the fiscal year 2016.

## 2. Analysis of compliance with the Corporate Governance Code implemented

*Altri* encouraged all actions to promote the adoption of best corporate governance practices, basing its policy on high ethical standards and social responsibility.

The integrated and effective management of the group is part of the plan of the *Altri's* Board of Directors. The Board of Directors of Altri encourages transparent relationships with investors and with the market, and has based its performance on the constant search of value creation, to the promotion of the interests of employees, shareholders and other stakeholders.

Altri complies with the majority of recommendations on corporate governance issued by the Securities Market Commission (CMVM) on his Corporate Governance Code of 2013 (Article 245º - 1.O), as follows:

| RECOMENDATIONS | COMPLIES | REPORT |
|---|---|---|
| I. VOTING AND CONTROL OF THE COMPANY | | |
| I.1. Companies shall encourage shareholders to attend and vote at general meetings ans shall not set na excessively large number of shares required for the entitlement of one vote, and implement the means necessary to exercise the right to vote by mail and electroonically. | Adopted | 12, 13 and 14 |
| I.2. Companies shall not adopt mechanisms that hinder the passing of resolutions by shareholders, including fixing a quorum for resolutions greater than that provided for by law | Adopted | 13 and 14 |
| I.3. Comapnies shall not establish mechanisms intended to cause mismatching between the right to receive dividends or the subscription of new securities and the voting right of each common share, unless duly justified in terms of long-term interests of shareholders. | Adopted | 12 and 13 |
| I.4- The company's articles of association that provide for restriction of the number of votes that may be held or exercised by a sole shareholder, either individually or in concert with other shareholders, shall also foresee for a resolution by the generaly assembly (five years intervals), on whether that statutory provision is to be amended or prevails - without superquorum requirements as to the one legally in force - and that in said resolution, all votes issued be counted, without applying said restriction. | Adopted | 13 and 14 |
| I.5. Measures that require payment or assumption of fees by the company in the event of change of control or change in the composition of the Board and that whichappear likely to impair the free transfer of shares and free assessment by shareholders of the performance of Board members, shall not be adopted. | Adopted | 2, 4, 5 and 6 |

| RECOMENDATIONS | COMPLIES | REPORT |
|---|---|---|
| II. SUPERVISON, MANAGEMENT AND OVERSIGHT | | |
| II.1 SUPERVISION AND MANAGEMENT | | |
| II.1.1. Within the limits established by law, and except for the small size of the company, the board of directors shall delegate the daily management of the company and said delegated powers shall be identified in the Annual Report on Corporate Governance. | Adopted | 21 and 28 |
| II.1.2.The Board of Directors shall ensure that the company acts in accordance with its objectives and shall not delegate its responsibilities as regards the following:<br>i) define the strategy and general policies of the company,<br>ii) define business structure of the group,<br>iii) decisions considered strategic due to the amount, risk and particular characteristics involved. | Adopted | 21 and 28 |
| II.1.3. The General and Supervisory Board, in addition to its supervisory duties<br>supervision, shall take full responsibility at corporate governance level, whereby through the statutory provision or by equivalent means, shall enshrine 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 amount or risk involved. This body shall also assess compliance with the strategic plan and the implementation of key policies of the company. | Not applicable | |
| II.1.4. Except for small-sized companies, the Board of Directors and the General and Supervisory Board, depending on the model adopted, shall create the necessary committees in order to:<br>a) Ensure a competent and independent assessment of the performance of the executive directors and its own overall performance, as well as of other committees;<br>b) Reflect on the system structure and governance practices adopted, verify its efficiency and propose to the competent bodies, measures to be implemented with a view to their improvement. | Adopted | 21, 27, 28 and 29 |
| II.1.5. The Board of Directors or the General and Supervisory Board, depending on the applicable model, should set goals in terms of risk-taking and create systems for their control to ensure that the risks effectively incurred are consistent with those goals. | Adopted | 52, 54 and 55 |
| II.1.6. The Board of Directors shall include a number of non-executive members ensuring effective monitoring, supervision and assessment of the activity of the remaining members of the board. | Adopted | 18 |
| 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 relevant free float. The independence of the members of the General and Supervisory Board and members of the Audit Committee shall be assessed as per the law in force. 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:<br>a. Having been an employee at the company or at a company holding a controlling or group relationship within the last three years;<br>b. Having, in the past three years, provided services or established 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;<br>c. Being paid by the company or by a company with which it is in a control or group relationship besides the remuneration arising from the exercise of the functions of a board member;<br><br>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;<br>e. Being a qualifying shareholder or representative of a qualifying shareholder. | Not Adopted | 18 |
| II.1.8. When board members that carry out executive duties are requested by other board members, said shall provide the information requested, in a timely and appropriate manner to the request. | Adopted | 18 |
| II.1.9. The Chair of the Executive Board or of the Executive Committee shall submit, as applicable, to the Chair of the Board of Directors, the Chair of the Supervisory Board, the Chair of the Audit Committee, the Chair of the General and Supervisory Board and the Chairman of the Financial Matters Board, the convening notices and minutes of the relevant meetings. | Adopted | 23 |
| II.1.10. If the chair 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 so that said can make independent and informed decisions or to ensure the existence of an equivalent mechanism for such coordination. | Not Adopted | 18 |
| II.2. SUPERVISION<br>II.2.1. Depending on the applicable model, the Chair of the Supervisory Board, the Audit Committee or the Financial Matters Committee shall be independent in accordance with the applicable legal standard, and have the necessary skills to carry out their relevant duties. | Adopted | 32 and 33 |
| 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 responsible, inter alia, for proposing the relevant remuneration and ensuring that the proper conditions for the provision of services are provided within the company. | Adopted | 38 |
| 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 as to the provision of their services when there is a valid basis for said dismissal. | Adopted | 45 |
| II.2.4. The supervisory board shall assess the functioning of the internal control systems and risk management and propose adjustments as may be deemed necessary. | Adopted | 38 |
| II.2.5. The Audit Committee, the General and Supervisory Board and the Supervisory Board decide on the work plans and resources concerning the internal audit services and 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 it concerns matters related to accountability, identification or resolution of conflicts of interest and detection of potential improprieties. | Not applicable | 50 and 51 |

| RECOMENDATIONS | COMPLIES | REPORT |
|---|---|---|
| II.3. REMUNERATION SETTING | | |
| II.3.1.All members of the Remuneration Committee or equivalent should be independent from the executive board members and include at least one member with knowledge and experience in matters of remuneration policy. | Adopted | 67 and 68 |
| 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 that is related by employment contract or provision of services with the above. | Adopted | 67 |
| II.3.3. A statement on the remuneration policy of the management and supervisory bodies referred to in Article 2 of Law No. 28/2009 of 19 June, shall also contain the following:<br>a) Identification and details of the criteria for determining the remuneration paid to the members of the governing bodies ;<br>b) Information regarding the maximum potential, in individual terms, and the maximum potential, in aggregate form, to be paid to members of corporate bodies, and identify the circumstances whereby these maximum amounts may be payable;<br>d) Information regarding the enforceability or unenforceability of payments for the dismissal or termination of appointment of board members. | Adopted | 69 |
| II.3.4. Approval of plans for the allotment of shares and/or options to acquire shares or based on share price variation to board members shall be submitted to the General Meeting. The proposal shall contain all the necessary information in order to correctly assess said plan. | Not applicable | 73 and 74 |
| II.3.5. Approval of any retirement benefit scheme established for members of corporate members shall be submitted to the General Meeting. The proposal shall contain all the necessary information in order to correctly assess said system. | Not applicable | 76 |
| III. REMUNERATION | | |
| III.1. The remuneration of the executive members of the board shall be based on actual performance and shall discourage taking on excessive risk-taking. | Adopted | 70 |
| III.2. The remuneration of non-executive board members and the remuneration of the members of the supervisory board shall not include any component whose value depends on the performance of the company or of its value. | Adopted | 78, 81 and 82 |
| III.3.The variable component of remuneration shall be reasonable overall in relation to the fixed component of the remuneration and maximum limits should be set for all components. | Adopted | 69 |
| III.4. A significant part of the variable remuneration should be deferred for a period not less than three years, and the right of way payment shall depend on the continued positive performance of the company during that period. | Adopted | 69 |
| III.5. Members of the Board of Directors shall not enter into contracts with the company or with third parties which intend to mitigate the risk inherent to remuneration variability set by the company. | Adopted | 71 |
| III.6. Executive board members 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 mandate. | Not applicable | 73 and 74 |
| III.7. When the variable remuneration includes the allocation of options, the beginning of the exercise period shall be deferred for a period not less than three years. | Not applicable | 74 |
| III.8. When the removal of board member is not due to serious breach of their duties nor to their unfitness for the normal exercise of their functions but is yet due on 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. | Adopted | 69 and 83 |
| IV. AUDITING | | |
| IV.1. The external auditor shall, within the scope of its duties, verify the implementation of remuneration policies and systems of the corporate 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 | 38 |
| 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 board and explained in its Annual Report on Corporate Governance - said should not exceed more than 30% of the total value of services rendered to the company. | Not Adopted | 47 |
| IV.3. Companies shall support auditor rotation after two or three terms whether four or three years, respectively. Its continuance beyond this period must be based on a specific opinion of the supervisory board that explicitly considers the conditions of auditor's independence and the benefits and costs of its replacement. | Adopted | 40, 42, 43 and 44 |
| V. CONFLICTS OF INTEREST AND RELATED PARTY TRANSACTIONS | | |
| 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 Portuguese Securities Code, shall be conducted during normal market conditions. | Adopted | 90 |
| V.2. The supervisory or oversight board 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 article 20/1 of the Portuguese Securities Code – thus significant relevant business is dependent upon prior opinion of that body. | Not Adopted | 91 |
| VI. INFORMATION | | |
| VI.1. Companies shall provide, via their websites in both the Portuguese and English languages, access to information on their progress as regards the economic, financial and governance state of play. | Adopted | 59 to 65 |
| 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 | 56 to 58 |

The recommendations II.1.7., II.1.10. and V.2. are not fully adopted by Altri, as explained below.

**Recommendations II.1.7. and II.1.10.**:

The Board Directors does not include any member that satisfies the standard of independence referred in recommendation II.1.7 and II.1.10 of Corporate Governance Code issued by the Portuguese Securities Market Regulator (CMVM) since the non-executive director Laurentina da Silva Martins was employee of subsidiary Caima – Indústria de Celulose, S.A., the non-executive director Ana Rebelo de Carvalho Menéres is the manager and controlling shareholder of the Company Promendo SGPS, S.A. and the non-executive director José Manuel de Almeida Archer is also a shareholder and manager of the Company Promendo SGPS, S.A.

To allow to the non-executive directors an independent and informed decision, the Company has the following mechanisms:

- Notices of meetings of the Board of Directors sent to all directors include the agenda, even tentatively, of the meeting, and are accompanied by all the relevant information and documentation;
- Availability of executive directors for the provision to non-executive directors, of any additional information which they consider relevant or necessary, and to carry out further studies and analyses in relation to all matters which are the subject of deliberation or that, are under review in some way, in the Company;
- The non – executive directors have wide powers to obtain information on any aspect of the Company, to examine its books, records, documents and other antecedents of the Company's operations. They can request relevant information directly to the directors and to the financial and operating senior staff of all group companies, without requiring any intervention of the executive directors in this process.

Given the corporate model adopted and the composition and mode of operation of its governing boards, including the independence of the supervisory boards, without, delegation of powers among them, the Group considers that the designation of independent directors to the Board would not yield significant improvements for the proper functioning of the corporate governance model, which has revealed itself proper and efficient.

The Director's report includes in its chapter "Activity developed by the non-executive members of the Board," a description of the activity of the non-executive directors during 2016.

**Recommendation V.2.**:

Transactions with Altri's directors or with companies that are in a group or dominance relationship with them, regardless of the amount, are subject to prior approval of the Board of Directors, with a favourable opinion of the Statutory Board, under the terms of article 397 of the Portuguese Companies Act.

Currently, there aren't established procedures or criteria for defining the relevant level of significance of businesses between the company and holders of qualified holdings or entities that are in a group or dominance relationship, from which the intervention from the Statutory Board is required.

However, given the above legal obligation, and considering especially the legal requirement of the same legislation that requires the disclosure of these situations in the annual report of the board of directors, that Altri would always give full compliance, we consider all legal requirements are safeguarded as well as all the obligations of full and transparent information disclosure to shareholders and to the market.

**3. Other information**

In line with what has been said, Altri would like to point out that, of the forty recommendations contained in the CMVM Corporate Governance Code of 2013, six of them are not applicable for the reasons set out above, and the failure to fully adopt only four of the recommendations is largely explained above.

Altri therefore considers that, given the full compliance of thirty-one of these recommendations, the degree of adoption of the Company to the 2013 Corporate Governance Code's recommendations is practically total, which is materialized in a diligent and prudent management, absolutely focused on creating value for the Company and hence for shareholders.

## LEGAL MATTERS

**Own Shares**

Pursuant to the requirements of article 66 of the Portuguese Companies Act, the Directors inform that as of 31 December 2016 Altri had no own shares and did not acquire or sell any own shares during the year.

**Shares held by Altri's corporate boards**

Pursuant to the requirements of article 447 of the Portuguese Companies Act, the Directors inform that, as of 31 December 2016, they held the following shares:

| | |
|---|---|
| Paulo Jorge dos Santos Fernandes [(a)] | 23,854,874 |
| João Manuel Matos Borges de Oliveira [(b)] | 30,000,000 |
| Domingos José Vieira de Matos [(c)] | 24,150,110 |
| Ana Rebelo de Carvalho Menéres de Mendonça [(d)] | 42,954,552 |
| José Manuel de Almeida Archer | 1,500 |

[(a)] – The 23,854,874 shares represent Altri SGPS, S.A. total shares held by the company "ACTIUM CAPITAL – SGPS, S.A." of which Paulo Jorge dos Santos Fernandes is the dominant shareholder and director.
[(b)] – The 30,000,000 shares represent Altri SGPS, S.A. total shares held by the company Caderno Azul – SGPS, S.A., of which João Manuel Matos Borges de Oliveira is director and shareholder.
[(c)] – The 24,150,110 shares represent Altri SGPS, S.A. total shares held by the company LIVREFLUXO – SGPS, S.A., of which Domingos José Vieira de Matos is director and dominant shareholder.
[(d)] – The 42,954,552 shares represent Altri SGPS, S.A. total shares held by the company PROMENDO – SGPS, S.A., of which Ana Rebelo de Carvalho Menéres de Mendonça is director and dominant shareholder.

As of December 31, 2016, the Statutory Auditor, the members of the Supervisory Board and the members of the Board of the General Shareholders' Meeting held no shares of Altri.

**Participation in the Company's share capital**

Pursuant to the requirements of articles 16 and 20 of the Securities Market Code and article 448 of the Portuguese Companies Act, the Directors inform that, in accordance with the notifications received until 31 December 2016, the companies and/or individuals that hold qualified participations exceeding 2%, 5%, 10%, 20%, 33% and 50% of the voting rights are as follows:

| Norges Bank | Nr of shares held on 31-dec-2016 | %Share capital with voting rights |
|---|---|---|
| Directly | 4,149,572 | 2.02% |
| **Total attributable** | **4,149,572** | **2.02%** |

| Bestinver Gestión, S.A. SGIIC | Nr of shares held on 31-dec-2016 | %Share capital with voting rights |
|---|---|---|
| Directly | 4,205,022 | 2.05% |
| **Total attributable** | **4,205,022** | **2.05%** |

| Indumenta Pueri, S.L. | Nr of shares held on 31-dec-2016 | %Share capital with voting rights |
|---|---|---|
| Through Wilmington Capital, S.L. | 10,260,489 | 5.00% |
| **Total attributable** | **10,260,489** | **5.00%** |

| 1 Thing, Investments SGPS, S.A. | Nr of shares held on 31-dec-2016 | %Share capital with voting rights |
|---|---|---|
| Directly | 14,359,708 | 7.00% |
| **Total attributable** | **14,359,708** | **7.00%** |

(a) - The 14,359,708 Altri, SGPS, S.A. shares are directly held by the company 1 THING, INVESTMENTS SGPS, S.A., whose board of directors includes Altri's director Pedro Miguel Matos Borges de Oliveira.

| Paulo Jorge dos Santos Fernandes | Nr of shares held on 31-dec-2016 | %Share capital with voting rights |
|---|---|---|
| Through Actium Capital - SGPS, S.A. (of which he is dominant shareholder and director) | 23,854,874 | 11.63% |
| **Total attributable** | **23,854,874** | **11.63%** |

| Domingos José Vieira de Matos | Nr of shares held on 31-dec-2016 | %Share capital with voting rights |
|---|---|---|
| Through Livrefluxo - SGPS, S.A. (of which he is dominant shareholder and director) | 24,150,110 | 11.77% |
| **Total attributable** | **24,150,110** | **11.77%** |

| João Manuel Matos Borges de Oliveira | Nr of shares held on 31-dec-2016 | %Share capital with voting rights |
|---|---|---|
| Through CADERNO AZUL - SGPS, S.A. (of which he is shareholder and director) | 30,000,000 | 14.62% |
| **Total attributable** | **30,000,000** | **14.62%** |

| Promendo - SGPS, S.A. | Nr of shares held on 31-dec-2016 | %Share capital with voting rights |
|---|---|---|
| Directly (a) | 42,954,552 | 20.94% |
| Through its Director José Manuel de Almeida Archer | 1,500 | 0.00% |
| **Total attributable** | **42,956,052** | **20.94%** |

(a) - The 42,954,552 shares correspond to the total Altri, SGPS, S.A. shares directly held by the company PROMENDO - SGPS, S.A., of which the director Ana Rebelo de Carvalho Menéres de Mendonça is director and majority shareholder.

Altri was not informed of any participation exceeding 33% of voting rights.

## CLOSING REMARKS

We don't want to conclude without thanking the various partners of the group for their trust in our organization. Finally, we would like to express our gratitude to all our employees for their dedication and commitment.

Oporto, 23 March 2017

**The Board of Directors**

Paulo Jorge dos Santos Fernandes

João Manuel Matos Borges de Oliveira

Domingos José Vieira de Matos

Laurentina da Silva Martins

Pedro Miguel Matos Borges de Oliveira

Ana Rebelo Carvalho Menéres Mendonça

José Manuel de Almeida Archer

# APPENDIXES TO THE MANAGEMENT REPORT

## STATEMENT UNDER THE TERMS OF ARTICLE 245, PARAGRAPH 1, C) OF THE SECURITIES MARKET CODE

The signatories individually declare that, to the best of their knowledge, the Management Report, the Individual and Consolidated Financial Statements and other accounting documents required by law or regulation were prepared in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the European Union, , giving a truthful and appropriate image of assets and liabilities, financial position and the consolidated and individual results of Altri, SGPS, S.A. and of the companies included in the consolidation perimeter and that the Management Report exposes truly the evolution of business, performance and financial position of Altri, SGPS, S.A. and of its subsidiaries included in the consolidation perimeter as well as a description of the major risks and uncertainties faced.

## STATEMENT OF RESPONSIBILITY

The members of the Board of Directors of Altri, S.G.P.S., S.A. declare that they assume responsibility for this information and affirm that the items included herein are true and that, to the best of their knowledge, there are no omissions.

As required by article 210 of the Social Security Contributions Plan Code (approved by Law 110/2009 of 16 September), the Board of Directors informs that there are no overdue debts to the State, namely with respect to Social Security.

## APPENDIX I

### 1. Board of Directors

**Qualifications, experience and positions held in other companies by the members of the Board of Directors:**

**Paulo** Jorge dos Santos **Fernandes**

He was one of the founders of Cofina (company that led to the creation of Altri, by spin-off), and has been involved in the Group's management since its incorporation. Graduated from Oporto University with a degree in Electronic Engineering, also has an MBA from the Nova University of Lisbon.

He is shareholder of the Company since 2005 having been also appointed Director at the same date.

He develops his activities in Media, Internet and paper pulp's industry. Nowadays is CEO of Cofina SGPS, S.A., CO-CEO of Altri, of which he is co-founder, shareholder, member of the Boarder of Directors and President.

He is also a member of the Board of Directors of F. Ramada Investimentos, SGPS, S.A.

In addition to the Companies where he currently performs management functions, his professional experience includes:

| | |
|---|---|
| 1982/1984 | Assistant Director of Production of CORTAL |
| 1986/1989 | General Director of CORTAL |
| 1989/1994 | President of the Board of CORTAL |
| 1995 | Director of CRISAL – CRISTAIS DE ALCOBAÇA, S.A. |
| 1997 | Director of Grupo Vista Alegre, S.A. |
| 1997 | Chairman of the Board of ATLANTIS - Cristais de Alcobaça, S.A. |
| 2000/2001 | Director of SIC |

Throughout his career, also played roles in several associations:

| | |
|---|---|
| 1989/1994 | President of FEMB (Fédération Européene de Mobilier de Bureau) for Portugal; |
| 1989/1990 | President of the General Meeting Assoc. Industr. Águeda |
| 1991/1993 | Member of the Advisory Board Assoc. Ind. Portuense |
| Since 2005 | Member of Superior Board at the MBA Former Student's Association |
| 2013/2016 | President of the Supervisory Board of BCSD |
| Since 2006 | Member of the Advisory Board for engineering and management of IST |
| Since 2016 | Member of the Board of CELPA – Associação da Indústria Papeleira |

The other companies where he carries out management functions as of 31 December 2016 are as follows:

- A Nossa Aposta – Jogos e Apostas On-Line, SA. (a)
- Actium Capital, SGPS, S.A. (a)
- Alteria, S.G.P.S., S.A. (a)
- Altri Abastecimento de Madeira, S.A.
- Altri Participaciones Y Trading, S.L.
- Articulado – Actividades Imobiliárias, S.A. (a)
- Base Holding, SGPS, S.A. (a)
- Caima – Indústria de Celulose, S.A.

- Caima Energia – Emp. Gestão e Exploração de Energia, S.A.
- Celulose Beira Industrial (Celbi), S.A.
- Celtejo – Empresa de Celulose do Tejo, S.A.
- Cofihold - SGPS, S.A. (a)
- Cofina, S.G.P.S, S.A. (a)
- Cofina Media, S.A. (a)
- Elege Valor, S.G.P.S., S.A. (a)
- F. Ramada Investimentos, S.G.P.S., S.A. (a)
- F. Ramada II Imobiliária, S.A. (a)
- Préstimo – Prestígio Imobiliário, S.A. (a)
- Ramada Aços, S.A. (a)
- Ramada Storax, S.A. (a)
- Santos Fernandes & Vieira Matos, Lda. (a)
- Sociedade Imobiliária Porto Seguro – Investimentos Imobiliários, S.A. (a)

(a) Companies that, as of December 31, 2016 cannot be considered to be part of Altri, S.G.P.S., S.A. group

**João** Manuel Matos **Borges de Oliveira**

He was also one of the founders of Cofina (from which resulted Altri) and has been involved in the Group's management since its incorporation. Graduated from Oporto University with a degree in Chemical Engineering, holds an MBA from INSEAD. He develops his activity in the media and industrial operations, as well as in the strategic definition of the Group. He is a shareholder of the company since 2005 and has also been appointed director on the same date.

In addition to the Companies where he currently performs management functions, his professional experience includes:

| | |
|---|---|
| 1982/1983 | Assistant Production Director of Cortal |
| 1984/1985 | Production Director of Cortal |
| 1987/1989 | Marketing Director of Cortal |
| 1989/1994 | General Director of Cortal |
| 1989/1995 | Vice President of the Board of Cortal |
| 1989/1994 | Director of Seldex |
| 1992/1994 | Vice President of General Meeting of Assoc. Industr. Águeda |
| 1995/2004 | President of Supervisory Board of Assoc. Industr. Aveiro |
| 1996/2000 | Non-executive Director of Atlantis, S.A. |
| 1997/2000 | Non-executive Director of Vista Alegre, S.A. |
| 1998/1999 | Director of Efacec Capital, SGPS, S.A. |
| 2008/2015 | President of Supervisory Board of Porto Business School |
| 2008/2011 | Non-executive Director of Zon Multimédia, SGPS, S.A. |
| 2011/2013 | Member of ISCTE-IUL CFO Advisory Forum |

The other companies where he carries out management functions as of 31 December 2016 are as follows:

- Alteria, S.G.P.S., S.A. (a)
- Altri Abastecimento de Madeira, S.A.
- Altri Participaciones Y Trading, S.L.
- Base Holding, SGPS, S.A. (a)
- Caderno Azul, S.G.P.S., S.A. (a)
- Caima – Indústria de Celulose, S.A.
- Caima Energia – Emp. Gestão e Exploração de Energia, S.A.

- Captaraíz – Unipessoal, Lda.
- Celulose Beira Industrial (Celbi), S.A.
- Celtejo – Empresa de Celulose do Tejo, S.A.
- Cofina, SGPS, S.A. (a)
- Cofina Media, S.A. (a)
- Cofihold SGPS, S.A. (a)
- Elege Valor, S.G.P.S., S.A. (a)
- F. Ramada Investimentos, S.G.P.S., S.A. (a)
- F. Ramada II Imobiliária, S.A. (a)
- Indaz, S.A. (a)
- Préstimo – Prestígio Imobiliário, S.A. (a)
- Ramada Aços, S.A. (a)
- Ramada Storax, S.A. (a)
- Storax Limited (a)
- Sociedade Imobiliária Porto Seguro – Investimentos Imobiliários, S.A. (a)
- Universal – Afir, S.A. (a)

a) – Companies that, as of December 31, 2016 cannot be considered to be part of Altri, S.G.P.S., S.A. group

**Domingos** José Vieira de **Matos**

He was one of the founders of Cofina (company that originated Altri by spin-off) and has been directly involved in the management of the Group since its beginning. He holds a degree in Economics from the Faculty of Economy of Oporto and began his carrier in management in 1978. He is a shareholder of the Company since 2005 and has been director since that date.

In addition to the Companies where he currently performs management functions, his professional experience includes:

| | |
|---|---|
| 1978/1994 | Director of CORTAL, S.A. |
| 1983 | Founding Partner of PROMEDE – Produtos Médicos, S.A. |
| 1998/2000 | Director of ELECTRO CERÂMICA, S.A. |

The other companies where he carries out management functions as of 31 December 2016 are as follows:

- Alteria, S.G.P.S., S.A. (a)
- Altri Florestal, S.A.
- Base Holding, SGPS, S.A. (a)
- Caima – Indústria de Celulose, S.A.
- Celulose Beira Industrial (Celbi), S.A.
- Cofina, SGPS, S.A. (a)
- Cofihold SGPS, S.A. (a)
- Elege Valor, S.G.P.S., S.A. (a)
- F. Ramada Investimentos, S.G.P.S., S.A. (a)
- F. Ramada II Imobiliária, S.A. (a)
- Livrefluxo, S.G.P.S., S.A. (a)
- Préstimo – Prestígio Imobiliário, S.A. (a)
- Ramada Aços, S.A. (a)
- Ramada Storax, S.A. (a)
- Sociedade Imobiliária Porto Seguro – Investimentos Imobiliários, S.A. (a)
- Universal - Afir, S.A. (a)

(a) – companies that, as of 31 December 2016, cannot be considered as part of the Altri, SGPS, S.A. group.

**Laurentina** da Silva **Martins**

With education in Finance and Administration from Instituto Superior do Porto she is related with Altri Group since its incorporation and was appointed director of the company in March 2009.

Her Professional experience includes:

- 1965 Financial direction assessor of Companhia de Celulose do Caima, S.A.
- 1990 Financial director of Companhia de Celulose do Caima, S.A.
- 2001 Director of Cofina Media, SGPS, S.A.
- 2001 Director of Caima Energia – Empresa de Gestão e Exploração de Energia, S.A.
- 2004 Director of Grafedisport – Impressão e Artes Gráficas, S.A.
- 2005 Director of Silvicaima – Sociedade Silvícola do Caima, S.A. (now Altri Florestal, S.A.)
- 2006 Director of EDP – Produção Bioeléctrica, S.A.

The other companies where she carries out management functions as of 31 December 2016 are as follows:

- EDP – Produção Bioeléctrica, S.A.
- Ródão Power – Energia e Biomassa do Ródão, S.A.
- Sociedade Bioelectrica do Mondego, S.A.
- Biorodão, S.A.

**Pedro** Miguel Matos **Borges de Oliveira**

Holds a degree in Financial Management by the Institute of Administration and Management of Porto. In 2000 completed the Executive MBA in the Enterprise Institute Porto in partnership with ESADE Business School, Barcelona, currently Catholic Porto Business School. In 2009 completed the Business Valuation Course in EGE-Business Management School. Was appointed director of the Company in April 2014.

In addition to the Companies where he currently performs management functions, his professional experience includes:

| | |
|---|---|
| 1986/2000 | FERÁGUEDA, Lda. - Management advisor |
| 1992 | Bemel, Lda. - Director |
| 1997/1999 | GALAN, Lda. – Assistant Director |
| 1999/2000 | F.Ramada, Aços e Indústrias, S.A. – Assistent Director |
| 2000 | F. Ramada, Aços e Indústrias, S.A. - Director |
| 2006 | Universal Afir, Aços Especiais e Ferramentas, S.A. - Director |
| 2009 | F. Ramada Investimentos, S.G.P.S., S.A. - Director |

The other companies where he carries out management functions as of 31 December 2016 are as follows:

- Alteria, S.G.P.S., S.A. (a)
- Altri Florestal, S.A.
- Celulose Beira Industrial (Celbi), S.A.
- Cofihold SGPS, S.A. (a)
- Cofina, S.G.P.S., S.A. (a)
- Elege Valor, S.G.P.S., S.A. (a)
- F. Ramada Investimentos, S.G.P.S., S.A. (a)
- F. Ramada II Imobiliária, S.A. (a)
- Préstimo – Prestígio Imobiliário, S.A. (a)
- Ramada Aços, S.A. (a)

- Ramada Storax, S.A. (a)
- Sociedade Imobiliária Porto Seguro – Investimentos Imobiliários, S.A. (a)
- Universal - Afir, S.A. (a)
- Valor Autêntico, S.G.P.S., S.A. (a)
- 1 Thing, Investments, S.G.P.S., S.A. (a)

(a) – companies that, as of 31 December 2016, cannot be considered as part of the Altri, SGPS, S.A. group.

**Ana** Rebelo de Carvalho Menéres de **Mendonça**

Holds a degree in Economics by the Universidade Católica Portuguesa of Lisbon. Was appointed director of the Company in April 2014.

In addition to the Companies where she currently performs management functions, her professional experience includes:

| | |
|---|---|
| 1995 | Newspaper "Semanário Económico" - Journalist in the economics area. |
| 1996 | Citibank – Commercial Department |
| 1996 | Promendo, S.A.- Director |
| 2009 | PROMENDO, SGPS, S.A. - Director |

The other companies where she carries out management functions as of 31 December 2016 are as follows:

- Cofina, S.G.P.S., S.A. (a)
- Cofihold, SGPS, S.A. (a)
- F. Ramada Investimentos, SGPS, S.A. (a)
- F. Ramada II Imobiliária, S.A. (a)
- Promendo, SGPS, S.A. (a)
- Préstimo – Prestígio Imobiliário, S.A. (a)
- Ramada Aços, S.A. (a)
- Ramada Storax, S.A. (a)

(a) – companies that, as of 31 December 2016, cannot be considered as part of the Altri, SGPS, S.A. group.

**José** Manuel de Almeida **Archer**

Holds a degree in law by the Universidade Católica Portuguesa of Lisbon and he is a member of the Lawyers Association since 1984.

In addition to the Companies where he currently performs management functions, his professional experience includes:

| | |
|---|---|
| (1985-1987) | Phoenix Assurance, PLC (Portugal Agency) – Director |
| (1999-2001) | President of the board of directors of Selecta – Sociedade Gestora do Fundo do Investimento Imobiliário Selecto II, S.A. |
| (1998-2001) | Member of Legal & Tax Committee (Nasdaq Europe) |
| (2000-2014) | Companhia das Quintas SGPS, S.A. – Director |
| (2004-2013) | Blues Group (UK) – Director |
| (1997-2001) | Member of Executive Board of FEE - Foundation for Environmental Education (Denmark) |

The other companies where he carries out management functions as of 31 December 2016 are as follows:

- ABAE - Associação Bandeira Azul da Europa (a)
- Banco Finantia Sofinloc, S.A., (Spain) (a)
- Correia Afonso Archer & Associados – Sociedade de Advogados, RL (a)
- Promendo SGPS, S.A. (a)
- Promendo – Promoções Empresariais, S.A. (a)
- Vialegis AEIE (Madrid) (a)

Other positions held:

President of the Supervisory Board of:
- Banco Finantia, S.A. (a)
- Finatipar – SGPS, S.A. (a)
- Ginásio Clube Português (a).

(a) – companies that, as of 31 December 2016, cannot be considered as part of the Altri, SGPS, S.A. group.

## 2. Supervisory Board

**Qualifications, experience and positions held in other companies by members of the Supervisory Board:**

**Pedro** Nuno Fernandes de Sá **Pessanha** da Costa

Qualifications: Degree in Law from the Faculty of Law of the University of Coimbra in 1981
Complementary training in Company Management and Economic and Financial Analysis at the School of Law of the Portuguese Catholic University, Porto, 1982 and 1983.

Professional Experience: Member of the Lawyers Bar (“Ordem dos advogados) since 1983
President of the General and Supervisory Board of a public company from 1996 to 2010, President of the General Shareholders Meeting of several listed and non-listed companies
Continuous law practice since 1983, with a special focus on commercial law and corporate law, mergers and acquisitions, foreign investment and international contracts
Co-author of the chapter on Portugal in "Handbuch der Europäischen Aktien- Gesellschaft” – Societas Europaea – by Jannot / Frodermann, published by C.F. Müller Verlag

Other positions held:
President of the Supervisory Board of Banco Português de Investimento, S.A. (a)
President of the Supervisory Board of Cofina, SGPS, S.A. (a)
President of the Supervisory Board of F. Ramada Investimentos, SGPS, S.A. (a)
Member of the Cofina, SGPS, S.A. Remuneration Committee (a)
Member of the F. Ramada Investimentos, SGPS, S.A. Remuneration Committee (a)
President of the Shareholders General Meeting of Unicer Bebidas, S.A. (a)
President of the Shareholders General Meeting of SOGRAPE, SGPS. S.A. (a)
President of the Shareholders General Meeting of SOGRAPE Vinhos, S.A. (a)
President of the SOGRAPE SGPS, S.A. Remuneration Committee (a)
President of the Shareholders General Meeting of Base Holding, SGPS, S.A. (a)
President of the Shareholders General Meeting of Adriano Ramos Pinto, S.A. (a)
President of the Shareholders General Meeting of Aquitex – Acabamentos Químicos Têxteis, S.A. (a)
Honorary Consul of Belgium in Oporto (a)
Vice-President of Board of Directors of Associação do Corpo Consular do Porto

(a) – companies that, as of 31 December 2016, cannot be considered as part of the Altri, SGPS, S.A. group.

**André** Seabra Ferreira **Pinto**

Qualifications: Degree in Economics at University Portucalense
Chartered Accountant (ROC no. 1,243)
Executive MBA - Management School of Porto - University of Porto Business School

Professional Experience: Between September 1999 and May 2008, worked in the Audit Department of Deloitte & Associados, SROC, S.A. (initially as a member of staff and since September 2004 as Manager).

Between June 2008 and December 2010, Senior Manager of Corporate Finance department - Transaction Services at Deloitte Consulting.

Between January 2011 and March 2013, CFO of companies WireCoWorldGroup Group in Portugal (a)

Since April 2013, Director (CFO) of Mecwide Group (a)

Director of MWIDE, SGPS, S.A. (a) as well as of all the companies of Mecwide Group

Manager of Together We Change Investments, LDA, Virtusai LDA. and Apparently Relevant, Lda. (a)

Other positions held:
Member of the Supervisory Board of Cofina, SGPS, S.A. (a)
Member of the Supervisory Board of F. Ramada Investimentos, SGPS, S.A. (a)

(a) – companies that, as of 31 December 2016, cannot be considered as part of the Altri, SGPS, S.A. group.

José **Guilherme** Barros **Silva**

Qualifications: 1990-1995 Degree in Business Administration and Management, Portuguese Catholic University

Professional Experience: 1995-1997 IC, Arthur Andersen, SC
1997-2010 Vice President of the Board of Directors, Detipin – Comércio de Vestuário, S.A. (a)
2004- Member of the Board of Directors, SEF - Serviços de Saúde e Fisioterapia, S.A. (a)
2005-2010 Member of the Board of Directors, Globaljeans - Comércio de Vestuário, S.A. (a)
2005- Vice-President of the Board of Directors, SEF - Serviços de Saúde e Fisioterapia, S.A. (a)
2005-2009 Vice President of the Board of Directors, AH Business, SGPS, S.A. (a)
2006- Member of the Board of Directors, Fisiofafe, S.A. (a)
2009- Member of the Board of Directors, Clínica de S. Cosme de Gondomar II, Fisioterapia, S.A. (a)

2011- President of the Board of Directors, GNG – Comércio de Vestuário, S.A. (a)

Other positions held:

Member of the Supervisory Board of Cofina, SGPS, S.A. (a)
Member of the Supervisory Board of F. Ramada Investimentos, SGPS, S.A. (a)

(a) – companies that, as of 31 December 2016, cannot be considered as part of the Altri, SGPS, S.A. group.

## Article 447 of the Portuguese Companies Act and Article 14, paragraph 7 of Portuguese Securities Regulator (CMVM) Regulation nr. 5/2008

Disclosure of shares and other securities held by members of the Board of Directors and by those discharging managerial responsibilities, as well as by people closely connected with them (article 248-B of the Portuguese Securities Code), and disclosure of the respective transactions during the year involving such shares and other securities

| Members of the Board of Directors | Shares held at 31-12-2015 | Acquisitions | Disposal | Others | Shares held at 31-12-2016 |
|---|---|---|---|---|---|
| Paulo Jorge dos Santos Fernandes | 650,000 | - | - | (650,000) | - |
| Paulo Jorge dos Santos Fernandes(imputação via ACTIUM CAPITAL - SGPS, S.A.) | 22,925,168 | 929,706 | - | - | 23,854,874 |
| João Manuel Matos Borges de Oliveira (imputação via CADERNO AZUL - SGPS, S.A.) | 30,000,000 | - | - | - | 30,000,000 |
| Domingos José Vieira de Matos (imputação via LIVREFLUXO - SGPS, S.A.) | 23,900,110 | 250,000 | - | - | 24,150,110 |
| Pedro Miguel Matos Borges de Oliveira | 2,804,708 | - | - | (2,804,708) | - |
| Ana Rebelo Carvalho Menéres de Mendonça (imputação via PROMENDO - SGPS, S.A.) | 41,954,552 | 1,000,000 | - | - | 42,954,552 |
| José Manuel de Almeida Archer | 1,500 | - | - | - | 1,500 |

Paulo Jorge dos Santos Fernandes

| Date | Type | Volume | Price (€) | Local | Nr. of shares |
|---|---|---|---|---|---|
| 31-Dec-15 | - | - | - | - | 650,000 |
| 23-Jun-16 | Donation | (650,000) | 3.199000 | - | - |
| 31-Dec-16 | - | - | - | - | - |

Paulo Jorge dos Santos Fernandes (through ACTIUM CAPITAL - SGPS, S.A.)

| Date | Type | Volume | Price (€) | Local | Nr. of shares |
|---|---|---|---|---|---|
| 31-Dec-15 | - | - | - | - | 22,925,168 |
| 23-Jun-16 | Acquisition | 650,000 | 3.000000 | - | 23,575,168 |
| 24-Jun-16 | Acquisition | 5,000 | 2.980000 | Euronext Lisbon | 23,580,168 |
| 24-Jun-16 | Acquisition | 500 | 2.980000 | Euronext Lisbon | 23,580,668 |
| 24-Jun-16 | Acquisition | 500 | 2.980000 | Euronext Lisbon | 23,581,168 |
| 24-Jun-16 | Acquisition | 294 | 2.980000 | Euronext Lisbon | 23,581,462 |
| 24-Jun-16 | Acquisition | 168 | 2.980000 | Euronext Lisbon | 23,581,630 |
| 24-Jun-16 | Acquisition | 38 | 2.980000 | Euronext Lisbon | 23,581,668 |
| 24-Jun-16 | Acquisition | 462 | 2.980000 | Euronext Lisbon | 23,582,130 |
| 24-Jun-16 | Acquisition | 206 | 2.980000 | Euronext Lisbon | 23,582,336 |
| 24-Jun-16 | Acquisition | 294 | 2.980000 | Euronext Lisbon | 23,582,630 |
| 24-Jun-16 | Acquisition | 500 | 2.980000 | Euronext Lisbon | 23,583,130 |
| 24-Jun-16 | Acquisition | 500 | 2.980000 | Euronext Lisbon | 23,583,630 |
| 24-Jun-16 | Acquisition | 500 | 2.980000 | Euronext Lisbon | 23,584,130 |
| 24-Jun-16 | Acquisition | 500 | 2.980000 | Euronext Lisbon | 23,584,630 |
| 24-Jun-16 | Acquisition | 500 | 2.980000 | Euronext Lisbon | 23,585,130 |
| 24-Jun-16 | Acquisition | 38 | 2.996000 | Euronext Lisbon | 23,585,168 |
| 24-Jun-16 | Acquisition | 1,000 | 2.985000 | Euronext Lisbon | 23,586,168 |
| 24-Jun-16 | Acquisition | 458 | 2.985000 | Euronext Lisbon | 23,586,626 |
| 24-Jun-16 | Acquisition | 300 | 2.985000 | Euronext Lisbon | 23,586,926 |
| 24-Jun-16 | Acquisition | 242 | 2.985000 | Euronext Lisbon | 23,587,168 |
| 24-Jun-16 | Acquisition | 591 | 2.985000 | Euronext Lisbon | 23,587,759 |
| 24-Jun-16 | Acquisition | 409 | 2.985000 | Euronext Lisbon | 23,588,168 |
| 24-Jun-16 | Acquisition | 409 | 2.985000 | Euronext Lisbon | 23,588,577 |
| 24-Jun-16 | Acquisition | 591 | 2.985000 | Euronext Lisbon | 23,589,168 |
| 24-Jun-16 | Acquisition | 1,000 | 2.985000 | Euronext Lisbon | 23,590,168 |
| 24-Jun-16 | Acquisition | 1,500 | 2.985000 | Euronext Lisbon | 23,591,668 |
| 24-Jun-16 | Acquisition | 1,000 | 2.985000 | Euronext Lisbon | 23,592,668 |
| 24-Jun-16 | Acquisition | 302 | 2.985000 | Euronext Lisbon | 23,592,970 |
| 24-Jun-16 | Acquisition | 1,000 | 2.994000 | Euronext Lisbon | 23,593,970 |
| 24-Jun-16 | Acquisition | 1,000 | 2.994000 | Euronext Lisbon | 23,594,970 |
| 24-Jun-16 | Acquisition | 1,000 | 2.994000 | Euronext Lisbon | 23,595,970 |
| 24-Jun-16 | Acquisition | 1,000 | 2.994000 | Euronext Lisbon | 23,596,970 |
| 24-Jun-16 | Acquisition | 1,000 | 2.994000 | Euronext Lisbon | 23,597,970 |
| 24-Jun-16 | Acquisition | 1,000 | 2.994000 | Euronext Lisbon | 23,598,970 |
| 24-Jun-16 | Acquisition | 1,000 | 2.994000 | Euronext Lisbon | 23,599,970 |
| 24-Jun-16 | Acquisition | 1,000 | 2.994000 | Euronext Lisbon | 23,600,970 |
| 24-Jun-16 | Acquisition | 984 | 2.994000 | Euronext Lisbon | 23,601,954 |
| 24-Jun-16 | Acquisition | 1,000 | 2.994000 | Euronext Lisbon | 23,602,954 |
| 24-Jun-16 | Acquisition | 631 | 2.994000 | Euronext Lisbon | 23,603,585 |

| Date | Type | Volume | Price (€) | Local | Nr. of shares |
|---|---|---|---|---|---|
| 24-Jun-16 | Acquisition | 250 | 2.994000 | Euronext Lisbon | 23,603,835 |
| 24-Jun-16 | Acquisition | 1,000 | 2.996000 | Euronext Lisbon | 23,604,835 |
| 24-Jun-16 | Acquisition | 32 | 2.996000 | Euronext Lisbon | 23,604,867 |
| 24-Jun-16 | Acquisition | 250 | 2.996000 | Euronext Lisbon | 23,605,117 |
| 24-Jun-16 | Acquisition | 718 | 2.996000 | Euronext Lisbon | 23,605,835 |
| 24-Jun-16 | Acquisition | 250 | 2.996000 | Euronext Lisbon | 23,606,085 |
| 24-Jun-16 | Acquisition | 4,000 | 2.996000 | Euronext Lisbon | 23,610,085 |
| 24-Jun-16 | Acquisition | 1,000 | 2.996000 | Euronext Lisbon | 23,611,085 |
| 24-Jun-16 | Acquisition | 1,000 | 2.996000 | Euronext Lisbon | 23,612,085 |
| 24-Jun-16 | Acquisition | 885 | 2.996000 | Euronext Lisbon | 23,612,970 |
| 24-Jun-16 | Acquisition | 10,000 | 2.999000 | Euronext Lisbon | 23,622,970 |
| 24-Jun-16 | Acquisition | 750 | 2.994000 | Euronext Lisbon | 23,623,720 |
| 24-Jun-16 | Acquisition | 600 | 2.994000 | Euronext Lisbon | 23,624,320 |
| 24-Jun-16 | Acquisition | 750 | 2.994000 | Euronext Lisbon | 23,625,070 |
| 24-Jun-16 | Acquisition | 750 | 2.994000 | Euronext Lisbon | 23,625,820 |
| 24-Jun-16 | Acquisition | 1,050 | 2.994000 | Euronext Lisbon | 23,626,870 |
| 24-Jun-16 | Acquisition | 750 | 2.994000 | Euronext Lisbon | 23,627,620 |
| 24-Jun-16 | Acquisition | 750 | 2.994000 | Euronext Lisbon | 23,628,370 |
| 24-Jun-16 | Acquisition | 560 | 2.994000 | Euronext Lisbon | 23,628,930 |
| 24-Jun-16 | Acquisition | 190 | 2.994000 | Euronext Lisbon | 23,629,120 |
| 24-Jun-16 | Acquisition | 560 | 2.994000 | Euronext Lisbon | 23,629,680 |
| 24-Jun-16 | Acquisition | 566 | 2.994000 | Euronext Lisbon | 23,630,246 |
| 24-Jun-16 | Acquisition | 184 | 2.994000 | Euronext Lisbon | 23,630,430 |
| 24-Jun-16 | Acquisition | 11 | 2.994000 | Euronext Lisbon | 23,630,441 |
| 24-Jun-16 | Acquisition | 750 | 2.994000 | Euronext Lisbon | 23,631,191 |
| 24-Jun-16 | Acquisition | 557 | 2.994000 | Euronext Lisbon | 23,631,748 |
| 24-Jun-16 | Acquisition | 193 | 2.994000 | Euronext Lisbon | 23,631,941 |
| 24-Jun-16 | Acquisition | 444 | 2.994000 | Euronext Lisbon | 23,632,385 |
| 24-Jun-16 | Acquisition | 383 | 2.994000 | Euronext Lisbon | 23,632,768 |
| 24-Jun-16 | Acquisition | 256 | 2.994000 | Euronext Lisbon | 23,633,024 |
| 24-Jun-16 | Acquisition | 111 | 2.994000 | Euronext Lisbon | 23,633,135 |
| 24-Jun-16 | Acquisition | 59 | 2.994000 | Euronext Lisbon | 23,633,194 |
| 24-Jun-16 | Acquisition | 272 | 2.994000 | Euronext Lisbon | 23,633,466 |
| 24-Jun-16 | Acquisition | 478 | 2.994000 | Euronext Lisbon | 23,633,944 |
| 24-Jun-16 | Acquisition | 272 | 2.994000 | Euronext Lisbon | 23,634,216 |
| 24-Jun-16 | Acquisition | 750 | 2.994000 | Euronext Lisbon | 23,634,966 |
| 24-Jun-16 | Acquisition | 750 | 2.994000 | Euronext Lisbon | 23,635,716 |
| 24-Jun-16 | Acquisition | 161 | 2.994000 | Euronext Lisbon | 23,635,877 |
| 24-Jun-16 | Acquisition | 500 | 2.996000 | Euronext Lisbon | 23,636,377 |
| 24-Jun-16 | Acquisition | 500 | 2.996000 | Euronext Lisbon | 23,636,877 |
| 24-Jun-16 | Acquisition | 1 | 2.996000 | Euronext Lisbon | 23,636,878 |
| 24-Jun-16 | Acquisition | 500 | 2.996000 | Euronext Lisbon | 23,637,378 |
| 24-Jun-16 | Acquisition | 1 | 2.996000 | Euronext Lisbon | 23,637,379 |
| 24-Jun-16 | Acquisition | 500 | 2.996000 | Euronext Lisbon | 23,637,879 |
| 24-Jun-16 | Acquisition | 500 | 2.996000 | Euronext Lisbon | 23,638,379 |
| 24-Jun-16 | Acquisition | 500 | 2.996000 | Euronext Lisbon | 23,638,879 |
| 24-Jun-16 | Acquisition | 500 | 2.996000 | Euronext Lisbon | 23,639,379 |
| 24-Jun-16 | Acquisition | 197 | 2.996000 | Euronext Lisbon | 23,639,576 |
| 24-Jun-16 | Acquisition | 303 | 2.996000 | Euronext Lisbon | 23,639,879 |
| 24-Jun-16 | Acquisition | 1,374 | 2.996000 | Euronext Lisbon | 23,641,253 |
| 24-Jun-16 | Acquisition | 303 | 2.996000 | Euronext Lisbon | 23,641,556 |
| 24-Jun-16 | Acquisition | 197 | 2.996000 | Euronext Lisbon | 23,641,753 |
| 24-Jun-16 | Acquisition | 33 | 2.996000 | Euronext Lisbon | 23,641,786 |
| 24-Jun-16 | Acquisition | 396 | 3.000000 | Euronext Lisbon | 23,642,182 |
| 24-Jun-16 | Acquisition | 104 | 3.000000 | Euronext Lisbon | 23,642,286 |
| 24-Jun-16 | Acquisition | 500 | 3.000000 | Euronext Lisbon | 23,642,786 |
| 24-Jun-16 | Acquisition | 410 | 3.000000 | Euronext Lisbon | 23,643,196 |
| 24-Jun-16 | Acquisition | 19 | 3.000000 | Euronext Lisbon | 23,643,215 |
| 24-Jun-16 | Acquisition | 21 | 3.000000 | Euronext Lisbon | 23,643,236 |
| 24-Jun-16 | Acquisition | 50 | 3.000000 | Euronext Lisbon | 23,643,286 |
| 24-Jun-16 | Acquisition | 5,040 | 3.000000 | Euronext Lisbon | 23,648,326 |
| 24-Jun-16 | Acquisition | 500 | 3.000000 | Euronext Lisbon | 23,648,826 |
| 24-Jun-16 | Acquisition | 1,000 | 3.000000 | Euronext Lisbon | 23,649,826 |
| 24-Jun-16 | Acquisition | 500 | 3.000000 | Euronext Lisbon | 23,650,326 |
| 24-Jun-16 | Acquisition | 223 | 3.000000 | Euronext Lisbon | 23,650,549 |

| Date | Type | Volume | Price (€) | Local | Nr. of shares |
|---|---|---|---|---|---|
| 24-Jun-16 | Acquisition | 500 | 3.000000 | Euronext Lisbon | 23,651,049 |
| 24-Jun-16 | Acquisition | 222 | 3.000000 | Euronext Lisbon | 23,651,271 |
| 24-Jun-16 | Acquisition | 1,500 | 3.000000 | Euronext Lisbon | 23,652,771 |
| 24-Jun-16 | Acquisition | 500 | 3.000000 | Euronext Lisbon | 23,653,271 |
| 24-Jun-16 | Acquisition | 257 | 3.000000 | Euronext Lisbon | 23,653,528 |
| 24-Jun-16 | Acquisition | 500 | 3.000000 | Euronext Lisbon | 23,654,028 |
| 24-Jun-16 | Acquisition | 177 | 3.000000 | Euronext Lisbon | 23,654,205 |
| 24-Jun-16 | Acquisition | 500 | 3.000000 | Euronext Lisbon | 23,654,705 |
| 24-Jun-16 | Acquisition | 200 | 3.000000 | Euronext Lisbon | 23,654,905 |
| 24-Jun-16 | Acquisition | 358 | 3.000000 | Euronext Lisbon | 23,655,263 |
| 24-Jun-16 | Acquisition | 142 | 3.000000 | Euronext Lisbon | 23,655,405 |
| 24-Jun-16 | Acquisition | 472 | 3.000000 | Euronext Lisbon | 23,655,877 |
| 24-Jun-16 | Acquisition | 150 | 2.996000 | Euronext Lisbon | 23,656,027 |
| 24-Jun-16 | Acquisition | 429 | 2.996000 | Euronext Lisbon | 23,656,456 |
| 24-Jun-16 | Acquisition | 421 | 2.996000 | Euronext Lisbon | 23,656,877 |
| 24-Jun-16 | Acquisition | 429 | 2.996000 | Euronext Lisbon | 23,657,306 |
| 24-Jun-16 | Acquisition | 740 | 2.996000 | Euronext Lisbon | 23,658,046 |
| 24-Jun-16 | Acquisition | 260 | 2.996000 | Euronext Lisbon | 23,658,306 |
| 24-Jun-16 | Acquisition | 741 | 2.996000 | Euronext Lisbon | 23,659,047 |
| 24-Jun-16 | Acquisition | 615 | 2.996000 | Euronext Lisbon | 23,659,662 |
| 24-Jun-16 | Acquisition | 385 | 2.996000 | Euronext Lisbon | 23,660,047 |
| 24-Jun-16 | Acquisition | 407 | 2.996000 | Euronext Lisbon | 23,660,454 |
| 24-Jun-16 | Acquisition | 1,000 | 2.996000 | Euronext Lisbon | 23,661,454 |
| 24-Jun-16 | Acquisition | 516 | 2.996000 | Euronext Lisbon | 23,661,970 |
| 24-Jun-16 | Acquisition | 484 | 2.996000 | Euronext Lisbon | 23,662,454 |
| 24-Jun-16 | Acquisition | 860 | 2.996000 | Euronext Lisbon | 23,663,314 |
| 24-Jun-16 | Acquisition | 140 | 2.996000 | Euronext Lisbon | 23,663,454 |
| 24-Jun-16 | Acquisition | 260 | 2.996000 | Euronext Lisbon | 23,663,714 |
| 24-Jun-16 | Acquisition | 1,000 | 2.996000 | Euronext Lisbon | 23,664,714 |
| 24-Jun-16 | Acquisition | 200 | 2.996000 | Euronext Lisbon | 23,664,914 |
| 24-Jun-16 | Acquisition | 1,000 | 2.996000 | Euronext Lisbon | 23,665,914 |
| 24-Jun-16 | Acquisition | 600 | 2.996000 | Euronext Lisbon | 23,666,514 |
| 24-Jun-16 | Acquisition | 400 | 2.996000 | Euronext Lisbon | 23,666,914 |
| 24-Jun-16 | Acquisition | 1,000 | 2.996000 | Euronext Lisbon | 23,667,914 |
| 24-Jun-16 | Acquisition | 153 | 2.996000 | Euronext Lisbon | 23,668,067 |
| 24-Jun-16 | Acquisition | 8 | 2.996000 | Euronext Lisbon | 23,668,075 |
| 24-Jun-16 | Acquisition | 17 | 2.996000 | Euronext Lisbon | 23,668,092 |
| 24-Jun-16 | Acquisition | 733 | 2.996000 | Euronext Lisbon | 23,668,825 |
| 24-Jun-16 | Acquisition | 17 | 2.996000 | Euronext Lisbon | 23,668,842 |
| 24-Jun-16 | Acquisition | 500 | 2.996000 | Euronext Lisbon | 23,669,342 |
| 24-Jun-16 | Acquisition | 250 | 2.996000 | Euronext Lisbon | 23,669,592 |
| 24-Jun-16 | Acquisition | 47 | 2.996000 | Euronext Lisbon | 23,669,639 |
| 24-Jun-16 | Acquisition | 750 | 2.996000 | Euronext Lisbon | 23,670,389 |
| 24-Jun-16 | Acquisition | 2,221 | 2.996000 | Euronext Lisbon | 23,672,610 |
| 24-Jun-16 | Acquisition | 750 | 2.996000 | Euronext Lisbon | 23,673,360 |
| 24-Jun-16 | Acquisition | 137 | 2.996000 | Euronext Lisbon | 23,673,497 |
| 24-Jun-16 | Acquisition | 613 | 2.996000 | Euronext Lisbon | 23,674,110 |
| 24-Jun-16 | Acquisition | 750 | 2.996000 | Euronext Lisbon | 23,674,860 |
| 24-Jun-16 | Acquisition | 308 | 3.000000 | Euronext Lisbon | 23,675,168 |
| 27-Dec-16 | Acquisition | 27,952 | 3.866000 | Euronext Lisbon | 23,703,120 |
| 27-Dec-16 | Acquisition | 20,000 | 3.864000 | Euronext Lisbon | 23,723,120 |
| 27-Dec-16 | Acquisition | 500 | 3.870000 | Euronext Lisbon | 23,723,620 |
| 27-Dec-16 | Acquisition | 9,056 | 3.870000 | Euronext Lisbon | 23,732,676 |
| 27-Dec-16 | Acquisition | 444 | 3.870000 | Euronext Lisbon | 23,733,120 |
| 27-Dec-16 | Acquisition | 1,500 | 3.871000 | Euronext Lisbon | 23,734,620 |
| 27-Dec-16 | Acquisition | 10,500 | 3.871000 | Euronext Lisbon | 23,745,120 |
| 27-Dec-16 | Acquisition | 776 | 3.871000 | Euronext Lisbon | 23,745,896 |
| 27-Dec-16 | Acquisition | 724 | 3.871000 | Euronext Lisbon | 23,746,620 |
| 27-Dec-16 | Acquisition | 1,776 | 3.871000 | Euronext Lisbon | 23,748,396 |
| 27-Dec-16 | Acquisition | 1,500 | 3.871000 | Euronext Lisbon | 23,749,896 |
| 27-Dec-16 | Acquisition | 13,224 | 3.871000 | Euronext Lisbon | 23,763,120 |
| 27-Dec-16 | Acquisition | 1,500 | 3.863000 | Euronext Lisbon | 23,764,620 |
| 27-Dec-16 | Acquisition | 1,776 | 3.863000 | Euronext Lisbon | 23,766,396 |
| 27-Dec-16 | Acquisition | 19,762 | 3.870000 | Euronext Lisbon | 23,786,158 |
| 27-Dec-16 | Acquisition | 25,000 | 3.887000 | Euronext Lisbon | 23,811,158 |
| 27-Dec-16 | Acquisition | 14,716 | 3.896000 | Euronext Lisbon | 23,825,874 |
| 27-Dec-16 | Acquisition | 6,731 | 3.894000 | Euronext Lisbon | 23,832,605 |
| 27-Dec-16 | Acquisition | 2,269 | 3.894000 | Euronext Lisbon | 23,834,874 |
| 27-Dec-16 | Acquisition | 1,730 | 3.897000 | Euronext Lisbon | 23,836,604 |
| 27-Dec-16 | Acquisition | 18,270 | 3.897000 | Euronext Lisbon | 23,854,874 |
| 31-Dec-16 | - | - | - | - | 23,854,874 |

Domingos José Vieira de Matos (through LIVREFLUXO - SGPS, S.A.)

| Date | Type | Volume | Price (€) | Local | Nr. of shares |
|---|---|---|---|---|---|
| 31-Dec-15 | - | - | - | - | 23,900,110 |
| 27-Jun-16 | Acquisition | 1,000 | 2.995000 | Euronext Lisbon | 23,901,110 |
| 27-Jun-16 | Acquisition | 1,000 | 2.995000 | Euronext Lisbon | 23,902,110 |
| 27-Jun-16 | Acquisition | 200 | 2.995000 | Euronext Lisbon | 23,902,310 |
| 27-Jun-16 | Acquisition | 800 | 2.995000 | Euronext Lisbon | 23,903,110 |
| 27-Jun-16 | Acquisition | 606 | 2.995000 | Euronext Lisbon | 23,903,716 |
| 27-Jun-16 | Acquisition | 1,000 | 2.996000 | Euronext Lisbon | 23,904,716 |
| 27-Jun-16 | Acquisition | 344 | 2.996000 | Euronext Lisbon | 23,905,060 |
| 27-Jun-16 | Acquisition | 718 | 2.996000 | Euronext Lisbon | 23,905,778 |
| 27-Jun-16 | Acquisition | 200 | 2.996000 | Euronext Lisbon | 23,905,978 |
| 27-Jun-16 | Acquisition | 82 | 2.996000 | Euronext Lisbon | 23,906,060 |
| 27-Jun-16 | Acquisition | 200 | 2.996000 | Euronext Lisbon | 23,906,260 |
| 27-Jun-16 | Acquisition | 603 | 2.996000 | Euronext Lisbon | 23,906,863 |
| 27-Jun-16 | Acquisition | 397 | 2.996000 | Euronext Lisbon | 23,907,260 |
| 27-Jun-16 | Acquisition | 1,000 | 2.996000 | Euronext Lisbon | 23,908,260 |
| 27-Jun-16 | Acquisition | 118 | 2.996000 | Euronext Lisbon | 23,908,378 |
| 27-Jun-16 | Acquisition | 425 | 2.996000 | Euronext Lisbon | 23,908,803 |
| 27-Jun-16 | Acquisition | 575 | 2.996000 | Euronext Lisbon | 23,909,378 |
| 27-Jun-16 | Acquisition | 28 | 2.996000 | Euronext Lisbon | 23,909,406 |
| 27-Jun-16 | Acquisition | 575 | 2.996000 | Euronext Lisbon | 23,909,981 |
| 27-Jun-16 | Acquisition | 425 | 2.996000 | Euronext Lisbon | 23,910,406 |
| 27-Jun-16 | Acquisition | 1,000 | 2.996000 | Euronext Lisbon | 23,911,406 |
| 27-Jun-16 | Acquisition | 312 | 2.996000 | Euronext Lisbon | 23,911,718 |
| 27-Jun-16 | Acquisition | 188 | 2.996000 | Euronext Lisbon | 23,911,906 |
| 27-Jun-16 | Acquisition | 709 | 2.996000 | Euronext Lisbon | 23,912,615 |
| 27-Jun-16 | Acquisition | 103 | 2.996000 | Euronext Lisbon | 23,912,718 |
| 27-Jun-16 | Acquisition | 147 | 2.996000 | Euronext Lisbon | 23,912,865 |
| 27-Jun-16 | Acquisition | 153 | 2.996000 | Euronext Lisbon | 23,913,018 |
| 27-Jun-16 | Acquisition | 600 | 2.996000 | Euronext Lisbon | 23,913,618 |
| 27-Jun-16 | Acquisition | 100 | 2.996000 | Euronext Lisbon | 23,913,718 |
| 27-Jun-16 | Acquisition | 502 | 2.996000 | Euronext Lisbon | 23,914,220 |
| 27-Jun-16 | Acquisition | 166 | 2.996000 | Euronext Lisbon | 23,914,386 |
| 27-Jun-16 | Acquisition | 500 | 2.996000 | Euronext Lisbon | 23,914,886 |
| 27-Jun-16 | Acquisition | 334 | 2.996000 | Euronext Lisbon | 23,915,220 |
| 27-Jun-16 | Acquisition | 500 | 2.996000 | Euronext Lisbon | 23,915,720 |
| 27-Jun-16 | Acquisition | 111 | 2.996000 | Euronext Lisbon | 23,915,831 |
| 27-Jun-16 | Acquisition | 889 | 2.996000 | Euronext Lisbon | 23,916,720 |
| 27-Jun-16 | Acquisition | 111 | 2.996000 | Euronext Lisbon | 23,916,831 |
| 27-Jun-16 | Acquisition | 500 | 2.996000 | Euronext Lisbon | 23,917,331 |
| 27-Jun-16 | Acquisition | 500 | 2.996000 | Euronext Lisbon | 23,917,831 |
| 27-Jun-16 | Acquisition | 104 | 2.996000 | Euronext Lisbon | 23,917,935 |
| 27-Jun-16 | Acquisition | 1,000 | 2.996000 | Euronext Lisbon | 23,918,935 |
| 27-Jun-16 | Acquisition | 300 | 2.996000 | Euronext Lisbon | 23,919,235 |
| 27-Jun-16 | Acquisition | 1,000 | 2.996000 | Euronext Lisbon | 23,920,235 |
| 27-Jun-16 | Acquisition | 1,000 | 2.996000 | Euronext Lisbon | 23,921,235 |
| 27-Jun-16 | Acquisition | 157 | 2.996000 | Euronext Lisbon | 23,921,392 |
| 27-Jun-16 | Acquisition | 157 | 2.996000 | Euronext Lisbon | 23,921,549 |
| 27-Jun-16 | Acquisition | 580 | 2.996000 | Euronext Lisbon | 23,922,129 |
| 27-Jun-16 | Acquisition | 106 | 2.996000 | Euronext Lisbon | 23,922,235 |
| 27-Jun-16 | Acquisition | 94 | 2.996000 | Euronext Lisbon | 23,922,329 |
| 27-Jun-16 | Acquisition | 1,000 | 2.996000 | Euronext Lisbon | 23,923,329 |
| 27-Jun-16 | Acquisition | 315 | 2.996000 | Euronext Lisbon | 23,923,644 |
| 27-Jun-16 | Acquisition | 314 | 2.996000 | Euronext Lisbon | 23,923,958 |
| 27-Jun-16 | Acquisition | 686 | 2.996000 | Euronext Lisbon | 23,924,644 |
| 27-Jun-16 | Acquisition | 1,266 | 2.996000 | Euronext Lisbon | 23,925,910 |
| 27-Jun-16 | Acquisition | 73 | 2.996000 | Euronext Lisbon | 23,925,983 |
| 27-Jun-16 | Acquisition | 900 | 2.996000 | Euronext Lisbon | 23,926,883 |
| 27-Jun-16 | Acquisition | 27 | 2.996000 | Euronext Lisbon | 23,926,910 |
| 27-Jun-16 | Acquisition | 300 | 2.996000 | Euronext Lisbon | 23,927,210 |
| 27-Jun-16 | Acquisition | 604 | 2.996000 | Euronext Lisbon | 23,927,814 |
| 27-Jun-16 | Acquisition | 96 | 2.996000 | Euronext Lisbon | 23,927,910 |
| 27-Jun-16 | Acquisition | 4 | 2.996000 | Euronext Lisbon | 23,927,914 |
| 27-Jun-16 | Acquisition | 600 | 2.996000 | Euronext Lisbon | 23,928,514 |
| 27-Jun-16 | Acquisition | 400 | 2.996000 | Euronext Lisbon | 23,928,914 |
| 27-Jun-16 | Acquisition | 1,000 | 2.996000 | Euronext Lisbon | 23,929,914 |
| 27-Jun-16 | Acquisition | 100 | 2.996000 | Euronext Lisbon | 23,930,014 |

| Date | Type | Volume | Price (€) | Local | Nr. of shares |
|---|---|---|---|---|---|
| 27-Jun-16 | Acquisition | 1,000 | 2.996000 | Euronext Lisbon | 23,931,014 |
| 27-Jun-16 | Acquisition | 85 | 2.996000 | Euronext Lisbon | 23,931,099 |
| 27-Jun-16 | Acquisition | 1,000 | 2.996000 | Euronext Lisbon | 23,932,099 |
| 27-Jun-16 | Acquisition | 1,000 | 2.996000 | Euronext Lisbon | 23,933,099 |
| 27-Jun-16 | Acquisition | 200 | 2.996000 | Euronext Lisbon | 23,933,299 |
| 27-Jun-16 | Acquisition | 800 | 2.996000 | Euronext Lisbon | 23,934,099 |
| 27-Jun-16 | Acquisition | 200 | 2.996000 | Euronext Lisbon | 23,934,299 |
| 27-Jun-16 | Acquisition | 800 | 2.996000 | Euronext Lisbon | 23,935,099 |
| 27-Jun-16 | Acquisition | 200 | 2.996000 | Euronext Lisbon | 23,935,299 |
| 27-Jun-16 | Acquisition | 1,000 | 2.996000 | Euronext Lisbon | 23,936,299 |
| 27-Jun-16 | Acquisition | 300 | 2.996000 | Euronext Lisbon | 23,936,599 |
| 27-Jun-16 | Acquisition | 929 | 2.996000 | Euronext Lisbon | 23,937,528 |
| 27-Jun-16 | Acquisition | 71 | 2.996000 | Euronext Lisbon | 23,937,599 |
| 27-Jun-16 | Acquisition | 600 | 2.996000 | Euronext Lisbon | 23,938,199 |
| 27-Jun-16 | Acquisition | 355 | 2.996000 | Euronext Lisbon | 23,938,554 |
| 27-Jun-16 | Acquisition | 645 | 2.996000 | Euronext Lisbon | 23,939,199 |
| 27-Jun-16 | Acquisition | 505 | 2.996000 | Euronext Lisbon | 23,939,704 |
| 27-Jun-16 | Acquisition | 1,000 | 2.996000 | Euronext Lisbon | 23,940,704 |
| 27-Jun-16 | Acquisition | 1,000 | 2.996000 | Euronext Lisbon | 23,941,704 |
| 27-Jun-16 | Acquisition | 872 | 2.996000 | Euronext Lisbon | 23,942,576 |
| 27-Jun-16 | Acquisition | 128 | 2.996000 | Euronext Lisbon | 23,942,704 |
| 27-Jun-16 | Acquisition | 772 | 2.996000 | Euronext Lisbon | 23,943,476 |
| 27-Jun-16 | Acquisition | 222 | 2.996000 | Euronext Lisbon | 23,943,698 |
| 27-Jun-16 | Acquisition | 6 | 2.996000 | Euronext Lisbon | 23,943,704 |
| 27-Jun-16 | Acquisition | 222 | 2.996000 | Euronext Lisbon | 23,943,926 |
| 27-Jun-16 | Acquisition | 400 | 2.996000 | Euronext Lisbon | 23,944,326 |
| 27-Jun-16 | Acquisition | 600 | 2.996000 | Euronext Lisbon | 23,944,926 |
| 27-Jun-16 | Acquisition | 432 | 2.996000 | Euronext Lisbon | 23,945,358 |
| 27-Jun-16 | Acquisition | 568 | 2.996000 | Euronext Lisbon | 23,945,926 |
| 27-Jun-16 | Acquisition | 432 | 2.996000 | Euronext Lisbon | 23,946,358 |
| 27-Jun-16 | Acquisition | 600 | 2.996000 | Euronext Lisbon | 23,946,958 |
| 27-Jun-16 | Acquisition | 400 | 2.996000 | Euronext Lisbon | 23,947,358 |
| 27-Jun-16 | Acquisition | 435 | 2.996000 | Euronext Lisbon | 23,947,793 |
| 27-Jun-16 | Acquisition | 1,000 | 2.996000 | Euronext Lisbon | 23,948,793 |
| 27-Jun-16 | Acquisition | 1,000 | 2.996000 | Euronext Lisbon | 23,949,793 |
| 27-Jun-16 | Acquisition | 200 | 2.996000 | Euronext Lisbon | 23,949,993 |
| 27-Jun-16 | Acquisition | 117 | 2.996000 | Euronext Lisbon | 23,950,110 |
| 27-Jun-16 | Acquisition | 617 | 2.994000 | Euronext Lisbon | 23,950,727 |
| 27-Jun-16 | Acquisition | 1,600 | 2.995000 | Euronext Lisbon | 23,952,327 |
| 27-Jun-16 | Acquisition | 167 | 2.995000 | Euronext Lisbon | 23,952,494 |
| 27-Jun-16 | Acquisition | 580 | 2.995000 | Euronext Lisbon | 23,953,074 |
| 27-Jun-16 | Acquisition | 600 | 2.995000 | Euronext Lisbon | 23,953,674 |
| 27-Jun-16 | Acquisition | 400 | 2.995000 | Euronext Lisbon | 23,954,074 |
| 27-Jun-16 | Acquisition | 200 | 2.995000 | Euronext Lisbon | 23,954,274 |
| 27-Jun-16 | Acquisition | 800 | 2.995000 | Euronext Lisbon | 23,955,074 |
| 27-Jun-16 | Acquisition | 73 | 2.995000 | Euronext Lisbon | 23,955,147 |
| 27-Jun-16 | Acquisition | 484 | 2.995000 | Euronext Lisbon | 23,955,631 |
| 27-Jun-16 | Acquisition | 139 | 2.995000 | Euronext Lisbon | 23,955,770 |
| 27-Jun-16 | Acquisition | 377 | 2.995000 | Euronext Lisbon | 23,956,147 |
| 27-Jun-16 | Acquisition | 1,000 | 2.995000 | Euronext Lisbon | 23,957,147 |
| 27-Jun-16 | Acquisition | 1,356 | 2.995000 | Euronext Lisbon | 23,958,503 |
| 27-Jun-16 | Acquisition | 911 | 2.995000 | Euronext Lisbon | 23,959,414 |
| 27-Jun-16 | Acquisition | 89 | 2.995000 | Euronext Lisbon | 23,959,503 |
| 27-Jun-16 | Acquisition | 1,000 | 2.995000 | Euronext Lisbon | 23,960,503 |
| 27-Jun-16 | Acquisition | 1,000 | 2.995000 | Euronext Lisbon | 23,961,503 |
| 27-Jun-16 | Acquisition | 200 | 2.995000 | Euronext Lisbon | 23,961,703 |
| 27-Jun-16 | Acquisition | 1,000 | 2.995000 | Euronext Lisbon | 23,962,703 |
| 27-Jun-16 | Acquisition | 481 | 2.995000 | Euronext Lisbon | 23,963,184 |
| 27-Jun-16 | Acquisition | 300 | 2.995000 | Euronext Lisbon | 23,963,484 |
| 27-Jun-16 | Acquisition | 219 | 2.995000 | Euronext Lisbon | 23,963,703 |
| 27-Jun-16 | Acquisition | 300 | 2.995000 | Euronext Lisbon | 23,964,003 |
| 27-Jun-16 | Acquisition | 303 | 2.995000 | Euronext Lisbon | 23,964,306 |
| 27-Jun-16 | Acquisition | 697 | 2.995000 | Euronext Lisbon | 23,965,003 |
| 27-Jun-16 | Acquisition | 966 | 2.995000 | Euronext Lisbon | 23,965,969 |
| 27-Jun-16 | Acquisition | 34 | 2.995000 | Euronext Lisbon | 23,966,003 |
| 27-Jun-16 | Acquisition | 966 | 2.995000 | Euronext Lisbon | 23,966,969 |

| Date | Type | Volume | Price (€) | Local | Nr. of shares |
|---|---|---|---|---|---|
| 27-Jun-16 | Acquisition | 994 | 2.995000 | Euronext Lisbon | 23,967,963 |
| 27-Jun-16 | Acquisition | 6 | 2.995000 | Euronext Lisbon | 23,967,969 |
| 27-Jun-16 | Acquisition | 1,960 | 2.995000 | Euronext Lisbon | 23,969,929 |
| 27-Jun-16 | Acquisition | 1,000 | 2.995000 | Euronext Lisbon | 23,970,929 |
| 27-Jun-16 | Acquisition | 2,000 | 2.995000 | Euronext Lisbon | 23,972,929 |
| 27-Jun-16 | Acquisition | 1,000 | 2.995000 | Euronext Lisbon | 23,973,929 |
| 27-Jun-16 | Acquisition | 1,000 | 2.995000 | Euronext Lisbon | 23,974,929 |
| 27-Jun-16 | Acquisition | 520 | 2.995000 | Euronext Lisbon | 23,975,449 |
| 27-Jun-16 | Acquisition | 480 | 2.995000 | Euronext Lisbon | 23,975,929 |
| 27-Jun-16 | Acquisition | 600 | 2.995000 | Euronext Lisbon | 23,976,529 |
| 27-Jun-16 | Acquisition | 1,000 | 2.995000 | Euronext Lisbon | 23,977,529 |
| 27-Jun-16 | Acquisition | 210 | 2.995000 | Euronext Lisbon | 23,977,739 |
| 27-Jun-16 | Acquisition | 956 | 2.995000 | Euronext Lisbon | 23,978,695 |
| 27-Jun-16 | Acquisition | 44 | 2.995000 | Euronext Lisbon | 23,978,739 |
| 27-Jun-16 | Acquisition | 146 | 2.995000 | Euronext Lisbon | 23,978,885 |
| 27-Jun-16 | Acquisition | 907 | 2.995000 | Euronext Lisbon | 23,979,792 |
| 27-Jun-16 | Acquisition | 93 | 2.995000 | Euronext Lisbon | 23,979,885 |
| 27-Jun-16 | Acquisition | 297 | 2.995000 | Euronext Lisbon | 23,980,182 |
| 27-Jun-16 | Acquisition | 1,000 | 2.995000 | Euronext Lisbon | 23,981,182 |
| 27-Jun-16 | Acquisition | 1,000 | 2.995000 | Euronext Lisbon | 23,982,182 |
| 27-Jun-16 | Acquisition | 1,000 | 2.995000 | Euronext Lisbon | 23,983,182 |
| 27-Jun-16 | Acquisition | 1,000 | 2.995000 | Euronext Lisbon | 23,984,182 |
| 27-Jun-16 | Acquisition | 100 | 2.995000 | Euronext Lisbon | 23,984,282 |
| 27-Jun-16 | Acquisition | 1,000 | 2.995000 | Euronext Lisbon | 23,985,282 |
| 27-Jun-16 | Acquisition | 968 | 2.995000 | Euronext Lisbon | 23,986,250 |
| 27-Jun-16 | Acquisition | 32 | 2.995000 | Euronext Lisbon | 23,986,282 |
| 27-Jun-16 | Acquisition | 568 | 2.995000 | Euronext Lisbon | 23,986,850 |
| 27-Jun-16 | Acquisition | 1,000 | 2.995000 | Euronext Lisbon | 23,987,850 |
| 27-Jun-16 | Acquisition | 1,000 | 2.995000 | Euronext Lisbon | 23,988,850 |
| 27-Jun-16 | Acquisition | 100 | 2.995000 | Euronext Lisbon | 23,988,950 |
| 27-Jun-16 | Acquisition | 900 | 2.995000 | Euronext Lisbon | 23,989,850 |
| 27-Jun-16 | Acquisition | 100 | 2.995000 | Euronext Lisbon | 23,989,950 |
| 27-Jun-16 | Acquisition | 300 | 2.995000 | Euronext Lisbon | 23,990,250 |
| 27-Jun-16 | Acquisition | 1,000 | 2.995000 | Euronext Lisbon | 23,991,250 |
| 27-Jun-16 | Acquisition | 100 | 2.995000 | Euronext Lisbon | 23,991,350 |
| 27-Jun-16 | Acquisition | 1,000 | 2.995000 | Euronext Lisbon | 23,992,350 |
| 27-Jun-16 | Acquisition | 411 | 2.995000 | Euronext Lisbon | 23,992,761 |
| 27-Jun-16 | Acquisition | 462 | 2.995000 | Euronext Lisbon | 23,993,223 |
| 27-Jun-16 | Acquisition | 538 | 2.995000 | Euronext Lisbon | 23,993,761 |
| 27-Jun-16 | Acquisition | 361 | 2.995000 | Euronext Lisbon | 23,994,122 |
| 27-Jun-16 | Acquisition | 1,000 | 2.995000 | Euronext Lisbon | 23,995,122 |
| 27-Jun-16 | Acquisition | 7 | 2.995000 | Euronext Lisbon | 23,995,129 |
| 27-Jun-16 | Acquisition | 1,000 | 2.995000 | Euronext Lisbon | 23,996,129 |
| 27-Jun-16 | Acquisition | 1,310 | 2.995000 | Euronext Lisbon | 23,997,439 |
| 27-Jun-16 | Acquisition | 1,000 | 2.995000 | Euronext Lisbon | 23,998,439 |
| 27-Jun-16 | Acquisition | 600 | 2.995000 | Euronext Lisbon | 23,999,039 |
| 27-Jun-16 | Acquisition | 400 | 2.995000 | Euronext Lisbon | 23,999,439 |
| 27-Jun-16 | Acquisition | 523 | 2.995000 | Euronext Lisbon | 23,999,962 |
| 27-Jun-16 | Acquisition | 148 | 2.995000 | Euronext Lisbon | 24,000,110 |
| 27-Jun-16 | Acquisition | 1,000 | 2.959000 | Euronext Lisbon | 24,001,110 |
| 27-Jun-16 | Acquisition | 207 | 2.959000 | Euronext Lisbon | 24,001,317 |
| 27-Jun-16 | Acquisition | 1,000 | 2.959000 | Euronext Lisbon | 24,002,317 |
| 27-Jun-16 | Acquisition | 516 | 2.959000 | Euronext Lisbon | 24,002,833 |
| 27-Jun-16 | Acquisition | 1,000 | 2.959000 | Euronext Lisbon | 24,003,833 |
| 27-Jun-16 | Acquisition | 867 | 2.959000 | Euronext Lisbon | 24,004,700 |
| 27-Jun-16 | Acquisition | 133 | 2.959000 | Euronext Lisbon | 24,004,833 |
| 27-Jun-16 | Acquisition | 133 | 2.959000 | Euronext Lisbon | 24,004,966 |
| 27-Jun-16 | Acquisition | 367 | 2.959000 | Euronext Lisbon | 24,005,333 |
| 27-Jun-16 | Acquisition | 500 | 2.959000 | Euronext Lisbon | 24,005,833 |
| 27-Jun-16 | Acquisition | 347 | 2.959000 | Euronext Lisbon | 24,006,180 |
| 27-Jun-16 | Acquisition | 653 | 2.959000 | Euronext Lisbon | 24,006,833 |
| 27-Jun-16 | Acquisition | 247 | 2.959000 | Euronext Lisbon | 24,007,080 |
| 27-Jun-16 | Acquisition | 217 | 2.959000 | Euronext Lisbon | 24,007,297 |
| 27-Jun-16 | Acquisition | 783 | 2.959000 | Euronext Lisbon | 24,008,080 |
| 27-Jun-16 | Acquisition | 841 | 2.959000 | Euronext Lisbon | 24,008,921 |

| Date | Type | Volume | Price (€) | Local | Nr. of shares |
|---|---|---|---|---|---|
| 27-Jun-16 | Acquisition | 159 | 2.959000 | Euronext Lisbon | 24,009,080 |
| 27-Jun-16 | Acquisition | 1,000 | 2.959000 | Euronext Lisbon | 24,010,080 |
| 27-Jun-16 | Acquisition | 600 | 2.959000 | Euronext Lisbon | 24,010,680 |
| 27-Jun-16 | Acquisition | 400 | 2.959000 | Euronext Lisbon | 24,011,080 |
| 27-Jun-16 | Acquisition | 854 | 2.959000 | Euronext Lisbon | 24,011,934 |
| 27-Jun-16 | Acquisition | 146 | 2.959000 | Euronext Lisbon | 24,012,080 |
| 27-Jun-16 | Acquisition | 358 | 2.959000 | Euronext Lisbon | 24,012,438 |
| 27-Jun-16 | Acquisition | 642 | 2.959000 | Euronext Lisbon | 24,013,080 |
| 27-Jun-16 | Acquisition | 358 | 2.959000 | Euronext Lisbon | 24,013,438 |
| 27-Jun-16 | Acquisition | 142 | 2.959000 | Euronext Lisbon | 24,013,580 |
| 27-Jun-16 | Acquisition | 361 | 2.959000 | Euronext Lisbon | 24,013,941 |
| 27-Jun-16 | Acquisition | 497 | 2.959000 | Euronext Lisbon | 24,014,438 |
| 27-Jun-16 | Acquisition | 1,600 | 2.959000 | Euronext Lisbon | 24,016,038 |
| 27-Jun-16 | Acquisition | 1,000 | 2.959000 | Euronext Lisbon | 24,017,038 |
| 27-Jun-16 | Acquisition | 1,000 | 2.959000 | Euronext Lisbon | 24,018,038 |
| 27-Jun-16 | Acquisition | 1,000 | 2.959000 | Euronext Lisbon | 24,019,038 |
| 27-Jun-16 | Acquisition | 680 | 2.959000 | Euronext Lisbon | 24,019,718 |
| 27-Jun-16 | Acquisition | 612 | 2.959000 | Euronext Lisbon | 24,020,330 |
| 27-Jun-16 | Acquisition | 388 | 2.959000 | Euronext Lisbon | 24,020,718 |
| 27-Jun-16 | Acquisition | 916 | 2.959000 | Euronext Lisbon | 24,021,634 |
| 27-Jun-16 | Acquisition | 84 | 2.959000 | Euronext Lisbon | 24,021,718 |
| 27-Jun-16 | Acquisition | 995 | 2.959000 | Euronext Lisbon | 24,022,713 |
| 27-Jun-16 | Acquisition | 600 | 2.959000 | Euronext Lisbon | 24,023,313 |
| 27-Jun-16 | Acquisition | 360 | 2.970000 | Euronext Lisbon | 24,023,673 |
| 27-Jun-16 | Acquisition | 640 | 2.970000 | Euronext Lisbon | 24,024,313 |
| 27-Jun-16 | Acquisition | 172 | 2.970000 | Euronext Lisbon | 24,024,485 |
| 27-Jun-16 | Acquisition | 640 | 2.970000 | Euronext Lisbon | 24,025,125 |
| 27-Jun-16 | Acquisition | 188 | 2.970000 | Euronext Lisbon | 24,025,313 |
| 27-Jun-16 | Acquisition | 812 | 2.970000 | Euronext Lisbon | 24,026,125 |
| 27-Jun-16 | Acquisition | 656 | 2.970000 | Euronext Lisbon | 24,026,781 |
| 27-Jun-16 | Acquisition | 344 | 2.970000 | Euronext Lisbon | 24,027,125 |
| 27-Jun-16 | Acquisition | 856 | 2.970000 | Euronext Lisbon | 24,027,981 |
| 27-Jun-16 | Acquisition | 857 | 2.970000 | Euronext Lisbon | 24,028,838 |
| 27-Jun-16 | Acquisition | 143 | 2.970000 | Euronext Lisbon | 24,028,981 |
| 27-Jun-16 | Acquisition | 1,000 | 2.970000 | Euronext Lisbon | 24,029,981 |
| 27-Jun-16 | Acquisition | 500 | 2.970000 | Euronext Lisbon | 24,030,481 |
| 27-Jun-16 | Acquisition | 389 | 2.970000 | Euronext Lisbon | 24,030,870 |
| 27-Jun-16 | Acquisition | 111 | 2.970000 | Euronext Lisbon | 24,030,981 |
| 27-Jun-16 | Acquisition | 815 | 2.970000 | Euronext Lisbon | 24,031,796 |
| 27-Jun-16 | Acquisition | 185 | 2.970000 | Euronext Lisbon | 24,031,981 |
| 27-Jun-16 | Acquisition | 384 | 2.970000 | Euronext Lisbon | 24,032,365 |
| 27-Jun-16 | Acquisition | 610 | 2.970000 | Euronext Lisbon | 24,032,975 |
| 27-Jun-16 | Acquisition | 6 | 2.970000 | Euronext Lisbon | 24,032,981 |
| 27-Jun-16 | Acquisition | 6 | 2.970000 | Euronext Lisbon | 24,032,987 |
| 27-Jun-16 | Acquisition | 744 | 2.970000 | Euronext Lisbon | 24,033,731 |
| 27-Jun-16 | Acquisition | 250 | 2.970000 | Euronext Lisbon | 24,033,981 |
| 27-Jun-16 | Acquisition | 360 | 2.970000 | Euronext Lisbon | 24,034,341 |
| 27-Jun-16 | Acquisition | 580 | 2.970000 | Euronext Lisbon | 24,034,921 |
| 27-Jun-16 | Acquisition | 420 | 2.970000 | Euronext Lisbon | 24,035,341 |
| 27-Jun-16 | Acquisition | 420 | 2.970000 | Euronext Lisbon | 24,035,761 |
| 27-Jun-16 | Acquisition | 580 | 2.970000 | Euronext Lisbon | 24,036,341 |
| 27-Jun-16 | Acquisition | 351 | 2.970000 | Euronext Lisbon | 24,036,692 |
| 27-Jun-16 | Acquisition | 580 | 2.970000 | Euronext Lisbon | 24,037,272 |
| 27-Jun-16 | Acquisition | 420 | 2.970000 | Euronext Lisbon | 24,037,692 |
| 27-Jun-16 | Acquisition | 610 | 2.970000 | Euronext Lisbon | 24,038,302 |
| 27-Jun-16 | Acquisition | 390 | 2.970000 | Euronext Lisbon | 24,038,692 |
| 27-Jun-16 | Acquisition | 1,000 | 2.970000 | Euronext Lisbon | 24,039,692 |
| 27-Jun-16 | Acquisition | 1,000 | 2.970000 | Euronext Lisbon | 24,040,692 |
| 27-Jun-16 | Acquisition | 1,000 | 2.970000 | Euronext Lisbon | 24,041,692 |
| 27-Jun-16 | Acquisition | 600 | 2.970000 | Euronext Lisbon | 24,042,292 |
| 27-Jun-16 | Acquisition | 400 | 2.970000 | Euronext Lisbon | 24,042,692 |
| 27-Jun-16 | Acquisition | 210 | 2.970000 | Euronext Lisbon | 24,042,902 |
| 27-Jun-16 | Acquisition | 833 | 2.970000 | Euronext Lisbon | 24,043,735 |
| 27-Jun-16 | Acquisition | 167 | 2.970000 | Euronext Lisbon | 24,043,902 |
| 27-Jun-16 | Acquisition | 1,000 | 2.970000 | Euronext Lisbon | 24,044,902 |
| 27-Jun-16 | Acquisition | 456 | 2.970000 | Euronext Lisbon | 24,045,358 |

| Date | Type | Volume | Price (€) | Local | Nr. of shares |
|---|---|---|---|---|---|
| 27-Jun-16 | Acquisition | 544 | 2.970000 | Euronext Lisbon | 24,045,902 |
| 27-Jun-16 | Acquisition | 156 | 2.970000 | Euronext Lisbon | 24,046,058 |
| 27-Jun-16 | Acquisition | 600 | 2.970000 | Euronext Lisbon | 24,046,658 |
| 27-Jun-16 | Acquisition | 400 | 2.970000 | Euronext Lisbon | 24,047,058 |
| 27-Jun-16 | Acquisition | 100 | 2.970000 | Euronext Lisbon | 24,047,158 |
| 27-Jun-16 | Acquisition | 1,000 | 2.971000 | Euronext Lisbon | 24,048,158 |
| 27-Jun-16 | Acquisition | 1,000 | 2.971000 | Euronext Lisbon | 24,049,158 |
| 27-Jun-16 | Acquisition | 588 | 2.971000 | Euronext Lisbon | 24,049,746 |
| 27-Jun-16 | Acquisition | 1,000 | 2.971000 | Euronext Lisbon | 24,050,746 |
| 27-Jun-16 | Acquisition | 508 | 2.971000 | Euronext Lisbon | 24,051,254 |
| 27-Jun-16 | Acquisition | 250 | 2.971000 | Euronext Lisbon | 24,051,504 |
| 27-Jun-16 | Acquisition | 242 | 2.971000 | Euronext Lisbon | 24,051,746 |
| 27-Jun-16 | Acquisition | 502 | 2.971000 | Euronext Lisbon | 24,052,248 |
| 27-Jun-16 | Acquisition | 492 | 2.971000 | Euronext Lisbon | 24,052,740 |
| 27-Jun-16 | Acquisition | 508 | 2.971000 | Euronext Lisbon | 24,053,248 |
| 27-Jun-16 | Acquisition | 797 | 2.972000 | Euronext Lisbon | 24,054,045 |
| 27-Jun-16 | Acquisition | 24 | 2.972000 | Euronext Lisbon | 24,054,069 |
| 27-Jun-16 | Acquisition | 179 | 2.972000 | Euronext Lisbon | 24,054,248 |
| 27-Jun-16 | Acquisition | 800 | 2.972000 | Euronext Lisbon | 24,055,048 |
| 27-Jun-16 | Acquisition | 150 | 2.972000 | Euronext Lisbon | 24,055,198 |
| 27-Jun-16 | Acquisition | 50 | 2.972000 | Euronext Lisbon | 24,055,248 |
| 27-Jun-16 | Acquisition | 755 | 2.972000 | Euronext Lisbon | 24,056,003 |
| 27-Jun-16 | Acquisition | 610 | 2.972000 | Euronext Lisbon | 24,056,613 |
| 27-Jun-16 | Acquisition | 200 | 2.972000 | Euronext Lisbon | 24,056,813 |
| 27-Jun-16 | Acquisition | 190 | 2.972000 | Euronext Lisbon | 24,057,003 |
| 27-Jun-16 | Acquisition | 200 | 2.972000 | Euronext Lisbon | 24,057,203 |
| 27-Jun-16 | Acquisition | 610 | 2.972000 | Euronext Lisbon | 24,057,813 |
| 27-Jun-16 | Acquisition | 390 | 2.972000 | Euronext Lisbon | 24,058,203 |
| 27-Jun-16 | Acquisition | 1,000 | 2.972000 | Euronext Lisbon | 24,059,203 |
| 27-Jun-16 | Acquisition | 245 | 2.972000 | Euronext Lisbon | 24,059,448 |
| 27-Jun-16 | Acquisition | 917 | 2.972000 | Euronext Lisbon | 24,060,365 |
| 27-Jun-16 | Acquisition | 83 | 2.972000 | Euronext Lisbon | 24,060,448 |
| 27-Jun-16 | Acquisition | 527 | 2.972000 | Euronext Lisbon | 24,060,975 |
| 27-Jun-16 | Acquisition | 600 | 2.972000 | Euronext Lisbon | 24,061,575 |
| 27-Jun-16 | Acquisition | 400 | 2.972000 | Euronext Lisbon | 24,061,975 |
| 27-Jun-16 | Acquisition | 600 | 2.972000 | Euronext Lisbon | 24,062,575 |
| 27-Jun-16 | Acquisition | 580 | 2.972000 | Euronext Lisbon | 24,063,155 |
| 27-Jun-16 | Acquisition | 420 | 2.972000 | Euronext Lisbon | 24,063,575 |
| 27-Jun-16 | Acquisition | 1,000 | 2.972000 | Euronext Lisbon | 24,064,575 |
| 27-Jun-16 | Acquisition | 1,675 | 2.972000 | Euronext Lisbon | 24,066,250 |
| 27-Jun-16 | Acquisition | 108 | 2.972000 | Euronext Lisbon | 24,066,358 |
| 27-Jun-16 | Acquisition | 805 | 2.972000 | Euronext Lisbon | 24,067,163 |
| 27-Jun-16 | Acquisition | 87 | 2.972000 | Euronext Lisbon | 24,067,250 |
| 27-Jun-16 | Acquisition | 513 | 2.972000 | Euronext Lisbon | 24,067,763 |
| 27-Jun-16 | Acquisition | 610 | 2.972000 | Euronext Lisbon | 24,068,373 |
| 27-Jun-16 | Acquisition | 390 | 2.972000 | Euronext Lisbon | 24,068,763 |
| 27-Jun-16 | Acquisition | 799 | 2.972000 | Euronext Lisbon | 24,069,562 |
| 27-Jun-16 | Acquisition | 201 | 2.972000 | Euronext Lisbon | 24,069,763 |
| 27-Jun-16 | Acquisition | 658 | 2.972000 | Euronext Lisbon | 24,070,421 |
| 27-Jun-16 | Acquisition | 870 | 2.972000 | Euronext Lisbon | 24,071,291 |
| 27-Jun-16 | Acquisition | 130 | 2.972000 | Euronext Lisbon | 24,071,421 |
| 27-Jun-16 | Acquisition | 1,000 | 2.972000 | Euronext Lisbon | 24,072,421 |
| 27-Jun-16 | Acquisition | 53 | 2.972000 | Euronext Lisbon | 24,072,474 |
| 27-Jun-16 | Acquisition | 213 | 2.972000 | Euronext Lisbon | 24,072,687 |
| 27-Jun-16 | Acquisition | 602 | 2.972000 | Euronext Lisbon | 24,073,289 |
| 27-Jun-16 | Acquisition | 185 | 2.972000 | Euronext Lisbon | 24,073,474 |
| 27-Jun-16 | Acquisition | 481 | 2.972000 | Euronext Lisbon | 24,073,955 |
| 27-Jun-16 | Acquisition | 1,000 | 2.970000 | Euronext Lisbon | 24,074,955 |
| 27-Jun-16 | Acquisition | 600 | 2.970000 | Euronext Lisbon | 24,075,555 |
| 27-Jun-16 | Acquisition | 400 | 2.970000 | Euronext Lisbon | 24,075,955 |
| 27-Jun-16 | Acquisition | 1,600 | 2.970000 | Euronext Lisbon | 24,077,555 |
| 27-Jun-16 | Acquisition | 1,000 | 2.970000 | Euronext Lisbon | 24,078,555 |
| 27-Jun-16 | Acquisition | 440 | 2.970000 | Euronext Lisbon | 24,078,995 |
| 27-Jun-16 | Acquisition | 1,000 | 2.970000 | Euronext Lisbon | 24,079,995 |
| 27-Jun-16 | Acquisition | 440 | 2.970000 | Euronext Lisbon | 24,080,435 |
| 27-Jun-16 | Acquisition | 980 | 2.970000 | Euronext Lisbon | 24,081,415 |

| Date | Type | Volume | Price (€) | Local | Nr. of shares |
|---|---|---|---|---|---|
| 27-Jun-16 | Acquisition | 20 | 2.970000 | Euronext Lisbon | 24,081,435 |
| 27-Jun-16 | Acquisition | 2,000 | 2.970000 | Euronext Lisbon | 24,083,435 |
| 27-Jun-16 | Acquisition | 1,000 | 2.970000 | Euronext Lisbon | 24,084,435 |
| 27-Jun-16 | Acquisition | 1,000 | 2.970000 | Euronext Lisbon | 24,085,435 |
| 27-Jun-16 | Acquisition | 92 | 2.970000 | Euronext Lisbon | 24,085,527 |
| 27-Jun-16 | Acquisition | 897 | 2.970000 | Euronext Lisbon | 24,086,424 |
| 27-Jun-16 | Acquisition | 103 | 2.970000 | Euronext Lisbon | 24,086,527 |
| 27-Jun-16 | Acquisition | 508 | 2.970000 | Euronext Lisbon | 24,087,035 |
| 27-Jun-16 | Acquisition | 1,000 | 2.970000 | Euronext Lisbon | 24,088,035 |
| 27-Jun-16 | Acquisition | 360 | 2.970000 | Euronext Lisbon | 24,088,395 |
| 27-Jun-16 | Acquisition | 1,000 | 2.970000 | Euronext Lisbon | 24,089,395 |
| 27-Jun-16 | Acquisition | 1,000 | 2.970000 | Euronext Lisbon | 24,090,395 |
| 27-Jun-16 | Acquisition | 676 | 2.970000 | Euronext Lisbon | 24,091,071 |
| 27-Jun-16 | Acquisition | 580 | 2.970000 | Euronext Lisbon | 24,091,651 |
| 27-Jun-16 | Acquisition | 349 | 2.971000 | Euronext Lisbon | 24,092,000 |
| 27-Jun-16 | Acquisition | 500 | 2.971000 | Euronext Lisbon | 24,092,500 |
| 27-Jun-16 | Acquisition | 151 | 2.971000 | Euronext Lisbon | 24,092,651 |
| 27-Jun-16 | Acquisition | 1,000 | 2.971000 | Euronext Lisbon | 24,093,651 |
| 27-Jun-16 | Acquisition | 1,000 | 2.971000 | Euronext Lisbon | 24,094,651 |
| 27-Jun-16 | Acquisition | 600 | 2.971000 | Euronext Lisbon | 24,095,251 |
| 27-Jun-16 | Acquisition | 400 | 2.971000 | Euronext Lisbon | 24,095,651 |
| 27-Jun-16 | Acquisition | 200 | 2.971000 | Euronext Lisbon | 24,095,851 |
| 27-Jun-16 | Acquisition | 400 | 2.971000 | Euronext Lisbon | 24,096,251 |
| 27-Jun-16 | Acquisition | 600 | 2.971000 | Euronext Lisbon | 24,096,851 |
| 27-Jun-16 | Acquisition | 1,000 | 2.971000 | Euronext Lisbon | 24,097,851 |
| 27-Jun-16 | Acquisition | 840 | 2.971000 | Euronext Lisbon | 24,098,691 |
| 27-Jun-16 | Acquisition | 160 | 2.971000 | Euronext Lisbon | 24,098,851 |
| 27-Jun-16 | Acquisition | 840 | 2.971000 | Euronext Lisbon | 24,099,691 |
| 27-Jun-16 | Acquisition | 1,000 | 2.971000 | Euronext Lisbon | 24,100,691 |
| 27-Jun-16 | Acquisition | 406 | 2.971000 | Euronext Lisbon | 24,101,097 |
| 27-Jun-16 | Acquisition | 594 | 2.971000 | Euronext Lisbon | 24,101,691 |
| 27-Jun-16 | Acquisition | 406 | 2.971000 | Euronext Lisbon | 24,102,097 |
| 27-Jun-16 | Acquisition | 478 | 2.971000 | Euronext Lisbon | 24,102,575 |
| 27-Jun-16 | Acquisition | 1,000 | 2.971000 | Euronext Lisbon | 24,103,575 |
| 27-Jun-16 | Acquisition | 454 | 2.971000 | Euronext Lisbon | 24,104,029 |
| 27-Jun-16 | Acquisition | 546 | 2.971000 | Euronext Lisbon | 24,104,575 |
| 27-Jun-16 | Acquisition | 994 | 2.971000 | Euronext Lisbon | 24,105,569 |
| 27-Jun-16 | Acquisition | 550 | 2.970000 | Euronext Lisbon | 24,106,119 |
| 27-Jun-16 | Acquisition | 450 | 2.970000 | Euronext Lisbon | 24,106,569 |
| 27-Jun-16 | Acquisition | 450 | 2.970000 | Euronext Lisbon | 24,107,019 |
| 27-Jun-16 | Acquisition | 550 | 2.970000 | Euronext Lisbon | 24,107,569 |
| 27-Jun-16 | Acquisition | 61 | 2.970000 | Euronext Lisbon | 24,107,630 |
| 27-Jun-16 | Acquisition | 513 | 2.970000 | Euronext Lisbon | 24,108,143 |
| 27-Jun-16 | Acquisition | 487 | 2.970000 | Euronext Lisbon | 24,108,630 |
| 27-Jun-16 | Acquisition | 611 | 2.970000 | Euronext Lisbon | 24,109,241 |
| 27-Jun-16 | Acquisition | 389 | 2.970000 | Euronext Lisbon | 24,109,630 |
| 27-Jun-16 | Acquisition | 239 | 2.970000 | Euronext Lisbon | 24,109,869 |
| 27-Jun-16 | Acquisition | 761 | 2.970000 | Euronext Lisbon | 24,110,630 |
| 27-Jun-16 | Acquisition | 239 | 2.970000 | Euronext Lisbon | 24,110,869 |
| 27-Jun-16 | Acquisition | 804 | 2.970000 | Euronext Lisbon | 24,111,673 |
| 27-Jun-16 | Acquisition | 196 | 2.970000 | Euronext Lisbon | 24,111,869 |
| 27-Jun-16 | Acquisition | 415 | 2.970000 | Euronext Lisbon | 24,112,284 |
| 27-Jun-16 | Acquisition | 1,000 | 2.970000 | Euronext Lisbon | 24,113,284 |
| 27-Jun-16 | Acquisition | 1,000 | 2.970000 | Euronext Lisbon | 24,114,284 |
| 27-Jun-16 | Acquisition | 611 | 2.970000 | Euronext Lisbon | 24,114,895 |
| 27-Jun-16 | Acquisition | 389 | 2.970000 | Euronext Lisbon | 24,115,284 |
| 27-Jun-16 | Acquisition | 445 | 2.970000 | Euronext Lisbon | 24,115,729 |
| 27-Jun-16 | Acquisition | 600 | 2.970000 | Euronext Lisbon | 24,116,329 |
| 27-Jun-16 | Acquisition | 400 | 2.970000 | Euronext Lisbon | 24,116,729 |
| 27-Jun-16 | Acquisition | 1,000 | 2.970000 | Euronext Lisbon | 24,117,729 |
| 27-Jun-16 | Acquisition | 1,000 | 2.970000 | Euronext Lisbon | 24,118,729 |
| 27-Jun-16 | Acquisition | 592 | 2.970000 | Euronext Lisbon | 24,119,321 |
| 27-Jun-16 | Acquisition | 408 | 2.970000 | Euronext Lisbon | 24,119,729 |
| 27-Jun-16 | Acquisition | 1,000 | 2.970000 | Euronext Lisbon | 24,120,729 |
| 27-Jun-16 | Acquisition | 240 | 2.970000 | Euronext Lisbon | 24,120,969 |
| 27-Jun-16 | Acquisition | 666 | 2.970000 | Euronext Lisbon | 24,121,635 |

| Date | Type | Volume | Price (€) | Local | Nr. of shares |
|---|---|---|---|---|---|
| 27-Jun-16 | Acquisition | 94 | 2.970000 | Euronext Lisbon | 24,121,729 |
| 27-Jun-16 | Acquisition | 1,388 | 2.970000 | Euronext Lisbon | 24,123,117 |
| 27-Jun-16 | Acquisition | 94 | 2.970000 | Euronext Lisbon | 24,123,211 |
| 27-Jun-16 | Acquisition | 182 | 2.970000 | Euronext Lisbon | 24,123,393 |
| 27-Jun-16 | Acquisition | 724 | 2.970000 | Euronext Lisbon | 24,124,117 |
| 27-Jun-16 | Acquisition | 248 | 2.970000 | Euronext Lisbon | 24,124,365 |
| 27-Jun-16 | Acquisition | 752 | 2.970000 | Euronext Lisbon | 24,125,117 |
| 27-Jun-16 | Acquisition | 248 | 2.970000 | Euronext Lisbon | 24,125,365 |
| 27-Jun-16 | Acquisition | 600 | 2.970000 | Euronext Lisbon | 24,125,965 |
| 27-Jun-16 | Acquisition | 400 | 2.970000 | Euronext Lisbon | 24,126,365 |
| 27-Jun-16 | Acquisition | 600 | 2.970000 | Euronext Lisbon | 24,126,965 |
| 27-Jun-16 | Acquisition | 970 | 2.970000 | Euronext Lisbon | 24,127,935 |
| 27-Jun-16 | Acquisition | 30 | 2.970000 | Euronext Lisbon | 24,127,965 |
| 27-Jun-16 | Acquisition | 1,970 | 2.970000 | Euronext Lisbon | 24,129,935 |
| 27-Jun-16 | Acquisition | 1,000 | 2.970000 | Euronext Lisbon | 24,130,935 |
| 27-Jun-16 | Acquisition | 26 | 2.970000 | Euronext Lisbon | 24,130,961 |
| 27-Jun-16 | Acquisition | 1,000 | 2.970000 | Euronext Lisbon | 24,131,961 |
| 27-Jun-16 | Acquisition | 1,000 | 2.970000 | Euronext Lisbon | 24,132,961 |
| 27-Jun-16 | Acquisition | 500 | 2.970000 | Euronext Lisbon | 24,133,461 |
| 27-Jun-16 | Acquisition | 500 | 2.970000 | Euronext Lisbon | 24,133,961 |
| 27-Jun-16 | Acquisition | 167 | 2.970000 | Euronext Lisbon | 24,134,128 |
| 27-Jun-16 | Acquisition | 817 | 2.970000 | Euronext Lisbon | 24,134,945 |
| 27-Jun-16 | Acquisition | 16 | 2.970000 | Euronext Lisbon | 24,134,961 |
| 27-Jun-16 | Acquisition | 274 | 2.970000 | Euronext Lisbon | 24,135,235 |
| 27-Jun-16 | Acquisition | 1,000 | 2.970000 | Euronext Lisbon | 24,136,235 |
| 27-Jun-16 | Acquisition | 2,000 | 2.970000 | Euronext Lisbon | 24,138,235 |
| 27-Jun-16 | Acquisition | 1,000 | 2.971000 | Euronext Lisbon | 24,139,235 |
| 27-Jun-16 | Acquisition | 922 | 2.971000 | Euronext Lisbon | 24,140,157 |
| 27-Jun-16 | Acquisition | 78 | 2.971000 | Euronext Lisbon | 24,140,235 |
| 27-Jun-16 | Acquisition | 202 | 2.971000 | Euronext Lisbon | 24,140,437 |
| 27-Jun-16 | Acquisition | 78 | 2.971000 | Euronext Lisbon | 24,140,515 |
| 27-Jun-16 | Acquisition | 78 | 2.971000 | Euronext Lisbon | 24,140,593 |
| 27-Jun-16 | Acquisition | 500 | 2.971000 | Euronext Lisbon | 24,141,093 |
| 27-Jun-16 | Acquisition | 208 | 2.971000 | Euronext Lisbon | 24,141,301 |
| 27-Jun-16 | Acquisition | 136 | 2.971000 | Euronext Lisbon | 24,141,437 |
| 27-Jun-16 | Acquisition | 531 | 2.971000 | Euronext Lisbon | 24,141,968 |
| 27-Jun-16 | Acquisition | 333 | 2.971000 | Euronext Lisbon | 24,142,301 |
| 27-Jun-16 | Acquisition | 667 | 2.971000 | Euronext Lisbon | 24,142,968 |
| 27-Jun-16 | Acquisition | 487 | 2.971000 | Euronext Lisbon | 24,143,455 |
| 27-Jun-16 | Acquisition | 513 | 2.971000 | Euronext Lisbon | 24,143,968 |
| 27-Jun-16 | Acquisition | 500 | 2.971000 | Euronext Lisbon | 24,144,468 |
| 27-Jun-16 | Acquisition | 880 | 2.971000 | Euronext Lisbon | 24,145,348 |
| 27-Jun-16 | Acquisition | 120 | 2.971000 | Euronext Lisbon | 24,145,468 |
| 27-Jun-16 | Acquisition | 851 | 2.971000 | Euronext Lisbon | 24,146,319 |
| 27-Jun-16 | Acquisition | 903 | 2.971000 | Euronext Lisbon | 24,147,222 |
| 27-Jun-16 | Acquisition | 97 | 2.971000 | Euronext Lisbon | 24,147,319 |
| 27-Jun-16 | Acquisition | 153 | 2.971000 | Euronext Lisbon | 24,147,472 |
| 27-Jun-16 | Acquisition | 146 | 2.971000 | Euronext Lisbon | 24,147,618 |
| 27-Jun-16 | Acquisition | 493 | 2.971000 | Euronext Lisbon | 24,148,111 |
| 27-Jun-16 | Acquisition | 361 | 2.971000 | Euronext Lisbon | 24,148,472 |
| 27-Jun-16 | Acquisition | 1,000 | 2.971000 | Euronext Lisbon | 24,149,472 |
| 27-Jun-16 | Acquisition | 100 | 2.971000 | Euronext Lisbon | 24,149,572 |
| 27-Jun-16 | Acquisition | 538 | 2.971000 | Euronext Lisbon | 24,150,110 |
| 31-Dec-16 | - | - | - | - | 24,150,110 |

Pedro Miguel Matos Borges de Oliveira

| Date | Type | Volume | Price (€) | Local | Nr. of shares |
|---|---|---|---|---|---|
| 31-Dec-15 | - | - | - | - | 2,804,708 |
| 22-Jul-16 | Donation | (2,804,708) | 3.327000 | Euronext Lisbon | - |
| 31-Dec-16 | - | - | - | - | - |

Ana Rebelo Carvalho Menéres de Mendonça (through PROMENDO - SGPS, S.A.)

| Date | Type | Volume | Price (€) | Local | Nr. of shares |
|---|---|---|---|---|---|
| 31-Dec-15 | - | - | - | - | 41,954,552 |
| 5-Jan-16 | Acquisition | 108,189 | 4.670000 | Euronext Lisbon | 42,062,741 |
| 5-Jan-16 | Acquisition | 16,811 | 4.650000 | Euronext Lisbon | 42,079,552 |
| 6-Jan-16 | Acquisition | 72,127 | 4.580000 | Euronext Lisbon | 42,151,679 |
| 6-Jan-16 | Acquisition | 12,873 | 4.610000 | Euronext Lisbon | 42,164,552 |
| 6-Jan-16 | Acquisition | 10,000 | 4.600000 | Euronext Lisbon | 42,174,552 |
| 7-Jan-16 | Acquisition | 92,917 | 4.490000 | Euronext Lisbon | 42,267,469 |
| 7-Jan-16 | Acquisition | 17,083 | 4.610000 | Euronext Lisbon | 42,284,552 |
| 7-Jan-16 | Acquisition | 96,281 | 4.620000 | Euronext Lisbon | 42,380,833 |
| 8-Jan-16 | Acquisition | 13,719 | 4.570000 | Euronext Lisbon | 42,394,552 |
| 11-Jan-16 | Acquisition | 108,020 | 4.510000 | Euronext Lisbon | 42,502,572 |
| 11-Jan-16 | Acquisition | 11,980 | 4.500000 | Euronext Lisbon | 42,514,552 |
| 12-Jan-16 | Acquisition | 9,512 | 4.690000 | Euronext Lisbon | 42,524,064 |
| 12-Jan-16 | Acquisition | 104,007 | 4.650000 | Euronext Lisbon | 42,628,071 |
| 12-Jan-16 | Acquisition | 5,488 | 4.700000 | Euronext Lisbon | 42,633,559 |
| 12-Jan-16 | Acquisition | 15,993 | 4.710000 | Euronext Lisbon | 42,649,552 |
| 13-Jan-16 | Acquisition | 4,067 | 4.660000 | Euronext Lisbon | 42,653,619 |
| 13-Jan-16 | Acquisition | 107,739 | 4.790000 | Euronext Lisbon | 42,761,358 |
| 13-Jan-16 | Acquisition | 5,933 | 4.700000 | Euronext Lisbon | 42,767,291 |
| 13-Jan-16 | Acquisition | 12,261 | 4.710000 | Euronext Lisbon | 42,779,552 |
| 14-Jan-16 | Acquisition | 105,373 | 4.600000 | Euronext Lisbon | 42,884,925 |
| 14-Jan-16 | Acquisition | 41,918 | 4.580000 | Euronext Lisbon | 42,926,843 |
| 14-Jan-16 | Acquisition | 13,082 | 4.610000 | Euronext Lisbon | 42,939,925 |
| 14-Jan-16 | Acquisition | 14,627 | 4.610000 | Euronext Lisbon | 42,954,552 |
| 31-Dec-16 | - | - | - | - | 42,954,552 |

# CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF 31 DECEMBER 2016 AND 2015

(Translation of financial statements originally issued in Portuguese – Note 46)
(Amounts expressed in Euro)

| ASSETS | Notes | 31.12.2016 | 31.12.2015 |
|---|---|---|---|
| NON CURRENT ASSETS: | | | |
| Biological assets | 11 | 102,302,637 | 101,472,915 |
| Tangible fixed assets | 7 | 359,638,821 | 364,119,629 |
| Investment properties | 8 | 113,310 | 113,310 |
| Goodwill | 9 | 265,531,404 | 265,531,404 |
| Intangible assets | 10 | 643,354 | 83,821 |
| Investments in associated companies and joint ventures | 4.2 | 14,983,101 | 12,008,219 |
| Investments available for sale | 4.3 and 6 | 11,262,914 | 10,691,097 |
| Other non current assets | 18 | 3,544,289 | 3,490,469 |
| Deferred tax assets | 12 | 39,508,901 | 27,060,866 |
| Total non current assets | | 797,528,731 | 784,571,730 |
| CURRENT ASSETS: | | | |
| Inventories | 11 | 58,890,414 | 56,396,615 |
| Customers | 6, 13 and 31 | 92,261,372 | 91,521,269 |
| Other debtors | 6, 14 and 31 | 4,297,543 | 8,401,481 |
| State and other public entities | 15 | 29,538,312 | 8,469,842 |
| Other current assets | 16 | 2,455,926 | 2,726,281 |
| Cash and cash equivalents | 6 and 17 | 300,094,254 | 243,154,160 |
| Total current assets | | 487,537,821 | 410,669,648 |
| Total assets | | 1,285,066,552 | 1,195,241,378 |

| SHAREHOLDERS' FUNDS AND LIABILITIES | Notes | 31.12.2016 | 31.12.2015 |
|---|---|---|---|
| SHAREHOLDERS' FUNDS: | | | |
| Share capital | 19 | 25,641,459 | 25,641,459 |
| Legal reserve | 19 | 5,128,292 | 4,336,498 |
| Other reserves | 19 | 235,894,619 | 225,998,128 |
| Advance on profits | | - | (51,282,918) |
| Consolidated net profit / (loss) | | 76,977,826 | 117,656,401 |
| Total shareholders' funds attributable to the parent company's shareholders | | 343,642,196 | 322,349,568 |
| Non controlling interests | 20 | - | - |
| Total Shareholders' funds | | 343,642,196 | 322,349,568 |
| LIABILITIES: | | | |
| NON CURRENT LIABILITIES: | | | |
| Bank loans | 6 and 21 | 118,000,000 | 153,587,500 |
| Other loans | 6 and 21 | 462,357,627 | 413,733,394 |
| Reimbursable subsidies | 6 and 21 | 14,946,631 | 17,439,139 |
| Other non current creditors | 23 | 19,698,356 | 23,854,161 |
| Deferred tax liabilities | 12 | 18,731,619 | 15,871,624 |
| Pension liabilities | 29 | 2,528,818 | 778,000 |
| Provisions | 22 | 5,064,402 | 5,062,741 |
| Derivatives | 6 and 27 | 2,428,023 | - |
| Total non current liabilities | | 643,755,474 | 630,326,559 |
| CURRENT LIABILITIES: | | | |
| Bank loans | 6 and 21 | 38,897,709 | 10,775,000 |
| Other loans | 6 and 21 | 120,854,418 | 105,438,128 |
| Reimbursable subsidies | 6 and 21 | 3,115,183 | 558,872 |
| Suppliers | 6, 24 and 31 | 69,045,134 | 61,243,404 |
| Other current creditors | 6, 25 and 31 | 14,915,753 | 3,908,405 |
| State and other public entities | 15 | 14,318,318 | 26,453,118 |
| Other current liabilities | 26 | 34,099,716 | 34,051,538 |
| Derivatives | 6 and 27 | 2,422,650 | 136,786 |
| Total current liabilities | | 297,668,881 | 242,565,251 |
| Total shareholders' funds and liabilities | | 1,285,066,552 | 1,195,241,378 |

The accompanying notes form an integral part of the consolidated financial statements.

The official chartered accountant | The Board of Directors

CONSOLIDATED STATEMENTS OF PROFIT AND LOSS
FOR THE YEARS ENDED 31 DECEMBER 2016 AND 2015

(Translation of financial statements originally issued in Portuguese – Note 46)
(Amounts expressed in Euro)

| | Notes | 31.12.2016 | 31.12.2015 |
|---|---|---|---|
| Sales | 31 and 38 | 593,481,157 | 646,924,400 |
| Services rendered | 38 | 9,471,672 | 10,049,985 |
| Other income | 33 | 9,542,906 | 7,850,855 |
| Cost of sales | 11 and 31 | (244,831,197) | (237,903,389) |
| External supplies and services | 30 and 31 and 40 | (161,135,191) | (162,836,207) |
| Payroll expenses | 29 and 39 | (33,836,284) | (35,277,030) |
| Amortisation and depreciation | 36 | (51,191,998) | (52,833,682) |
| Provisions and impairment losses | 22 | (325,351) | (3,651,900) |
| Other costs | 34 | (4,890,251) | (4,049,341) |
| Gains and losses in associated companies and joint ventures | 4.2 and 35 | 3,024,882 | 2,950,079 |
| Financial expenses | 35 | (24,578,351) | (31,945,538) |
| Financial income | 35 | 5,965,940 | 8,273,769 |
| Profit before income tax | | 100,697,934 | 147,552,001 |
| Income tax | 12 | (23,720,108) | (29,878,812) |
| Net profit | | 76,977,826 | 117,673,189 |
| **Consolidated net profit** | | 76,977,826 | 117,673,189 |
| Attributable to: | | | |
| Parent company's shareholders | 37 | 76,977,826 | 117,656,401 |
| Non controlling interests | 20 | - | 16,788 |
| | | 76,977,826 | 117,673,189 |
| **Earnings per share:** | | | |
| Basic | 37 | 0.38 | 0.57 |
| Diluted | 37 | 0.38 | 0.57 |

The accompanying notes form an integral part of the consolidated financial statements.

The official chartered accountant The Board of Directors

CONSOLIDATED STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEARS ENDED 31 DECEMBER 2016 AND 2015

(Translation of financial statements originally issued in Portuguese – Note 46)
(Amounts expressed in Euro)

| | Notes | 31.12.2016 | 31.12.2015 |
|---|---|---|---|
| Net consolidated profit for the period | | 76,977,826 | 117,673,189 |
| Other comprehensive income: | | | |
| Items that will not be reclassified to profit or loss | | | |
| Changes in pension funds responsibilities | 29 | (944,750) | - |
| | | (944,750) | - |
| Items that may be reclassified to profit or loss | | | |
| Change in fair value of cash flow hedging derivatives | 27 | (3,610,634) | 73,438 |
| Changes in currency translation reserves | | 9,491 | 31,631 |
| | | (3,601,143) | 105,069 |
| Other comprehensive income | | (4,545,893) | 105,069 |
| Total comprehensive income for the period | | 72,431,933 | 117,778,258 |
| Attributable to: | | | |
| Shareholders' of the parent company | | 72,431,933 | 117,761,470 |
| Non controlling interests | 20 | - | 16,788 |

The accompanying notes form an integral part of the consolidated financial statements.

The official chartered accountant

The Board of Directors

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2016 AND 2015

(Translation of financial statements originally issued in Portuguese – Note 46)
(Amounts expressed in Euro)

| | | Attributable to the parent company's shareholders | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Notes | Share capital | Legal reserve | Fair value reserves | Others reserves | Advance on Profits | Net profit | Total | Non controlling interests | Total shareholder's funds |
| Balance as of 1 January 2015 | 19 | 25,641,459 | 3,405,143 | (219,605) | 205,900,192 | - | 37,381,548 | 272,108,737 | 155,240 | 272,263,977 |
| Appropriation of the consolidated net profit of 2014 | 41 | - | 931,355 | - | 36,450,193 | - | (37,381,548) | - | - | - |
| Dividends distribution | 41 | - | - | - | (16,410,534) | - | - | (16,410,534) | - | (16,410,534) |
| Advance on profits | 41 | - | - | - | - | (51,282,918) | - | (51,282,918) | - | (51,282,918) |
| Perimeter variations | | - | - | - | 22,341 | - | - | 22,341 | (155,240) | (132,899) |
| Others | | - | - | - | 150,472 | - | - | 150,472 | - | 150,472 |
| Total comprehensive income for the year | | - | - | 82,819 | 22,250 | - | 117,656,401 | 117,761,470 | - | 117,761,470 |
| Balance as of 31 December 2015 | 19 | 25,641,459 | 4,336,498 | (136,786) | 226,134,914 | (51,282,918) | 117,656,401 | 322,349,568 | - | 322,349,568 |
| Balance as of 1 January 2016 | 19 | 25,641,459 | 4,336,498 | (136,786) | 226,134,914 | (51,282,918) | 117,656,401 | 322,349,568 | - | 322,349,568 |
| Appropriation of the consolidated net profit of 2015 | 41 | - | 791,794 | - | 116,864,607 | - | (117,656,401) | - | - | - |
| Dividends distribution | 41 | - | - | - | (102,565,836) | 51,282,918 | - | (51,282,918) | - | (51,282,918) |
| Advance on profits | 41 | - | - | - | - | - | - | - | - | - |
| Perimeter variations | | - | - | - | - | - | - | - | - | - |
| Others | | - | - | - | 143,613 | - | - | 143,613 | - | 143,613 |
| Total comprehensive income for the year | | - | - | (3,610,634) | (935,259) | - | 76,977,826 | 72,431,933 | - | 72,431,933 |
| Balance as of 31 December 2016 | 19 | 25,641,459 | 5,128,292 | (3,747,420) | 239,642,039 | - | 76,977,826 | 343,642,196 | - | 343,642,196 |

The accompanying notes form an integral part of the consolidated financial statements.

The official chartered accountant

The Board of Directors

CONSOLIDATED CASH-FLOW STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER 2016 AND 2015

(Translation of financial statements originally issued in Portuguese – Note 46)
(Amounts expressed in Euro)

| | Notes | 2016 | | 2015 | |
|---|---|---|---|---|---|
| Operating activities: | | | | | |
| Collections from customers | | 622,117,746 | | 639,795,135 | |
| Payments to suppliers | | (433,533,244) | | (392,461,406) | |
| Payments to personnel | | (31,800,925) | | (33,601,440) | |
| Other collections/payments relating to operating activities | | 11,104,301 | | (9,249,198) | |
| Income tax | | (66,389,662) | 101,498,217 | 1,566,945 | 206,050,037 |
| *Cash flow from operating activities (1)* | | | 101,498,217 | | 206,050,037 |
| Investment activities: | | | | | |
| Collections relating to: | | | | | |
| Investments | 17 | 192,000 | | - | |
| Tangible fixed assets | | 1,564,398 | | 1,125,366 | |
| Intangible assets | | - | | 24,080 | |
| Investment subsidies | | 524,275 | | 7,435,241 | |
| Interest and similar income | | 1,300,056 | | 3,241,445 | |
| Dividens | 4.2 | 50,000 | 3,630,729 | - | 11,826,131 |
| Payments relating to: | | | | | |
| Investments | 5 and 17 | (2,438,210) | | (149,687) | |
| Tangible fixed assets | | (32,466,771) | | (36,661,671) | |
| Intangible assets | | (269,295) | | (369,029) | |
| Investment subsidies | | (558,872) | (35,733,147) | (9,082,810) | (46,263,197) |
| *Cash flow from investment activities (2)* | | | (32,102,418) | | (34,437,066) |
| Financing activities: | | | | | |
| Collections relating to: | | | | | |
| Loans obtained | | 228,152,640 | | 247,271,505 | |
| Other financial operations | | - | 228,152,640 | 395,828 | 247,667,333 |
| Payments relating to: | | | | | |
| Interests and similar costs | | (18,704,754) | | (22,276,995) | |
| Distributed dividends | | (51,282,918) | | (67,693,452) | |
| Loans obtained | | (170,236,383) | | (346,933,477) | |
| Other financial operations | | (384,290) | (240,608,345) | - | (436,903,923) |
| *Cash flow from financing activities (3)* | | | (12,455,705) | | (189,236,590) |
| Cash and cash equivalents at the beginning of the year | | | 243,154,160 | | 260,777,779 |
| Variation of cash and cash equivalents: (1)+(2)+(3) | | | 56,940,094 | | (17,623,619) |
| Cash and cash equivalents at the end of the year | 17 | | 300,094,254 | | 243,154,160 |

The accompanying notes form an integral part of the consolidated financial statements.

The official chartered accountant

The Board of Directors

1. INTRODUCTORY NOTE

Altri, SGPS, S.A. ("Altri" or "Company") is an open capital company incorporated as of 1 March 2005, as a result of the reorganization process of Cofina, SGPS, S.A., has its head-office located at Rua General Norton de Matos, 68, r/c – Porto, Portugal and its shares are listed in the Euronext Lisbon Stock Exchange. Its main activity is the management of investments.

Altri is the parent company of a group of companies listed in Note 4 known as Altri Group. The current activity of Altri Group focuses on the production of bleached pulp of eucalyptus through three mills (Celbi in Figueira da Foz, Caima in Constância do Ribatejo and Celtejo in Vila Velha de Ródão).

Due to this reality of Altri Group, the Board of Directors believes that there is only one business segment (production and commercialization of bleached pulp from eucalyptus) and the management information is also analysed on this basis, for which the segmental information mentioned in Note 38 is limited by this.

The consolidated financial statements of Altri Group are presented in Euro rounded off to the unit, which is the currency used by the Group in its operations and considered as the functional currency. The operations of foreign companies whose functional currency isn't the Euro are included in the consolidated financial statements in accordance with the policy set out in Note 2.2.e).

2. MAIN ACCOUNTING POLICIES

The main accounting policies adopted in the preparation of the accompanying consolidated financial statements are as follows:

2.1 BASIS OF PRESENTATION

The accompanying consolidated financial statements have been prepared on a going concern basis from the books and accounting records of the companies included on the consolidation, which were prepared per the International Financial Reporting Standards ("IFRS") as adopted by the European Union and under the historical cost convention, except for some financial instruments which are stated at fair value. These standards include International Financial Reporting Standards issued by the International Accounting Standards Board ("IASB"), International Accounting Standards ("IAS") issued by International Accounting Standards Committee ("IASC") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") or by the previous Standing Interpretations Committee ("SIC"), as adopted by the European Union. Standards and interpretations above mentioned will be generally presented as "IFRS".

The Boarder of Directors evaluated the Company, its subsidiaries, joint ventures and associated companies' ability to operate on a continuous basis, considering all the available facts, circumstances and information (financial, operational, commercial and others), as well as subsequent events after December 31, 2016. The Boarder of Directors concluded that the company can continue with its operations in the future, and thus the preparation of the financial statement on a going concern basis is adequate.

The interim financial statements were presented quarterly, per IAS 34 – "Interim Financial Reporting".

(amounts expressed in Euro)

(i) Adoption of new, revised or amended standards and interpretations

The following standards, interpretations, amendments and revisions endorsed by European Union and with mandatory application in the financial years starting on or after 1 January 2016, were for the first time adopted in the year ended 31 December 2016:

| Standard | Applicable in the European Union in the years starting on or after | Observations |
|---|---|---|
| Amendment to IAS 19 – Employee benefits – Employee contribution | 1-feb-15 | Clarifies under which circumstances employees' contributions to post-employment benefit plans consist of a decrease in the cost of sort term benefits. |
| Improvements to international financial statement standards (2010-2012 cycle) | 1-feb-15 | These improvements involve the clarification of some aspects relating to: IFRS 2 – Share based payments: definition of the vesting condition; IFRS 3 – Concentration of business activities: recording of contingent payments; IFRS 8 – Operating segments: disclosures relating to the aggregation of segments and clarification of the need to reconcile total assets by segment with the amount of the assets in the financial statements; IAS 16 – Tangible fixed assets and IAS 38 – Intangible assets: need to proportionately revalue accumulated amortization in the case of the revaluation of fixed assets; and IAS 24 – Disclosure of related parties: defines that an entity that renders management services to the Company or its parent company is considered a related party; and IFRS 13 – Fair value: clarification relating to the measurement of short term receivables or payables. |
| Improvements to international financial statement standards (2012-2014 cycle) | 1-jan-16 | These improvements involve the clarification of some aspects relating to: IFRS 5 – Non-current assets held for sale and discontinued operating units: introduces guidelines on how to proceed in the case of changes as to the expected realization method (sale or distribution to the shareholders); IFRS 7 – Financial instruments: disclosures: clarifies the impact of asset monitoring contracts under the disclosures relating to continued involvement of derecognized investments, and exempts the interim financial statements from the disclosures required relating to the compensation of financial assets and liabilities; IAS 19 – Employee benefits: defines that the rate to be used to discount defined benefits must be determined by reference to high quality bonds of companies issued in the currency that the benefits will be paid; and IAS 34 – Interim financial statements: clarification on the procedures to be used when the information is available in other documents issued together with the interim financial statements. |
| Amendment to IFRS 11 – Joint Agreements – Recording of acquisitions of interests in joint agreements | 1-jan-16 | This amendment relates to the acquisition of interests in joint operations. It establishes the requirement to apply IFRS 3 when the joint operation acquired consists of a business activity in accordance with IFRS 3. When the joint operation in question does not consist of a business activity, the transaction must be recorded as the acquisition of assets. This amendment is of prospective application to new acquisitions of interests. |
| Amendment to IAS 1 – Presentation of Financial Statements - "Disclosure initiative" | 1-jan-16 | This amendment clarifies some aspects relating to disclosure initiatives, namely: (i) the entity must not make it difficult to understand the financial statements by the aggregation of significant items with insignificant items or the aggregation of significant items of different natures; (ii) the disclosures specifically required by the IFRS need only to be provided if the information in question is significant; (iii) the lines in the financial statements specified by IAS 1 can be aggregated or segregated in accordance with what is significant in relation to the objectives of the financial statement; (iv) the part of other recognized income resulting from the application of the equity method in associates and joint agreements must be presented separately from the remaining elements of other recognized income, also segregating the items that can be reclassified to the statement of profit and loss from those that will not be reclassified; (v) the structure of the notes must be flexible, and should follow the following order:<br>• a declaration of compliance with the IFRS's in the first section of the notes;<br>• a description of the significant accounting policies in the second section;<br>• supporting information for the items on the financial statements in the third section; and<br>• other information in the fourth section. |
| Amendment to IAS 16 – Tangible fixed assets and IAS 38 – Intangible assets – Acceptable depreciation and amortization methods | 1-jan-16 | This amendment establishes the presumption (that can be refuted) that income is not an appropriate basis for amortizing an intangible asset and forbids the use of income as a basis for depreciating tangible fixed assets. The presumption established for amortizing intangible assets can only be refuted when the intangible asset is expressed based on the income generated or when utilization of the financial benefits is significantly related to the income generated. |
| Amendment to IAS 16 – Tangible fixed assets and IAS 41 – Agriculture – Production plants | 1-jan-16 | This amendment excludes plants that produce fruits or other components used for harvesting and/or removal under the application of IAS 41, becoming covered by IAS 16. |
| Amendment to IAS 27 – Application of the equity method on separate financial statements | 1-jan-16 | This amendment introduces the possibility of measuring interests in subsidiaries, joint agreements and associates in separate financial statements in accordance with the equity method, in addition to the measurements methods presently existing. This change applies retrospectively. |
| Amendments to IFRS 10 – Consolidated Financial Statements, IFRS 12 - Disclosures of Interests in Other Entities and IAS 28 – Investments in Associates and Joint Ventures | 1-jan-16 | These amendments clarify some aspects related to the application of consolidation exception by investment entities. |

The effect in the consolidated financial statements of the Group for the year ended as of 31 December 2016, due to the adoption of the standards, interpretations, amendments and revisions mentioned above has not been significant.

(amounts expressed in Euro)

(ii) Standards, interpretations, amendments and revisions that will take effect in future financial years

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

| Standard | Effective Date (annual periods beginning on or after) | Observations |
|---|---|---|
| IFRS 9 – Financial Instruments (2009) and subsequent amendments | 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 Client Contracts | 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 – Fidelity programs; IFRIC 15 – Agreements to construct real estate; IFRIC 18 – Transfer of assets from clients and SIC 31 – Revenue – Direct exchange contracts involving services and publicity. |

(iii) New standards and interpretations, amended or revised not adopted

The following standards, interpretations, amendments and revisions, with mandatory application to future financial years, until the approval date of the accompanying financial statements, were not endorsed by the European Union:

| Standard | Observations |
|---|---|
| IFRS 14 – Regulated assets | This standard establishes the financial statement requirements of entities that adopt for the first time IFRS standards applicable to regulated assets. |
| IFRS 16 – Leases | This standard introduced 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 10 – Consolidated Financial Statements and IAS 28 – Investments in Associates and Jointly Controlled Entities | These amendments eliminate the conflict existing between these standards, relating to the sale or the contribution of assets between the investor and the associate or between the investor and the jointly controlled entity. |
| Amendments to IAS 12 - Income Taxes | These amendments clarify the conditions for recognition and measurement of tax assets resulting from unrealized losses. |
| Amendments to IAS 7 – Statement of Cash Flows | These amendments introduce additional disclosures related to the cash flows of financing activities. |
| Amendments to IFRS 15 – Revenue from Client Contracts | These amendments introduce several clarifications in the standard in order to eliminate the possibility of divergent interpretations of various topics. |
| Amendments to IFRS 2 – Share-based payment | These amendments introduce a number of clarifications in the standard related to: (i) recording cash-settled share-based payment transactions; recording of modifications in share-based payments transactions (from cash-settled to settled with equity instruments); (iii) the classification of cleared settlement transactions. |
| Amendments to IFRS 4 – Insurance Contracts | These amendments give some orientations about the application of IFRS 4 in addition with IFRS 9. |
| Amendment to IAS 40 – Investment properties | These amendments clarify that the change of classification from or to investment property should only be done when there are evidences of changes in the asset use. |
| Improvements to international financial reporting standards (cycle 2014-2016) | This improvements include the clarification of some aspects related to: IFRS 1 - First Time Adoption of International International Financial Reporting Standards: elimination of some short-term exemptions; IFRS 12 - Disclosure of Interests in Other Entities: clarification of the scope of the standard for its application to interests classified as held for sale or held for distribution under IFRS 5; IAS 28 - Investments in Associates and Joint Ventures: introduction of several clarifications about the measurement at fair value of results from investments in associates or joint ventures held by venture capital companies or invetment funds. |
| IFRIC 22 – Foreign Currency Transactions and Advance Consideration | This interpretation establishes the date of the initial recognition of the advance or deferred income and the date of the transaction for the purpose of determining the exchange rate of the recognition of the revenue. |

These standards have not been endorsed by the European Union, and as such, were not adopted by the Group in the year ended as of 31 December 2016. No significant impacts are expected to arise in the financial statements because of the adoption of these standards.

The accounting policies and measurement criteria adopted by the Group as of 31 December 2016 are consistent with those used in the preparation of the consolidated financial statements as of 31 December 2015.

In the preparation of the consolidated financial statements, in accordance with the IFRS, the Board of Directors adopted certain assumptions and estimates that affect the reported assets and liabilities, as well as the income and expenses in relation to the reported periods. All the estimates and assumptions made by the Board of Directors were made based on its better existing knowledge, regarding the date of approval of the financial statements, of the events and transactions in progress.

The accompanying consolidated financial statements have been prepared for appreciation and approval by the General Shareholders Meeting. The Group's Board of Directors believes that they will be approved without changes.

## 2.2 CONSOLIDATION POLICIES

The consolidation policies adopted by the Group in the preparation of the consolidated financial statements are as follows:

a) Investments in group companies

Investments in companies in which the Group owns, directly or indirectly, more than 50% of the voting rights at the Shareholders' General Meeting and is able to control the financial and operating policies to benefit from its activities (definition of control normally used by the Group), are included in the consolidated financial statements by the full consolidation method. Equity and net profit attributable to minority shareholders are shown separately, under the caption "Non-controlling interests", in the consolidated balance sheet and in the consolidated statement of profit and loss. Companies included in the consolidated financial statements by the full consolidation method are listed in Note 4.1.

The total integral income is attributed to the owners of the mother-company and to the non-controlling members even if by doing that, the company acquire a deficit balance at the level of non-controlling interests.

Under concentration processes, occurred after the transition date to International Financial Reporting Standards as adopted by the European Union (1 January 2004) the assets and liabilities of each subsidiary are measured at their fair value at the date of acquisition according to IFRS 3 - "Business Combinations". Any excess on the cost of acquisition over the fair value of the identifiable net assets and liabilities acquired is recognised as goodwill. Any excess of the fair value of the identifiable net assets and liabilities acquired over its cost is recognised as income in the profit and loss statement of the period of acquisition, after reassessment of the estimated fair value. Non-controlling interests are presented according to their share in the fair value of the identifiable assets and liabilities.

The results of subsidiaries acquired or disposed during the period are included in the consolidated statement of profit and loss from the effective date of acquisition or up to the effective date of disposal, respectively.

Adjustments to the financial statements of Group companies are performed, whenever necessary, in order to adapt its accounting policies to those used by the Group. All intercompany transactions, balances and distributed dividends are eliminated during the consolidation process.

b) Investments in joint ventures

Investments in joint ventures (companies where the Group has a jointly control over the financial and operating decisions - usually corresponding to holdings of 50% in a company's share capital) are accounted for in accordance with the equity method.

According to the equity method, the investments in joint companies are initially recorded at acquisition cost, which is adjusted proportionally to the Group's corresponding share capital, as at the acquisition date or as at the date of the first adoption of the equity method. On a yearly basis, investments are adjusted in accordance with the Group's participation in the associated company's net income. Additionally, the dividends of this companies are recorded as a reduction in the investment's book value and the Group's proportion in the changes occurred in the associated company's equity are recorded as a change in the Group's equity.

Any excess of the cost of acquisition over the Group's share in the fair value of the identifiable net assets acquired is recognised as goodwill, which is included in the caption "Investments in joint companies". If that difference is negative it is recorded as a gain in the caption "Gains and losses in joint companies" after reassessment of the fair value of the identifiable assets and liabilities acquired.

An evaluation of investments held in joint companies is performed whenever there are signs of impairment in those investments. Impairment losses are recorded in the statement of profit and loss for the period. When those losses recorded in previous periods vanish, they are reverted in the statement of profit and losses for the period.

Unrealised gains arising from transactions with joint companies are eliminated to the extent of the group's interest in the joint against the investment held. Unrealised losses are eliminated but only to the extent that there is no evidence of impairment of the asset transferred.

Investments in joint ventures are listed in Note 4.2.

c) Investments in associated companies

Investments in associated companies (companies where the Group has significant influence but has no control over the financial and operating decisions - usually corresponding to holdings between 20% and 50% in a company's share capital) are accounted for in accordance with the equity method.

According to the equity method, the investments in associated companies are initially recorded at acquisition cost, which is adjusted proportionally to the Group's corresponding share capital, as at the acquisition date or as at the date of the first adoption of the equity method. On a yearly basis, investments are adjusted in accordance with the Group's participation in the associated company's net income. Additionally, the dividends of the subsidiary are recorded as a reduction in the investment's book value and the Group's proportion in the changes occurred in the associated company's equity are recorded as a change in the Group's equity.

Any excess of the cost of acquisition over the Group's share in the fair value of the identifiable net assets acquired is recognised as goodwill, which is included in the caption "Investments in associated companies". If that difference is negative it is recorded as a gain in the caption "Gains and losses in associated companies" after reassessment of the fair value of the identifiable assets and liabilities acquired.

An evaluation of investments held in associated companies is performed whenever there are signs of impairment in those investments. Impairment losses are recorded in the statement of profit and loss for the period. When those losses recorded in previous periods vanish, they are reverted in the statement of profit and losses for the period.

When the Group's share of losses of the associated company exceeds the investment's book value, the investment is recorded at nil value, except to the extent of the Group's commitments to the associate. In such case, the Group records a provision to cover those commitments.

Unrealised gains arising from transactions with associated companies are eliminated to the extent of the group's interest in the associate against the investment held. Unrealised losses are eliminated but only to the extent that there is no evidence of impairment of the asset transferred.

Investments in associated companies are listed in Note 4.2.

d) Goodwill

The differences between the price of investments in subsidiaries companies added the value of non-controlling interests, and the amount attributed to the fair value of the identifiable assets and liabilities at the time of their acquisition, when positive, are recorded under the caption ‘Goodwill’, and, when negative, after a re-appreciation of its calculation, are recorded directly in the profit and loss statement. The differences between the price of investments in associated companies and in joint ventures and the amount attributed to the fair value of the identifiable assets and liabilities at the time of their acquisition, when positive, are recorded under the caption ‘Investments in associated companies’, and, when negative, after a re-appreciation of its calculation, are recorded directly in the profit and loss statement.

The excess of the cost of acquisition of investments in foreign companies over the fair value of their identifiable assets and liabilities as at the date of acquisition is calculated using the local currency of each of those companies. Translation to the Group’s currency (Euro) is made using the exchange rate as at the balance sheet date. Exchange rate differences arising from this translation are recorded under the equity caption “Conversion reserves”, include in the caption “Others reserves”.

The Group will choose, on an acquisition-by-acquisition basis, to measure non-controlling interests either at their proportionate interest on the fair value of the assets and liabilities acquired, or at the fair value of the non-controlling interests themselves. Until 1 January 2010, non-controlling interests were always measured at their proportionate interest on the fair value of the acquired assets and liabilities.

Contingent consideration is recognized as a liability, at the acquisition-date, according to its fair value, and any changes to its value are recorded as a change in the ‘Goodwill’, but only if they occur during the ‘measurement period’ (until 12 months after the acquisition-date) and as long as they relate to facts and circumstances that existed at the acquisition date, otherwise these changes must be recognized in profit or loss.

Transactions regarding the acquisition of additional interests in a subsidiary after control is obtained, or the partial disposal of an investment in a subsidiary while control is retained, are accounted for as equity transactions impacting the shareholders’ funds captions, and without giving rise to any additional ‘Goodwill’ and without any gain or loss recognized.

The moment a sales transaction to generate a loss of control, should be derecognized assets and liabilities of the entity and any interest retained in the entity sold should be premeasured at fair value and any gain or loss calculated on the sale is recorded in results.

The Group tests on an annual basis the impairment of goodwill. The recoverable amount of the cash-generating unities is computed based on the value of use. This computation implies the use of assumptions based on estimates of future events which may occur differently from expected.

e) Translation of financial statements of foreign companies

Assets and liabilities in the financial statements of foreign entities are translated to Euro using the exchange rates in force at the balance sheet date. Profit and loss and cash flows are converted to Euro using the average exchange rate for the period. The exchange rate differences originated are recorded in the equity caption “Conversion reserves”.

Goodwill and adjustments to the fair value arising from the acquisition of foreign subsidiaries are recorded as assets and liabilities of those companies and translated to Euro at the balance sheet date exchange rate.

Whenever a foreign company is sold, the accumulated exchange rate differences are recorded in the statement of profit and losses as a gain or loss associated with the sale, if there is a loss of control, or transferred to non-controlling interests in case there is no loss of control.

(amounts expressed in Euro)

Exchange rates used on translation of affiliate accounts in foreign currency were as follows:

| | 31.12.2016 | | 31.12.2015 | |
|---|---|---|---|---|
| | Year end | Average | Year end | Average |
| Swiss franc | 1.0739 | 1.0902 | 1.0835 | 1.0679 |

## 2.3 MAIN ACCOUNTING POLICIES

The main accounting policies used in the preparation of the consolidated financial statements are as follows:

a) Intangible assets

Intangible fixed assets are recorded at cost, net of depreciation and accumulated impairment losses. Intangible assets are only recognised if it is likely that future economic benefits will flow to the Group, are controlled by the Group and if its cost can be reliably measured.

Development costs are recognised as an intangible asset if the Group has proven technical feasibility and ability to finish the development and to sell/use such assets and it is likely that those assets will generate future economic benefits. Development costs which do not fulfil these conditions are recorded as an expense in the period in which they are incurred.

Internal costs related with maintenance and development of software are recorded as expenses in the statement of profit and loss for the period in which they are incurred, except when these costs are directly attributable to projects for which the existence of future economic benefits is likely. Being this the case, they are capitalized as intangible assets.

Amortisation is calculated on a straight-line basis, as from the date the asset is first used, over its expected useful life (usually 3 to 5 years).

b) Tangible fixed assets

Tangible fixed assets acquired until 1 January 2004 (IFRS transition date) are recorded at deemed cost, which corresponds to its acquisition cost, or its acquisition cost re-valued in accordance with generally accepted accounting principles in Portugal until that date, net of accumulated amortisation and accumulated impairment losses.

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

Depreciation is calculated on a straight-line basis, as from the date the asset is first used, over the expected useful life for each group of assets.

The depreciation rates used correspond to the following estimated useful lives:

| | Years |
|---|---|
| Land and natural resources | 20 to 50 |
| Buildings and other constructions | 10 to 50 |
| Plant and machinery | 2 to 15 |
| Vehicles | 2 to 10 |
| Office equipment | 2 to 10 |
| Other tangible assets | 3 to 10 |

Impairment losses identified in the recoverable amount of tangible assets are recorded in the year in which they arise, by a corresponding charge against the caption "Provisions and impairment losses" in the profit and loss statement.

Maintenance and repair costs related to tangible assets which do not increase the useful life or result in significant benefits or improvements in tangible fixed assets are recorded as expenses in the period they are incurred.

Tangible fixed assets in progress correspond to fixed assets still in construction and are stated at acquisition cost, net of impairment losses. These assets are depreciated from the date they are concluded or ready to be used under the conditions and for the use established by the management.

Gains or losses arising from the sale or disposal of tangible assets are calculated as the difference between the selling price and the asset's net book value as at the date of its sale/disposal, and are recorded in the statement of profit and loss under the captions "Other income" or "Other expenses".

c) Investment properties

Investment properties of the Group correspond to the properties (land or building or part of a building or both) that are not use in the Group's activities: in the production or supply of goods or services or for administrative purposes or held for sale in the ordinary course of business.

Initially, investment properties are recorded at acquisition cost (including transaction costs) and, subsequently, are recorded at acquisition or production cost, net of impairment losses.

d) Lease contracts

Classifying a lease as financial or as operational depends on the substance of the transaction rather than the form of the contract.

Lease contracts are classified as (i) a finance lease if the risks and rewards incidental to ownership lie with the lessee and (ii) as an operating lease if the risks and rewards incidental to ownership do not lie with the lessee.

The analysis of transfers of risks and rewards of ownership of the asset considers several factors, including whether is contractually conditioned to assume ownership of the asset, the value of minimum future payments over the contract, nature of the leased asset and the duration of the contract taking into consideration the possibility of renewal.

Tangible fixed assets acquired under financial lease contracts and the corresponding liabilities are recorded in accordance with the financial method. Under this method, the cost of the fixed assets and the corresponding liability are reflected in the balance sheet. In addition, interests included in the lease instalments and depreciation of the fixed assets, calculated as explained in Note 2.3.b), are recorded in the statement of profit and loss of the period to which they apply.

The operational lease instalments on assets acquired under long-term rental contracts are recognized in full as expenses in the period to which they refer to.

e) Subsidies from government or other public entities

Subsidies for personnel training programmes or production support are recorded in the statement of profit and loss caption "Other income" when attributed, independently of when they are received.

Non-repayable subsidies obtained to finance investment in tangible fixed assets are recorded as "Other non-current liabilities" and "Other current liabilities" corresponding to the instalments repayable in the long and short term, respectively. These subsidies are recognized in the statement of profit and loss in accordance with the depreciation of the related tangible fixed assets.

f) Impairment of assets, except for goodwill

Assets are assessed for impairment at each balance sheet date and whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized in the statement of profit and loss under the caption “Provisions and impairment losses”.

The recoverable amount is the higher of an asset’s net selling price and its value of use. The net selling price is the amount obtainable from the sale of an asset in an arm’s length transaction less the costs of the disposal. The value of use is the present value of estimated future cash flows expected to arise from the continued use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if not possible, for the cash-generating unit to which the asset belongs.

Reversal of impairment losses recognized in prior years is recorded when the Group concludes that the impairment losses previously recognized for the asset no longer exist or has decreased. The reversal is recorded in the statement of profit and loss as “Other income”. However, the increased carrying amount of an asset due to a reversal of an impairment loss is recognized to the extent it does not exceed the carrying amount that would have been determined (net of depreciation and amortization) had no impairment loss been recognized for that asset in prior years.

g) Borrowing costs

Borrowing costs are recognised as expense in the statement of profit and loss for the period in which they are incurred, in an accrual basis.

When the Company contracts loans to specifically finance capital assets, the corresponding interests are capitalized, being part of the cost of the asset. The capitalization of these interests starts after the beginning of the preparation of the activities of construction, and ceases when the asset is ready for use or in case the project is suspended.

h) Inventories

Raw, subsidiary and consumable materials are stated at acquisition average cost, deducted from quantity discounts granted by suppliers, which is lower than its market value.

Finished and intermediate goods, sub-products and work in progress are stated at production cost, which includes the cost of raw materials, direct labour and production overheads, which is lower than market value. Therefore, harvested wood owned by the Group is valued at production cost, which includes the costs incurred with the cutting, gathering and transport of harvested wood, as well as the accumulated cost of plantations, maintenance and administrative expenses in proportion to the harvested area.

When necessary the Group companies record impairment losses to reduce inventories to its net realisable or market value.

i) Biological assets

Part of Altri’s activity consists in in the cultivation of several species of forestry, especially eucalyptus, which are basically used as raw material for pulp’s production. At the end of the year, the plantations owned by the Group are classified in the caption “Biological assets”. The forest lands owned by the Group are valued in accordance with accounting policy described in Note 2.3 b) and are classified in the caption “Tangible assets” of the consolidated financial statements.

Because of the inexistence of an active market of this forestry species in Portugal and given the impossibility of obtaining a reliable estimation of the present value of future cash flows generated by these biological assets, the Board of Directors opted to record biological assets at its historical cost, net impairment losses. This includes all the expenses incurred with plantation and with its development.

The cost of wood is transferred to production cost when the wood is harvested. The cost of wood harvested is determined based on the specific cost of each plantation attributed to each harvesting, which also includes the costs incurred on each plantation since the last harvesting.

Although it is not possible to estimate a reliable fair value of biological assets because of the reasons described above, an analysis of the recoverable amount was made using the discounted cash flow method, and the results are similar to the values recorded in the consolidated financial statements as at 31th December 2016 and 2015. The Board has this understanding considering the fact that the forest management activity is concentrated in Altri Florestal S.A., which has been generating a recurring current balanced exploitation’s activity. The industrial units of the Group purchase their raw material at similar prices to Altri Florestal or to third parties.

j) Provisions

Provisions are recognised when, and only when, the Group has an obligation (legal or constructive) arising from a past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of that obligation. Provisions are reviewed and adjusted at each balance sheet date to reflect the best estimate as of that date.

Restructuring provisions are recorded by the Group whenever a formal and detailed restructuring plan exists and has been communicated to the involved parties.

k) Pension complements

Some Group companies have assumed commitments to provide pension complements to employees retiring due to age or disability. To cover these liabilities there have been created autonomous pension funds, which annual charges, computed in accordance with actuarial analysis, are recorded in the statement of profit and loss in accordance with IAS 19 – “Employee benefits”.

The impact of the measurement of the net responsibilities for defined benefit plans, including actuarial gains and losses and the return of the plan assets (where applicable) net of interest, is recognized immediately in the statement of comprehensive income (in equity, in the caption “Retained earnings”), with no impact on the income statement. This measurement impact is not reclassified to the income statement in subsequent years.

The net interest is recognized in the income statement, as well as the cost of any past services is recognized in the income statement in the periods they are incurred.

Any insufficiency of coverage by the autonomous pension funds that happened in order of rendered services is recorded as a liability in the financial statements of the Group.

When the financial situation of autonomous pension funds is superior to past services’ responsibilities, Altri records an asset in its financial statements because this difference corresponds to less appropriations’ necessities for pension funds in the future.

These liabilities were calculated under the “Projected unit credit method” under the actuarial and financial assumptions deemed to be the most adequate (Note 29).

From May 2014, the Group companies started to grant these pension supplements through defined contribution plans (except Celtejo, Caima Indústria and Altri Florestal in which there are both situations). The Company's contribution is recognized in the period’s expenses.

l) Financial instruments

i) Investments

Investments held by the Group are divided into the following categories:

Investments held to maturity, are classified as non-current assets unless they mature within 12 months of the balance sheet date. The investments classified as held to maturity are non-derivative assets with defined or determinable payment dates, have defined maturity and the Group has the intention and ability to maintain them until the maturity date.

Investments measured at fair value through profit and loss are classified as current assets. The purpose of these investments is to obtain short term profits.

Investments available for sale are all the other investments that are not classified as held to maturity or measured at fair value through profit and loss, being classified as non-current assets.

Investments are initially measured at cost, which is the fair value of the price paid, including transaction costs if related with held to maturity and available for sale investments.

Investments available for sale and investments measured at fair value through profit and loss are subsequently measured at fair value by reference to the market value at the balance sheet date without any deduction for transaction costs which may be incurred until its sale. Investments in equity instruments which are not listed on a stock exchange market and whose fair value cannot be reliably measured are stated at cost net of impairment losses. Investments held to maturity are recorded at amortised cost, using the effective interest method.

Gains or losses arising from a change in the fair value of available for sale investments are recognised under the equity caption “Fair value reserve” included in caption “Other reserves”, until the investment is sold or disposed, or until it is determined to be impaired, at which time the cumulative loss previously recognised in equity is transferred to profit and loss account for the period.

All purchases and sales of investments are recorded on its trade date, independently of the liquidation date.

Equity instruments classified as available for sale are impaired if there is a significant or prolonged decline in its fair value bellow its acquisition cost.

Held to maturity investments are carried at amortized cost using the effective interest rate, net of capital reimbursements and interest income received.

ii) Accounts receivable

Receivables from “customers” and “other debtors” are stated at nominal value less impairment losses so that those receivables reflect its net realisable value. The current accounts receivable not include interests because discount’s impact is not considered immaterial.

Impairment is recognised if there is objective and measurable evidence that, as a result of one or more events that occurred, the balance will not be fully received. Therefore, each group company takes into consideration market information which shows the client default in their responsibilities’, as well as historic information on outstanding debts not received.

Recognized Impairment losses equals to the difference between the nominal value of the receivable balance and the correspondent present value of future estimated discounted cash-flows at the initial effective interest rate; when the payment is expected to occur in a period less than a year, the rate is considered null.

iii) Loans and non-current payable accounts

Loans and non-current payable accounts are recorded in liabilities by amortised cost, using the effective interest rate method. Financial expenses are calculated based on the effective interest rate and are recorded in the statement of profit and loss on an accrual basis. The portion of the effective interest charge relating to up-front fees and commissions, if not paid in the period, is added to the book value of the loan.

Assets and liabilities are compensated and presented for its net amount as long as there is the right for compulsory fulfilment of compensation and the Board of Directors intends to realise them on a net basis or realise the asset and simultaneously settle the liability.

iv) Accounts payable

Accounts payable are stated at their nominal value because they do not bear interests and the discount effect is immaterial.

v) Derivatives

Altri Group uses hedge derivatives for the management and hedging of its financial risks not being used for the purpose of trading.

Derivatives classified as cash flow hedge instruments are used by the Group mainly to hedge interest rate fluctuation, exchange rate and to fix pulp price. The index, the computation conventions, the interest rate hedging instruments are similar to the ones established for the underlying loans and therefore are qualified as perfect hedging. The derivatives most used by the Group are the price indexations of pulp using future contracts.

The Group's criteria for classifying a derivative instrument as a cash flow hedge instrument are:

- the hedge transaction is expected to be highly effective in offsetting changes in cash flows attributable to the hedged risk;

- the effectiveness of the hedge can be reliably measured;

- there is adequate documentation of the hedging relationships at the inception of the hedge;

- the forecasted transaction that is being hedged is highly probable.

The cash flow hedge instruments are recorded at its fair value. Changes in the fair value of these instruments are recorded in assets or liabilities, against the corresponding entry under the equity caption "Hedging reserves", and transferred to the statement of profit and loss when the operation subjected to hedging affects the net profit.

The determination of the fair value of these financial instruments is made with informatics systems of derivative instruments valuation and had, on its basis the actualization, for the balance sheet date, of the future fix and variable leg cash flows of the derivative instrument.

Hedge accounting of derivative instruments is discontinued when the instrument matures or is sold. Whenever a derivative instrument can no longer be qualified as a hedging instrument, the fair value differences recorded and deferred in equity under the caption "Hedging reserves" are transferred to profit and loss of the period or to the carrying amount of the asset that resulted from the hedged forecast transaction. Subsequent changes in fair value are recorded in the income statement.

When embedded derivatives exist, they are accounted for as separate derivatives when the risks and the characteristics are not closely related to economic risks and characteristics of the host contract and when these are not stated at fair value with gains and losses not realizable are recorded in the profit and loss statement.

When derivative instruments, although specifically contracted to hedge financial risks, do not fulfil the requirements listed above to be classified and accounted as hedge instruments, the changes in fair value are directly recorded in the profit and loss statement, as financial results.

vi) Financial liabilities and Equity instruments

Financial liabilities and equity instruments are classified and accounted for based upon its contractual substance. Equity instruments are those that represent a residual interest upon the Group's net assets and are recorded by the amount received, net of costs incurred with its issuance.

vii) Own shares

Own shares are recorded at acquisition cost as a deduction to equity captions. Gains or losses on its sale are recorded in the equity caption "Other reserves" not affecting the profit and loss statement for the period.

viii) Discounted bills and accounts receivable transferred to factoring companies

Only when the assets' cash flows contractual right has expired or when the risks and benefits inherent to those assets are transferred to a third entity the Group derecognises the financial assets of its financial statements. If the Group retains substantially the risks and benefits inherent to the property of such assets, the Group continues to recognize them in its financial statements, by recording in the caption "Other loans" the monetary counterparty for the transferred assets.

In consequence, the costumers' balances formed by non-outstanding discounted bills and accounts receivable transferred to factoring companies as of the balance sheet date, with exception of the non-appealing factoring operations are recognized in the Group's financial statements until the moment of their collection. At 31 December 2016, there were no non-appealing factoring operations.

ix) Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at banks on demand and term deposits and other treasury applications which reach maturity within less than three months and that may be drawn without significant risk of change in value.

For purposes of the consolidated statement of cash flows, "Cash and cash equivalents" caption also includes bank overdrafts, which are included in the balance sheet caption "Bank loans".

x) Assets classified as held for sale or in discontinuation

The assets and liabilities are classified as held for sale or in discontinuation when their disposal is made not by its use but by its sale. The Group classifies assets and liabilities in this caption when exists a high probability of its sale becomes effective and the assets and liabilities are available for immediate sale. The Board of Directors is committed in the sale of the assets and liabilities recorded in this caption, and it is their understanding that this sale will be completed in the next twelve months.

The assets classified as held for sale or in discontinuation are valued at the lower of its accounting value at the date of the sale decision and its fair value deducted of their selling costs.

m) Contingent assets and liabilities

Contingent assets are possible assets arising from past events and whose existence will be confirmed, or not, by uncertain future events not controlled by the Company.

Contingent assets are not recorded in the consolidated financial statements but only disclosed when the existence of future economic benefits is likely.

Contingent liabilities are defined by the Company as (i) possible obligations that arise from past events and which existence will be confirmed, or not, by one or more occurrences of uncertain future events not controlled by the Company, or (ii) present obligations that arise from past events but that are not recorded because it is unlikely that an outflow of resources occurs to settle the obligation or the obligation amount cannot be reliably measured.

Contingent liabilities are not recorded in the consolidated financial statements, being disclosed, unless the probability of a cash outflow is remote, in which case no disclosure is made.

n) Income tax

Income tax for the period is determined based on the taxable results of the companies included in the consolidation and takes into consideration deferred taxation.

Current income tax is determined based on the taxable results of the companies included in the consolidation, in accordance with tax regulations in force at the location of the head office of each Group company, considering the annual estimated income tax rate.

For some of the companies included in the consolidation of Altri Group by the full consolidation method, the income tax is determined in accordance with article 69 of the Corporate Income Tax Code ("Código do Imposto sobre o Rendimento das Pessoas Colectivas"), under the special regime of taxation of groups of companies.

The Group recognizes the gain from investment tax incentives under the form of discounts to the collection in accordance to the criteria established in "IAS 12 - Income Tax" for recognition of gains with tax credits. Accordingly, the gain is recognized when the right to use the credit is obtained and a "deferred tax asset" is recognized if it is not possible to use all of those tax credits in the year and it is expected that, in the future, the company will generate sufficient results to allow its use.

Deferred taxes are computed using the balance sheet liability method and reflect the timing differences between the amount of assets and liabilities for accounting purposes and the correspondent amounts for tax purposes. Deferred taxes are computed using the tax rate that is expected to be in force at the time these temporary differences are reversed.

Deferred tax assets are only recorded when there is reasonable expectation that sufficient taxable profits will arise in the future to allow such deferred tax assets to be used. At the end of each period the company reviews its recorded and unrecorded deferred tax assets which are reduced whenever its realization ceases to be likely, or recorded if it is likely that taxable profits will be generated in the future to enable its recovery.

Deferred tax assets and liabilities are recorded in the statement of profit and loss, except if they relate to items directly recorded in equity. In these cases, the corresponding deferred tax is recorded in the same equity captions.

o) Income recognition and accrual basis

Revenue arising from the sale of goods is recognized in the consolidated income statement when (i) the risks and benefits have been transferred to the buyer, (ii) the company retains neither continued management involvement in a degree usually associated with ownership nor effective control over the goods sold, (iii) the amount of the revenue can be measured reasonably, (iv) it is likely that the economic benefits associated with the transaction will flow to the Company, and (v) the costs incurred or to be incurred related with the transaction can be reliably measured. Sales are recorded net of taxes, discounts and other expenses arising from the sale, and are measured at the fair value of the amount received or receivable.

Dividends are recognized as income in the period its distribution is approved.

All other income and expenses are recognized in the period to which they relate, independently of when the amounts are received or paid. Differences between the amounts received and paid and the corresponding income and expenses are recorded in the captions “Other current assets”, “Other current liabilities”, “Other non-current assets” and “Other non-current liabilities”.

When the actual amount of income or expenses is yet unknown, these are recorded based on the best estimate of the Board of Directors of the Group companies.

p) Balances and transactions expressed in foreign currencies

All assets and liabilities expressed in foreign currencies were translated to Euro using the exchange rates in force on the balance sheet date.

Favourable and unfavourable exchange differences arising from changes in the exchange rates between those prevailing on the dates of the transactions and those in force on the dates of payment, collection or as of the balance sheet date are recorded in the consolidated statement of profit and loss, except the ones related to non-monetary values which fair value variation be directly recorded in equity.

q) Subsequent events

Post balance sheet date events that provide additional information about conditions that existed at the balance sheet data (“adjusting events”), are reflected in the consolidated financial statements. Post balance sheet date events that provide information about conditions that have only arise after the balance sheet date are considered “non-adjusting events” and are disclosed in the notes to the financial statements, if material.

r) Segment information

In each period, the Company identifies the most adequate segment division taking into consideration the business areas in which the Group is present.

At the moment, Altri Group has only one business segment (production and commercialization of bleached pulp from eucalyptus) for which the internal report of segmental information is analysed under this assumption.

s) Judgments and estimates

In preparing the consolidated financial statements in accordance with IAS / IFRS, the Group's Board of Directors has adopted certain assumptions and estimates that affect the reported assets and liabilities and income and expenses incurred for the periods reported. All estimates and assumptions made by the Board were made based on your best knowledge existing at the date of approval of the financial statements, events and transactions in progress.

The most significant accounting estimates reflected in the consolidated income statements include:

a) Useful lives of the tangible and intangible fixed assets;
b) Impairment analysis of goodwill, biological assets and of other tangible and intangible fixed assets, as well as financial investments;
c) Recognition of impairment on assets, namely inventory and account receivables, and provisions;
d) Pension Fund responsibilities calculation;
e) Fair value of Derivative Financial Instruments; and
f) Provisions.

Estimates used are based on the best information available during the preparation of consolidated financial statements and are based on best knowledge of past and present events. Although future events are neither controlled by the Group nor foreseeable, some could occur and have impact on the estimates. Changes to the estimates used by the management that occur after the date of these consolidated financial statements, will be recognised in net income, in accordance with IAS 8, using a prospective methodology.

## 2.4 FINANCIAL RISK MANAGEMENT

Altri's Group is exposed essentially to the: (i) market risk; (ii) liquidity risk and (iii) credit risk. The main objective of the Board of Directors, on what risk management concerns, is to reduce these

risks to a level considered acceptable for the development of the Group activities. The guiding lines of the risk management policy are defined by Altri's Board of Directors, which determines the acceptable risk limits. The operational concretization of the risk management policy is made by the Board of Directors and by the management of each participated company.

### a) Market risk

At this level of market risk, a particular importance is given to interest rate risk, exchange rate risk, variability of the commodities' price risk and forest management and production of eucalyptus risk.

When considered necessary, the Group uses derivative instruments on the management of their market risks which is exposed as a way of ensure its hedging and does not use derivative instruments with the objective of negotiation or speculation.

i) Interest rate risk

The exposure of the Group to interest rate results of the long-term loans constituted, mainly, by debt indexed to Euribor.

The Group uses derivative instruments or similar transactions for hedging interest rate considered significant. Three principles are used in the selection and determination of the hedging instruments of interest rate:

- For each derivative or hedging instrument used to protect the risk associated with a funding, there is coincidence between the dates of the flow of interests paid on loans to be hedged and the dates of liquidation under the hedging instruments;
- Perfect equivalence between the base rates: the indexing used in derivative or hedging instrument should be the same as that applicable to the financing or transaction that is being hedged; and
- Since the beginning of the transaction, the maximum cost of debt resulting from the hedging transaction undertaken, is known and limited, even in scenarios of extreme changes in interest rates market.

Since the entire indebtedness of Altri is indexed to floating rates, interest rate swaps are used when it is considered necessary as a mean of protection against changes in future cash flows associated with interest payments. The interest rate swaps agreed have the economic effect of converting the loans linked to variable rates to fixed rates. Under these contracts the Group agrees with other parties (banks) to exchange, in pre-determined periods of time, the difference between the amount of interest calculated at the fixed rate and variable rate contracted at that time, with reference to the respective amounts previously agreed.

The counterparts of the hedging instruments are limited to high credit quality financial institutions, since the Group policy priority is the hiring of these instruments with banks that are part of its financing operations. For purposes of determining the counterpart of specific operations, Altri requests proposals and indicative prices from a representative number of banks to ensure adequate competitiveness of these operations.

When determining the fair value of hedging transactions, the Group uses certain methods, such as valuation models of options and discounted future cash flows, as well as certain assumptions that are based on the interest rate market conditions prevailing at the date of the consolidated financial statement position. Quotes of comparative financial institutions, for specific instruments, are used as reference for evaluation.

The Board of Directors approves the terms and conditions of the relevant funding of the Group, analysing the structure of such debt, the risks and the different options available in the market, particularly regarding the type of interest rate (fixed / variable).

The Group objective is to limit the cash-flows and results volatility according to its operational activity through the utilization of an adequate combination of fix and variable tax debt. The Group policy allows the use of interest rate derivatives in order to obtain a reduction of the exposure to Euribor variations and not to speculative purposes.

Most derivative instruments used by the Group in interest rate management are defined as cash-flow hedging instruments as these configure perfect hedging relations. The index, the computation conventions, the re-fixing dates of interest rates and the repayments plans of interest rate hedging instruments are similar to the ones established for the underlying loans. Nevertheless, there are some derivative instruments which, although have been contracted with the hedging interest risk objective, do not match with the requirements above defined for the hedging instruments classification.

The sensitivity analysis of the results of Altri to the changes in interest rate is in the Note 21.

ii) Exchange rates risk

The Group is exposed to exchange rates risk in transactions related with the finished goods sales in international markets with different currency from Euro.

Whenever the Board of Directors considers necessary to reduce the volatility of their results to the variability of exchange rates the exposition is managed trough forwards programs or other exchange rates derivatives.

As of 31 December 2016 and 2015 the balances stated in USD are as follows:

| | 31.12.2016 | 31.12.2015 |
|---|---|---|
| Accounts receivable | 35,812,876 | 18,702,921 |
| Accounts payable | 157,572 | 53,202 |
| Bank deposits (Note 17) | 7,550,702 | 7,999,537 |
| Factoring (Note 21) | 6,465,255 | 4,340,785 |
| | 49,986,405 | 31,096,446 |

Additionally, as of 31 December 2016 and 2015 the balances in currencies different from Euro and USD, namely SEK and GBP, are as follows:

| | 31.12.2016 | 31.12.2015 |
|---|---|---|
| Accounts payable | 230,499 | 17,053 |
| | 230,499 | 17,053 |

The Board of Directors considers that eventual changes in exchange rates do not have a significant effect in the consolidated financial statements, given the amount of assets and liabilities denominated in foreign currency, and their maturity.

iii) Variability risk on commodities price

By developing its activity in a commodity transactional industry (pulp from eucalyptus), the Group is particularly exposed to its price fluctuations, with the correspondent impacts in their results. However, in order to manage this risk, pulp price fluctuations hedging contracts were celebrated by the adequate amounts by the foreseen operations, reducing the volatility of its results.

The increase/decrease of 5% in the pulp price commercialized by the Group during 2016 would have implied an increase/decrease on operational results[1], approximately of 24.3 million euro, without considering the effects of the pulp's derivatives (Note 27) and keeping everything else constant.

iv) Risks of forest management and eucalyptus production

Altri, through its subsidiary Altri Florestal, has a forest area of about 81,000 hectares under intervention (82,000 in 2015) where 77% are eucalyptus. The forest is certified by FSC ® (Forest Stewardship Council ®2) and PEFC (Programme for the Endorsement of Forest Certification) entities that establish the principles and criteria for which is evaluated the sustainability of the forest's management in economic, environmental and social terms.

In this context, all forestry activity is directed towards the optimization of available resources while preserving the environmental stability and ecological values present in its assets and ensuring its development.

The risks associated with any forestry activity are also present in Altri Florestal management. Forest fires, pests and diseases that can occur in forests spread through the country are the biggest risks facing this sector. These threats, if they occur, depending on its intensity, affect the normal function of the forest's exploration and the production's efficiency.

To prevent and reduce the impact of forest fires, Altri Florestal participates, together with Navigator, in a company called AFOCELCA that has the goal of providing, coordinating and managing the resources available for fire-fighting. At the same time, are made large investments to clean forest areas in order to reduce the risk of spread of the fires as well as mitigate its losses.

Regarding pests and diseases, its emergence can significantly reduce the growth of the forest productivity causing irreversible damage. For combating these problems were established integrated fight procedures by releasing specific parasitoids from Australia or through the use of phytopharmaceuticals products to control populations of insects and reduce the negative effects of its presence. On the other hand, in the areas more affected, Altri Florestal is using genetic material more suitable for new plantations which, by its characteristics, allow more resistance to these pests and diseases.

The increase/decrease of 5% in the wood price during 2016 would have implied an increase/decrease on operational results, approximately of 11.3 million euro, keeping everything else constant.

b) Liquidity risk

The purpose of liquidity risk management is to ensure, at all times, that the Group has the financial capacity to fulfil its commitments as they become due and to carry on its business activities and strategy trough an adequate financing maturities management.

[1] Operational results = earnings before taxes + financial expenses – financial income – gains/losses in joint ventures and associated companies
[2] FSC-C004615

The Group prosecutes an active refinancing policy distinguished by the maintenance of high free and immediate available resources to face short term necessities and the extension or sustenance of the debt maturity in accordance with the predicted cash flows and the Balance leverage capability.

The liquidity analysis' for financial instruments is disclosed next to the respective note to each financial liability class.

c) Credit risk

The Group is exposed to the credit risk in its current operational activity. This risk is controlled trough a collecting information system of financial and qualitative information provided by recognized entities that supply information of risks, which allow the assessment of the clients' viability in the fulfilment of their obligations in order to reduce the credit concession risk.

The evaluation of credit risk is made on a regular basis, taking into consideration the current conditions of economic conjuncture and the specific situation of credit rating of each debtor, adopting corrective measures whenever necessary.

The risk credit is limited by the risk concentration management and a strict selection of counterparts as well as the contracting of credit insurances' to specialized institutions which ensure a significant part of the conceded credit in result of the activity developed by the Group.

The adjustments to accounts receivable are calculated taking into consideration (i) the risk profile of the customer, (ii) the average collection period, and (iii) the customer's financial conditions.

The amounts included in the face of the consolidated statement of financial position are presented net of accumulated impairment losses, and therefore, at its fair value.

## 3. CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF MISTAKES

During the year, there were no changes in accounting policies and were identified no material mistakes related to previous years.

(amounts expressed in Euro)

## 4. INVESTMENTS

### 4.1 INVESTMENTS IN SUBSIDIARIES

The companies included in the consolidated financial statements by the full consolidation method, their headquarters, percentage of participation held and main activity as of 31 December 2016 and 2015, are as follows:

| Company | Head Office | Percentage Held | | Main Activity |
|---|---|---|---|---|
| | | 2016 | 2015 | |
| Parent-Company | | | | |
| Altri, SGPS, S.A. | Porto | | | Investment management |
| Subsidiaries | | | | |
| Altri Abastecimento de Madeira, S.A. | Figueira da Foz | 100% | 100% | Wood commercialization |
| Altri Florestal, S.A. | Figueira da Foz | 100% | 100% | Forest management |
| Altri Sales, S.A. | Nyon, Switzerland | 100% | 100% | Group management support services |
| Altri, Participaciones Y Trading, S.L. | Madrid, Spain | 100% | 100% | Commercialization of pulp |
| Caima Energia – Empresa de Gestão e Exploração de Energia, S.A. | Constância | 100% | 100% | Production of energy |
| Caima Indústria de Celulose, S.A. | Constância | 100% | 100% | Production and commercialization of pulp |
| Captaraíz Unipessoal, Lda. | Figueira da Foz | 100% | 100% | Purchase and sale of properties |
| Celtejo – Empresa de Celulose do Tejo, S.A. | Vila Velha de Ródão | 100% | 100,00% | Production and commercialization of pulp |
| Celulose Beira Industrial (Celbi), S.A. | Figueira da Foz | 100% | 100% | Production and commercialization of pulp |
| Inflora – Sociedade de Investimentos Florestais, S.A. | Figueira da Foz | 100% | 100% | Forest management |
| Pedro Frutícola, Sociedade Frutícola, S.A. | Constância | 100% | 100% | Agriculture production |
| Sociedade Imobiliária Porto Seguro - Investimentos Imobiliários, S.A | Porto | 100% | 0% | Real estate |
| Viveiros do Furadouro Unipessoal, Lda. | Óbidos | 100% | 100% | Production of plants in nurseries and services related with forests and landscapes |

All the above companies were included in the consolidated financial statements in accordance with the full consolidation method, as established in Note 2.2.a).

(amounts expressed in Euro)

## 4.2 INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURES

The associated companies and joint ventures, percentage of capital held and main activity as of 31 December 2016 and 2015 are as follows:

| Company | Head Office | Statement of financial position | | Percentage Held | | Activity |
|---|---|---|---|---|---|---|
| | | 2016 | 2015 | 2016 | 2015 | |
| Associated companies: | | | | | | |
| Operfoz – Operadores do Porto da Figueira da Foz, Lda. | Figueira da Foz | 719,057 | 697,453 | 33.33% | 33.33% | Harbor operations |
| Joint ventures: | | | | | | |
| EDP – Produção Bioeléctrica, S.A. | Lisboa | 14,264,044 | 11,310,766 | 50% | 50% | Energy production |
| | | 14,983,101 | 12,008,219 | | | |

These companies were included in the consolidated financial statements in accordance with the equity method, as explained in Note 2.2. b) and Note 2.2. c).

The movements occurred in the balance of this caption in the years ended in 2016 and 2015 were as follows:

| | Statement of financial position | | | |
|---|---|---|---|---|
| | 31.12.2016 | | 31.12.2015 | |
| | Operfoz | EDP Bioeléctrica (a) | Operfoz | EDP Bioeléctrica (a) |
| Opening Balance | 697,453 | 11,310,766 | 616,581 | 8,441,559 |
| Reimbursment of supplementary capital | (50,000) | - | - | - |
| Equity method: | | | | |
| Effects on gains and losses in associated companies and joint ventures | 71,604 | 2,953,278 | 80,872 | 2,869,207 |
| Closing Balance | 719,057 | 14,264,044 | 697,453 | 11,310,766 |

The total amount of the statement of financial position, assets, equity and net profit for the years ended on 31 December 2016 and 2015 for the main joint ventures and associated companies were as follows:

| | 31.12.2016 | 31.12.2016 | 31.12.2015 | 31.12.2015 |
|---|---|---|---|---|
| | Operfoz | EDP Bioeléctrica (a) | Operfoz | EDP Bioeléctrica (a) |
| Non-current assets | 4,438,723 | 119,046,942 | 4,843,212 | 126,905,069 |
| Current assets | 1,742,114 | 23,102,698 | 2,226,561 | 15,245,714 |
| Non-current liabilities | 2,454,894 | 61,633,836 | 2,785,492 | 70,276,436 |
| Current liabilities | 1,568,771 | 47,838,608 | 2,191,922 | 44,620,574 |
| Equity attributable to shareholders of the parent company | 2,157,172 | 32,677,196 | 2,092,359 | 27,253,773 |
| Turnover | 5,650,194 | 39,115,664 | 5,199,123 | 40,049,682 |
| Net profit | 214,812 | 5,423,422 | 242,617 | 4,998,523 |
| Total comprehensive income | 214,812 | 5,423,422 | 242,617 | 4,998,523 |

(a) EDP – Produção Bioeléctrica, S.A holds shares representing 100% of the share capital of Ródão Power – Energia e Biomassa do Ródão, S.A.. These indicators relate to the separated accounts of EDP Bioelétrica.

The accounting policies used by these companies do not differ significantly from those used by Altri Group, fact that led to no accounting policies harmonization.

(amounts expressed in Euro)

4.3 INVESTMENTS AVAILABLE FOR SALE

As of 31 December 2016 and 2015 the investments available for sale and their book value as of that date, were as follows:

| | Statement of financial position | |
|---|---|---|
| | 2016 | 2015 |
| Rigor Capital - Produção de Energia, Lda. | 10,527,397 | 10,527,397 |
| Other Investments | 735,517 | 163,700 |
| | 11,262,914 | 10,691,097 |

Altri Group believes that the book value of investments available for sale, which include financial investments under 20% in companies where Altri Group has no significant influence on its management and that are recorded at cost, net of impairment losses according to the accounting policy of the Note 2.3.l) i), does not differ significantly from their fair value.

5. CHANGES IN THE GROUP COMPANIES

During the year ended December 31, 2015 there were no changes in the consolidation perimeter.

During the year ended December 31, 2016, Altri acquired shares representing 100% of the share capital of Sociedade Imobiliária Porto Seguro – Investimentos Imobiliários, S.A., becoming the holder of 100% of its voting rights.

This company owns a property registered under “Inventories” to which was allocated the full value of the business combination. As so, no goodwill was recognized with this transaction.

The acquisition value was fully paid in 2016.

(amounts expressed in Euro)

## 6. FINANCIAL INSTRUMENTS BY CLASS

Financial instruments, according to the policies described in Note 2.3.I), were classified as follows:

| 31 December 2016 | Notes | Loans and receivables | Available for sale | Total |
|---|---|---|---|---|
| Non-current Assets | | | | |
| Investments available for sale | 4.3 | - | 11,262,914 | 11,262,914 |
| | | - | 11,262,914 | 11,262,914 |
| Current Assets | | | | |
| Customers | 13 | 92,261,372 | - | 92,261,372 |
| Other debtors | 14 | 4,297,543 | - | 4,297,543 |
| Cash and cash equivalents | 17 | 300,094,254 | - | 300,094,254 |
| | | 396,653,169 | - | 396,653,169 |
| | | 396,653,169 | 11,262,914 | 407,916,082 |

| 31 December 2015 | Notes | Loans and receivables | Available for sale | Total |
|---|---|---|---|---|
| Non-current Assets | | | | |
| Investments available for sale | 4.3 | - | 10,691,097 | 10,691,197 |
| | | - | 10,691,097 | 10,691,197 |
| Current Assets | | | | |
| Customers | 13 | 91,521,269 | - | 91,521,269 |
| Other debtors | 14 | 8,401,481 | - | 8,401,481 |
| Cash and cash equivalents | 17 | 243,154,160 | - | 243,154,160 |
| | | 343,076,910 | - | 343,076,910 |
| | | 343,076,910 | 10,691,097 | 353,768,107 |

(amounts expressed in Euro)

| 31 December 2016 | Notes | Financial Liabilities | Derivatives | Total |
|---|---|---|---|---|
| **Non-current liabilities** | | | | |
| Bank Loans | 21 | 118.000.000 | - | 118.000.000 |
| Other Loans | 21 | 462.357.627 | - | 462.357.627 |
| Reimbursable subsidies | 21 | 14.946.631 | - | 14.946.631 |
| Outros credores não correntes | 23 | - | 2.428.023 | 2.428.023 |
| | 27 | | | |
| | | 595.304.257 | 2.428.023 | 597.732.280 |
| **Current liabilities** | | | | |
| Bank Loans | 21 | 38.897.709 | - | 38.897.709 |
| Other Loans - short term | 21 | 120.854.418 | - | 120.854.418 |
| Reimbursable subsidies | 21 | 3.115.183 | - | 3.115.183 |
| Suppliers | 24 | 69.045.134 | - | 69.045.134 |
| Other current creditors | 25 | 14.915.753 | - | 14.915.753 |
| Derivatives | 27 | - | 2.422.650 | 2.422.650 |
| | | 246.828.197 | 2.422.650 | 249.250.847 |
| | | 842.132.455 | 4.850.673 | 846.983.127 |

| 31 December 2015 | Notes | Financial Liabilities | Derivatives | Total |
|---|---|---|---|---|
| **Non-current liabilities** | | | | |
| Bank Loans | 21 | 153.587.500 | - | 153.587.500 |
| Other Loans | 21 | 413.733.394 | - | 413.733.394 |
| Reimbursable subsidies | 21 | 17.439.139 | - | 17.439.139 |
| | | 584.760.033 | - | 584.760.033 |
| **Current liabilities** | | | | |
| Bank Loans | 21 | 10.775.000 | - | 10.775.000 |
| Other Loans - short term | 21 | 105.438.128 | - | 105.438.128 |
| Reimbursable subsidies | 21 | 558.872 | - | 558.872 |
| Suppliers | 24 | 61.243.404 | - | 61.243.404 |
| Other current creditors | 25 | 3.908.405 | - | 3.908.405 |
| Derivatives | 27 | - | 141.283 | 141.283 |
| | | 181.923.809 | 141.283 | 182.065.092 |
| | | 766.683.842 | 141.283 | 766.825.125 |

Financial instruments recorded at fair value

The following table details the financial instruments that are measured at fair value after initial recognition, grouped into three levels according to the degree to which the fair value is observable:

Level 1: fair value is measured based on active markets' prices;

Level 2: fair value is measured based on valuation techniques. The main inputs of the valuation models are observable in the market;

Level 3: fair value is measured based on valuation models, whose main inputs are not observable in the market.

(amounts expressed in Euro)

| | 31.12.2016 | | | 31.12.2015 | | |
|---|---|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| Financial liabilities recorded at fair value | | | | | | |
| Derivatives (Note 27) | - | 4,850,673 | - | - | 136,786 | - |

As of 31 December 2016 and 2015 there were no financial assets whose terms have been renegotiated and if they had not been renegotiated they would be overdue or impaired.

## 7. TANGIBLE FIXED ASSETS

During the years ended 31 December 2016 and 2015 the movement occurred in tangible fixed assets and in the corresponding accumulated depreciation and impairment losses was as follows:

| 2016 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Gross assets | Land | Building and other constructions | Plant and machinery | Vehicles | Office equipment | Other tangible assets | Work in progress | Advances on account of fixed assets | Total |
| Opening balance | 26,833,610 | 104,834,051 | 1,020,182,302 | 3,966,750 | 10,331,157 | 14,065,881 | 3,807,072 | 510,844 | 1,184,531,666 |
| Perimeter Variation | 2,500,000 | - | - | - | - | - | - | - | 2,500,000 |
| Additions | 102,256 | - | 8,021,574 | 436,126 | 90,339 | 56,543 | 36,574,145 | 4,030 | 45,285,013 |
| Disposals | (604,564) | (5,374,758) | (666,820) | (226,818) | (280,685) | (3,683,819) | - | - | (10,837,464) |
| Transfers and writte-offs | - | 25,268 | 3,792,018 | 129,610 | 22,227 | 61,521 | (4,404,451) | (25,863) | (399,671) |
| Closing balance | 28,831,302 | 99,484,561 | 1,031,329,073 | 4,305,668 | 10,163,038 | 10,500,125 | 35,976,766 | 489,011 | 1,221,079,545 |
| Accumulated depreciation | Land | Building and other constructions | Plant and machinery | Vehicles | Office equipment | Other tangible assets | | | Total |
| Opening balance | 8,042,055 | 89,486,818 | 696,669,285 | 3,100,121 | 9,858,359 | 13,255,398 | | | 820,412,037 |
| Additions | 308,021 | 2,734,007 | 47,318,790 | 140,780 | 211,805 | 399,804 | | | 51,113,207 |
| Disposals | (414,732) | (5,109,719) | (654,561) | (226,818) | (140,758) | (3,537,933) | | | (10,084,521) |
| Transfers and writte-offs | - | - | - | - | - | - | | | - |
| Closing balance | 7,935,344 | 87,111,106 | 743,333,514 | 3,014,083 | 9,929,406 | 10,117,269 | | | 861,440,723 |
| | 20,895,958 | 12,373,455 | 287,995,559 | 1,291,585 | 233,632 | 382,856 | 35,976,766 | 489,011 | 359,638,821 |

| 2015 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Gross assets | Land | Building and other constructions | Plant and machinery | Vehicles | Office equipment | Other tangible assets | Work in progress | Advances on account of fixed assets | Total |
| Opening balance | 26,923,633 | 104,634,114 | 963,560,240 | 4,073,810 | 10,101,282 | 14,197,956 | 41,345,338 | 509,889 | 1,165,346,262 |
| Additions | 17,887 | 34,937 | 29,061,346 | 247,816 | 188,402 | 87,124 | 3,468,969 | 955 | 33,107,436 |
| Disposals | (107,910) | - | (13,093,982) | (354,876) | (164,827) | (219,199) | (184,733) | - | (14,125,528) |
| Transfers and writte-offs | - | 165,000 | 40,654,697 | - | 206,300 | - | (40,822,503) | - | 203,495 |
| Closing balance | 26,833,610 | 104,834,051 | 1,020,182,302 | 3,966,750 | 10,331,157 | 14,065,881 | 3,807,072 | 510,844 | 1,184,531,666 |
| Accumulated depreciation | Land | Building and other constructions | Plant and machinery | Vehicles | Office equipment | Other tangible assets | | | Total |
| Opening balance | 7,733,478 | 88,047,528 | 659,207,379 | 3,123,241 | 9,621,223 | 13,327,910 | | | 781,060,759 |
| Additions | 308,577 | 1,439,290 | 50,346,487 | 305,471 | 200,862 | 145,906 | | | 52,746,593 |
| Disposals | - | - | (12,884,581) | (328,591) | (164,827) | (218,417) | | | (13,596,416) |
| Transfers and writte-offs | - | - | - | - | 201,101 | - | | | 201,101 |
| Closing balance | 8,042,055 | 89,486,818 | 696,669,285 | 3,100,121 | 9,858,359 | 13,255,398 | | | 820,412,037 |
| | 18,791,554 | 15,347,233 | 323,513,017 | 866,629 | 472,799 | 810,482 | 3,807,072 | 510,844 | 364,119,629 |

During the years ended 31 December 2016 and 2015 amortizations amounted to 51,113,207 Euro and 52,756,593 Euro, respectively, and were recorded in the profit and loss statement in caption “Amortization and depreciation” (Note 36).

The 2016 additions were mainly made by the three industrial units. The ongoing investment project of Celulose Beira Industrial (CELBI) consists in the acquisition of a new line of wood shredding and also in improving the bleaching process. The ongoing investment project on the subsidiary Celtejo – Empresa de Celulose do Tejo, S.A. relates to a new recovery boiler and new infrastructures for water treatment. These two projects began in 2016 and will continue in 2017. Caima Indústria de Celulose, S.A. acquired a new turbine for the industrial unit in 2016.

The additions of plant and machinery in 2015 relate mainly with the investment project in Celbi to enhance its productive capacity, initiated in 2013 and concluded in 2015, and with the project of conversion of Caima mill into dissolving pulp production. The disposals correspond to equipment that has been replaced under the two projects mentioned above. The 2016 disposals relate to assets fully depreciated.

(amounts expressed in Euro)

The write-offs of the exercise correspond to fully depreciated assets.

The caption "Work in progress" as of 31 December 2016 and 2015 refers to the following projects:

| | 31-12-2016 | 31-12-2015 |
|---|---|---|
| Industrial optimization | 15,135,970 | 509,667 |
| Recovery boiler | 12,309,749 | - |
| Reengineering of the landfill of residual waste | 3,868,799 | 367,658 |
| New Turbine | 1,318,128 | 1,260,643 |
| Packaging Line | 660,076 | - |
| Pavements | 227,296 | 157,747 |
| Other projects | 2,456,748 | 1,511,357 |
| | 35,976,766 | 3,807,072 |

8. INVESTMENT PROPERTIES

The amount recorded in caption "Investment Properties" in December 31, 2016 and 2015 refers, essentially, to lands that are not used in the Group's main operating activities.

The Board of Directors believes that the fair value of the investment properties is higher than their net book value.

The movements in caption "Investment properties" during the years ended as of 31 December 2016 and 2015 were as follows:

| | 2016 | 2015 |
|---|---|---|
| | Gross assets | Gross assets |
| Opening balance | 502,981 | 839,227 |
| Additions | - | - |
| Disposals | - | (336,246) |
| Closing balance | 502,981 | 502,981 |
| | Accumulated Depreciations | Accumulated Depreciations |
| Opening balance | 389,672 | 382,291 |
| Additions | - | 7,381 |
| Disposals | - | - |
| Closing balance | 389,672 | 389,672 |
| Net amount | 113,310 | 113,310 |

During the years ended as of 31 December 2016 and 2015 depreciations amounted to 0 Euro and 7,381 Euro, respectively, and were recorded in caption "Amortization and depreciation" (Note 36).

(amounts expressed in Euro)

## 9. GOODWILL

During 2016 and 2015 there were no movements in goodwill, being its composition as follows:

| | |
|---|---|
| Celbi | 253,391,251 |
| Others | 12,140,153 |
| | 265,531,404 |

Goodwill is not amortized. Impairment tests are made on an annual basis and whenever an event or a change in circumstances that reveals that the amount for which the asset is recorded could not be recoverable. Whenever the amount by which the asset is recorded is higher than its recoverable amount an impairment loss is recognized. The recoverable amount is the highest between the net sale price and the value of use. During 2016 and 2015, there were not recorded or reverted any impairment losses.

During 2016, in order to assess the existence or not of impairment on the main goodwill amount that resulted from Celulose Beira Industrial (Celbi), S.A.'s acquisition, in 2006, amounting to 253,391,251 Euro, the Group evaluated this subsidiary, and concluded that there was no impairment. That evaluation was based on Celbi's historical performance and an estimate of discounted cash flows based on a Celbi's 7-year business plan (since it is the Board's understanding that this is the most appropriate period given the cyclical nature of the operations of the Group) considering the long-term price of pulp, not affected by the short-term variations.

The main assumptions used in 2016 and 2015 in this calculation were:

| | 2016 | 2015 |
|---|---|---|
| Inflation rate | 1.00% | 1.00% |
| Discount rate | 8.09% | 7.35% |
| Perpetual growth rate | 2.00% | 2.00% |

The discount rate net of taxes (net of tax because the cash flow used in financial projections was also net of tax) used in 2016 was 8.09% (7.35% in 2015) and was calculated according to the WACC (Weighted Average Cost of Capital) method, considering the following assumptions:

| | 2016 | 2015 |
|---|---|---|
| Riskfree interest rate | 3.15% | 2.42% |
| Equity risk premium | 6.00% | 6.00% |
| Debt risk premium | 1.87% | 1.87% |

The Group made a sensitivity analysis of this evaluation to variations in key assumptions, having concluded that if it had been considered a discount rate 1 p.p. higher together with a null perpetual growth rate, the conclusion of no impairment of the affiliate Celbi would remain valid.

Regarding the remaining goodwill amounting to 12,140,153 Euro, in order to analyse the existence or not of impairment losses as of 31 December 2016, the Group made a comparison of net cash flows generated annually by each company, as well as market multiples with their net contributions to the consolidated financial statements including goodwill and concluded that there was no impairment.

(amounts expressed in Euro)

## 10. INTANGIBLE ASSETS

During 2016 and 2015, the movement in intangible assets, as well as in the corresponding accumulated depreciation and impairment losses, was as follows:

| 2016 | | | | | |
|---|---|---|---|---|---|
| | Gross assets | | | | |
| | Industrial property and other rights | Software | Other intangible assets | Intagible assets in course | Total |
| Opening balance | 1,320 | 8,137,024 | 25,600 | - | 8,163,944 |
| Additions | - | 8,988 | - | 260,307 | 269,295 |
| Transfers | - | - | - | 369,029 | 369,029 |
| Closing balance | 1,320 | 8,146,012 | 25,600 | 629,336 | 8,802,268 |
| | Accumulated depreciation | | | | |
| | Industrial property and other rights | Software | Other intangible assets | Intagible assets in course | Total |
| Opening balance | 1,320 | 8,053,203 | 25,600 | - | 8,080,123 |
| Additions | - | 78,791 | - | - | 78,791 |
| Transfers | - | - | - | - | - |
| Closing balance | 1,320 | 8,131,994 | 25,600 | - | 8,158,914 |
| | - | - | - | - | - |
| | - | 14,018 | - | 629,336 | 643,354 |

| 2015 | | | | |
|---|---|---|---|---|
| | Gross assets | | | |
| | Industrial property and other rights | Software | Other intangible assets | Total |
| Opening balance | 1,320 | 8,112,944 | 25,600 | 8,139,864 |
| Additions | - | 24,080 | - | 24,080 |
| Closing balance | 1,320 | 8,137,024 | 25,600 | 8,163,944 |
| | Accumulated depreciation | | | |
| | Industrial property and other rights | Software | Other intangible assets | Total |
| Opening balance | 1,320 | 7,973,496 | 25,600 | 8,000,416 |
| Additions | - | 79,708 | - | 79,708 |
| Closing balance | 1,320 | 8,053,203 | 25,600 | 8,080,123 |
| | - | 83,821 | - | 83,821 |

In 2016 and 2015 the amortizations amounted to 78,791 Euro and 79,708 Euro, respectively, and were recorded in the profit and loss statement caption “Amortization and depreciation” (Note 36).

## 11. BIOLOGICAL ASSETS AND INVENTORIES

As of 31 December 2016 and 2015, the amount recorded in the caption “Biological assets” relates to forest and to plantation charges incurred by the Group and can be detailed as follows:

| | 31.12.2016 | 31.12.2015 |
|---|---|---|
| Biological Assets - gross value | 102,682,643 | 101,852,921 |
| Accumulted impairment losses in biological assets (Note 22) | (380,006) | (380,006) |
| | 102,302,637 | 101,472,915 |

As of 31 December 2016 and 2015, the total area managed by Altri amounted to 81,000 and 82,000 hectares, respectively. The eucalyptus’ area had the following age distribution:

| | 31-12-2016 | 31-12-2015 |
|---|---|---|
| 0 - 5 anos | 30,315 | 31,748 |
| 6 -10 anos | 21,576 | 20,221 |
| > 10 anos | 12,851 | 13,466 |
| | 64,743 | 65,435 |

(amounts expressed in Euro)

The rest of the area belongs to others residual forest species with minor importance.

As stated in Note 2.3 i) the Board of Directors believes that it is not possible to measure reliably the fair value of biological assets, because of the inexistence of an active market of these forestry species in Portugal and given the impossibility of obtaining a reliable estimation of the present value of future cash flows generated by these biological assets. As so, the Board of Directors opted to record biological assets at its historical cost, net of impairment losses. However, the company performed an analysis of the recoverable amount of these assets, using some available data to estimate present value of future cash flows until the first cut, using a discount rate of 7%. This analysis showed that the recoverable amount value of this assets is similar to the value recorded in the financial statement as at 31 December 2016. If the discount rate was 0.5pp higher, the conclusions would remain.

As of 31 December 2016 and 2015, the caption “Inventories” was made up as follows:

| | 31.12.2016 | 31.12.2015 |
|---|---|---|
| Raw, subsidiary and consumable materials | 43,933,573 | 41,090,037 |
| Work in progress | 433,360 | 594,728 |
| Finished and Intermediate goods | 22,463,355 | 22,096,632 |
| | 66,830,288 | 63,781,397 |
| Accumulated impairment losses (Note 22) | (7,939,874) | (7,384,783) |
| | 58,890,414 | 56,396,615 |

The cost of sales for the year ended 31 December 2016 amounted to 244,831,197 Euro and was computed as follows:

| | Matérias primas, subsidiárias e de consumo | Produtos acabados e intermédios | Produtos e trabalhos em curso | Activos biológicos | Total |
|---|---|---|---|---|---|
| Saldo inicial | 41,090,037 | 22,096,632 | 594,728 | 101,852,921 | 165,634,318 |
| Compras | 247,869,000 | - | - | - | 247,869,000 |
| Capitalizações | - | - | - | 12,430,199 | 12,430,199 |
| Cortes | - | - | - | (11,352,362) | (11,352,362) |
| Regularização de existências | - | - | - | (237,026) | (237,026) |
| Existências finais | (43,933,573) | (22,463,355) | (433,360) | (102,682,643) | (169,512,931) |
| | 245,025,464 | (366,723) | 161,368 | 11,088 | 244,831,197 |

The cost of sales for the year ended 31 December 2015 amounted to 237,903,389 Euro and was computed as follows:

| | Matérias primas, subsidiárias e de consumo | Produtos acabados e intermédios | Produtos e trabalhos em curso | Activos biológicos | Total |
|---|---|---|---|---|---|
| Saldo inicial | 41,019,801 | 18,016,209 | 575,585 | 105,538,783 | 165,150,378 |
| Compras | 237,927,615 | - | 19,143 | - | 237,946,758 |
| Capitalizações | - | - | - | 10,863,327 | 10,863,327 |
| Cortes | - | - | - | (10,167,814) | (10,167,814) |
| Regularização de existências | 624,616 | - | - | (637,193) | (12,577) |
| Existências finais | (41,090,037) | (22,096,632) | (594,728) | (102,095,287) | (165,876,684) |
| | 238,481,995 | (4,080,423) | - | 3,501,817 | 237,903,389 |

## 12. CURRENT AND DEFERRED TAXES

In accordance with current legislation, tax returns are subject to review and correction by the tax authorities during a four-year period (five years for Social Security), except when there have been tax losses, there have been granted tax benefits, or tax inspections or claims are in progress, in which cases the periods may be extended or suspended. Therefore, the tax returns of Altri and its subsidiary and associated companies for the years 2013 to 2016 are still subject to review.

(amounts expressed in Euro)

The Board of Directors of Altri believes that any potential corrections resulting from reviews/inspections of these tax returns by the tax authorities will not have a significant effect on the consolidated financial statements as of 31 December 2016 and 2015.

The movements occurred in deferred tax assets and liabilities in the years ended in 31 December 2016 and 2015 were as follows:

| | 2016 | |
|---|---|---|
| | Deferred tax assets | Deferred tax liabilities |
| Opening balance as of 1 January 2016 | 27,060,866 | 15,871,624 |
| Effects on income statement: | | |
| Increases/(Decreases) in provisions not accepted | 786,146 | - |
| Harmonization of depreciation rates | 576,729 | 1,277,096 |
| Tax losses carried forward | (8,175,644) | - |
| Reavaluation of the assets | 17,582,852 | - |
| Harmonization of the Goodwill | - | 1,555,864 |
| Other effects | 316,185 | 27,035 |
| Total effect on income statement | 11,086,268 | 2,859,995 |
| Effects on sharelholders funds: | | |
| Fair value of derivatives (Note 27) | 1,087,961 | - |
| Pension fund | 273,807 | |
| Total effect on other comprehensive income | 1,361,767 | - |
| Closing balance as of 31 December 2016 | 39,508,901 | 18,731,619 |

| | 2015 | |
|---|---|---|
| | Deferred tax assets | Deferred tax liabilities |
| Opening balance as of 1 January 2015 | 27,541,201 | 15,283,810 |
| Effects on income statement: | | |
| Increases/(Decreases) in provisions not accepted | 285,947 | - |
| Harmonization of depreciation rates | (13,220) | - |
| Tax losses carried forward | (736,798) | - |
| Other effects | 45,832 | 587,814 |
| Total effect on income statement | (418,239) | 587,814 |
| Effects on sharelholders funds: | | |
| Fair value of derivatives (Note 28) | (62,096) | - |
| Closing balance as of 31 December 2015 | 27,060,866 | 15,871,624 |

(amounts expressed in Euro)

The subsidiary Celulose Beira Industrial (Celbi) applied, in 2016, the option to revaluate tangible fixed assets and investment properties, as permitted by Law nº 66/2016 of 3rd November. Consequently, autonomous taxes of 14% over the value of the revaluation reserve are due, one third of it already paid in 2016 and the rest to be paid in two equal instalments until 31 December 2017 and 2018 (Note 15). Additionally, for tax purposes, the additional depreciations will be deducted from 2018 onwards in order to compute the taxable profit, and so a deferred tax asset of 17,600,000 Euro was recorded. This revaluation is only for tax purposes, there were no changes on the assets book value.

As of 31 December 2016 and 2015, the detail of deferred tax assets and liabilities, in accordance with the timing differences that originated them, was as follows:

| | 31.12.2016 | | 31.12.2015 | |
|---|---|---|---|---|
| | Deferred tax assets | Deferred tax liabilities | Deferred tax assets | Deferred tax liabilities |
| Provisions and impairment losses not accepted for tax purposes | 4,083,860 | - | 3,297,714 | - |
| Fair value of derivatives | 1,087,961 | - | - | - |
| Pension fund | 273,807 | - | - | - |
| Harmonization of accounting principles | 10,505,104 | 1,277,096 | 9,928,375 | - |
| Tax losses carried forward | 5,014,435 | - | 13,190,079 | - |
| Revaluation of assets | 17,582,852 | - | - | - |
| Tax amortization of Goodwill | - | 17,114,506 | - | 15,558,642 |
| Other | 960,883 | 340,017 | 644,698 | 312,982 |
| | 39,508,901 | 18,731,619 | 27,060,866 | 15,871,624 |

According to the legislation, the Group uses a deferred tax rate of 22.5% that results of the sum of the rate approved for 2017 and subsequent years which amounts to 21% plus the municipal surtax whose rate is 1.5%, except for deferred tax assets that result from tax losses carried forward, where it is used a rate of 21%. Regarding the subsidiary Altri, SL based in Spain the rate used in the calculation of deferred tax assets and liabilities is 25% since it is the tax rate approved to be in force in that country from January 1, 2017 onwards.

According to the legislation, for the year ending on December 31, 2016 and 2015 the income tax rate was 21%.

Additionally, according to the legislation, during the year ended on December 31, 2016, state surtax corresponds to the use of an additional tax of 3% on the portion of taxable income between 1.5 and 7.5 million Euro, of 5% on the portion of taxable income between 7.5 and 35 million Euro, and 7% on the portion of taxable income exceeding 35 million Euro.

On December 31, 2016, the Group evaluated the recognition of deferred taxes resulting from tax losses. In cases that originated deferred tax assets, these were only recorded to the extent that it is probable that taxable profits will arise in the future and they may be used to recover tax losses or deductible tax differences. On December 31, 2016, the deferred tax assets relating to tax losses are from Altri SL. Considering the changes in the Spanish income tax relating with goodwill depreciation for tax purposes, the recoverability of those tax losses was reviewed and adjusted considering recovery period of 10 years. It is conviction of Altri's Board of Directors that the amount of deferred tax assets recorded at 31 December 2016 is fully recoverable.

(amounts expressed in Euro)

According to the tax returns of the companies that recorded deferred tax assets related with tax losses carried forward, these may be detailed as follows, as of 31 December 2016 and 2015:

| | 31 December 2016 | | | 31 December 2015 | | |
|---|---|---|---|---|---|---|
| | Tax loss | Deferred tax assets | Limit of utilization date | Tax loss | Deferred tax assets | Limit of utilization date |
| With limit of utilization date | | | | | | |
| Generated in 2006 | 3,177,427 | 794,356 | 2024 | - | - | 2024 |
| Generated in 2007 | 12,911,289 | 3,227,821 | 2025 | 18,870,508 | 4,717,626 | 2025 |
| Generated in 2008 | 3,969,034 | 992,258 | 2026 | 16,666,932 | 4,166,733 | 2026 |
| Generated in 2009 | - | - | 2027 | 12,004,490 | 3,001,123 | 2027 |
| Generated in 2010 | - | - | 2028 | 5,095,252 | 1,273,813 | 2028 |
| Generated in 2011 | - | - | 2029 | 123,134 | 30,784 | 2029 |
| | 20,057,750 | 5,014,435 | | 52,760,316 | 13,190,079 | |

During 2016, the recoverability of the subsidiary Altri S.L.'s tax losses was reviewed leading to an adjustment of the amount of deferred tax assets related with tax losses recognized.

On December 31, 2016, there are tax losses carried forward, whose deferred tax assets are not recognized, detailed as follows:

| | 31 December 2016 | | |
|---|---|---|---|
| | Tax loss | Deferred tax assets | Limit of utilization date |
| With limit of utilization date | | | |
| Generated in 2007 | 11,400,059 | 2,850,014 | 2025 |
| Generated in 2008 | 12,697,898 | 3,174,473 | 2026 |
| Generated in 2009 | 12,004,490 | 3,001,122 | 2027 |
| Generated in 2010 | 5,095,252 | 1,273,812 | 2028 |
| Generated in 2011 | 123,134 | 30,783 | 2029 |
| | 41,320,832 | 10,330,204 | |

Income taxes recorded in the profit and loss statement for the years ended 31 December 2016 and 2015 can be detailed as follows:

| | 31.12.2016 | 31.12.2015 |
|---|---|---|
| Current tax | (31,946,381) | (28,872,759) |
| Deferred tax | 8,226,273 | (1,006,053) |
| | (23,720,108) | (29,878,812) |

The reconciliation of the profit before tax to the income tax is as follows:

| | 31.12.2016 | 31.12.2015 |
|---|---|---|
| Profit before tax | 100,697,934 | 147,552,001 |
| Tax rate (including municipal surtax) | 22.50% | 22.50% |
| | (22,657,035) | (33,199,200) |
| Tax Benefits | 4,137,267 | 12,490,236 |
| Deferred taxes | 9,674,141 | - |
| Autonomous taxation - Asset Revaluation | (10,940,441) | - |
| State surtax | (4,343,437) | (7,509,085) |
| Other effects | 409,397 | (1,660,763) |
| Income tax | (23,720,108) | (29,878,812) |

(amounts expressed in Euro)

Tax benefits arise from tax incentive contracts signed with Agência para o Investimento e Comércio Externo de Portugal E. P. E. (AICEP).

During 2014, Caima Indústria obtained a reimbursable incentive under the Decree-Law no. 287/2007 issued by the Agência para o Investimento e Comércio Externo de Portugal E.P.E. (AICEP), for a global investment of 35,161,000 Euro (Note 21). The Portuguese State allowed a tax incentive corresponding to a tax credit on corporate income tax in the amount of 15% of the relevant applications.

During 2016, Celbi signed a new contract for granting financial and tax incentives under Decree-Law no. 191/2014 with the Agência para o Investimento e Comércio Externo de Portugal E.P.E. (AICEP). The project presented by Celbi was considered by the Portuguese State of strategic interest and relevance to the national economy (Note 21). The Portuguese State allowed a tax incentive corresponding to a tax credit on corporate income tax in the amount of 15.75% of the relevant applications.

During 2016, Celtejo signed a new contract for granting financial and tax incentives under Decree-Law no. 191/2014 with the Agência para o Investimento e Comércio Externo de Portugal E.P.E. (AICEP). This project implementation intends to introduce innovations in the pulp productive process and was considered by the Portuguese State of strategic interest and relevance to the national economy (note 21). The Portuguese State allowed a tax incentive corresponding to a tax credit on corporate income tax in the amount of 11.95% of the relevant applications. As at December 31, this agreement is still waiting for European Commission approval, and therefore, no tax credit was used.

## 13. COSTUMERS

As of 31 December 2016 and 2015 this caption can be detailed as follows:

| | 31.12.2016 | 31.12.2015 |
|---|---|---|
| Customers, current accounts | 92,525,897 | 91,785,794 |
| Customers, doubtful debts | 40,081 | 43,116 |
| | 92,565,978 | 91,828,910 |
| Accumulated impairment losses (Note 22) | (304,606) | (307,641) |
| | 92,261,372 | 91,521,269 |

The Group's exposure to credit risk is attributable mainly to the accounts receivable resulting from the Group's operating activity. The amounts recorded in the balance sheet are presented net of accumulated impairment losses for doubtful accounts that were estimated by the Group, in accordance with its experience and based on the economic environment evaluation. The Board of Directors believes that the recorded net amounts are close to their fair value; since these accounts receivable do not pay interests and the discount effect is immaterial.

As of 31 December 2016 and 2015, the age of costumer's balances can be detailed as follows:

| | 31.12.2016 | 31.12.2015 |
|---|---|---|
| Not due | 66,795,078 | 81,381,124 |
| Due with no impairment losses recorded | | |
| 0 - 30 days | 20,018,456 | 9,551,950 |
| 30 - 90 days | 4,392,502 | 454,474 |
| + 90 days | 1,055,335 | 133,721 |
| | 92,261,372 | 91,521,269 |

(amounts expressed in Euro)

The Group contracted credit insurances to cover the recoverability risk from these accounts receivables as follows:

| | 31.12.2016 | 31.12.2015 |
|---|---|---|
| With credit insurance | 76,872,180 | 75,278,254 |
| Without credit insurance | 15,693,797 | 16,550,656 |
| | 92,565,978 | 91,828,910 |

The Group does not charge any interests as long as defined pay terms (in average 60 days) are met. Once that period ends, interests are charged in accordance with the contract and the applicable law to each particular situation, which only occurs in extreme situations.

The Board of Directors understands that the accounts receivable not overdue will be fully paid, taking into account the payment history and characteristics of the counterparties.

## 14. OTHER DEBTORS

As of 31 December 2016 and 2015 this caption can be detailed as follows:

| | 31.12.2016 | 31.12.2015 |
|---|---|---|
| Advances to suppliers | 309,473 | 22,927 |
| Other debtors | 7,401,425 | 11,791,909 |
| | 7,710,898 | 11,814,836 |
| Accumulated impairment losses (Note 22) | (3,413,355) | (3,413,355) |
| | 4,297,543 | 8,401,481 |

As of 31 December 2016, caption "Other debtors" includes an amount of approximately 2 million Euro (4.3 million Euro in 2015) related with Value Added Tax to be received from tax authorities of other countries as a result of sales and purchases made through the ports of those countries. Additionally, on December 31, 2016 this caption also includes an amount receivable of 1,023,000 Euro (1,147,450 Euro as of 31 December, 2015) related with the sale of Sócasca – Recolha e Comércio de Recicláveis, S.A..

As of 31 December 2016 and 2015 the caption "Other debtors" also includes accounts receivable related with guarantees for lease contracts and accounts receivable for which impairment losses were recorded.

As of 31 December 2016 and 2015, the age of the balances in "Other Debtors" can be detailed as follows:

| | 31.12.2016 | 31.12.2015 |
|---|---|---|
| Not due | 4,297,543 | 8,169,934 |
| Due with no impairment losses recorded | | |
| 0 - 30 days | - | - |
| 30 - 90 days | - | - |
| > 90 days | - | 231,547 |
| | - | 231,547 |
| | 4,297,543 | 8,401,481 |

The undue balances do not present any signs of impairment; the net book value of these assets is considered as being close to their fair value and their financial discount effect is not material.

The Board of Directors understands that the accounts receivable not overdue will be fully paid, considering the payment history and characteristics of the counterparties.

(amounts expressed in Euro)

## 15. STATE AND PUBLIC SECTOR

As of 31 December 2016 and 2015, this caption can be detailed as follows:

| | 31.12.2016 | 31.12.2015 |
|---|---|---|
| Debtor balances: | | |
| Income tax | 21,621,613 | - |
| Value added tax | 6,937,340 | 8,469,842 |
| Other taxes | 979,358 | - |
| | 29,538,312 | 8,469,842 |
| Creditors balances: | | |
| Income tax | | |
| Autonomous taxation - Assets Revaluation (Note 12) | (7,293,627) | - |
| Others | (3,974,814) | (23,490,106) |
| Withholding taxes - dependent work | (1,412,316) | (1,934,792) |
| Social Security contributions | (504,751) | (576,766) |
| Value added tax | (798,830) | (150,315) |
| Other taxes | (333,980) | (301,139) |
| | (14,318,318) | (26,453,118) |

The balances of the liabilities caption “Income tax” on December 31, 2015 correspond to payments on account and special payments on account made, net of the income tax for the year. On December 31, 2016, includes 7,300,000 Euro of autonomous taxes related with the revaluation of fixed assets option in accordance with Decree-Law 66/2016.

On December 31, 2016, the assets caption “Income tax” includes advanced payments on account of income tax made in Spain relative to 2015 (received in January 2017) and 2016, both made on 2016. In Spain, according to legislation mandatory from the 2$^{nd}$ half of 2016, the amount of these advanced payments is computed considering the book value of earnings before taxes, which for the subsidiary Altri SL includes dividends received, profits that are excluded from the taxable result. In consequence, there is a significant amount receivable. On December 31, 2016, this balance also includes the net amount for Portuguese companies of the year’s income tax and the advanced payments made.

## 16. OTHER CURRENT ASSETS

As of 31 December 2016 and 2015 this caption can be detailed as follows:

| | 31.12.2016 | 31.12.2015 |
|---|---|---|
| Accrued income: | | |
| Others | 82,061 | 357,494 |
| Deferred costs: | | |
| Rents paid in advance | 738,167 | 1,152,563 |
| Insurances paid in advance | 795,374 | 627,887 |
| Other costs paid in advance | 840,324 | 588,337 |
| | 2,455,926 | 2,726,281 |

(amounts expressed in Euro)

17. CASH AND CASH EQUIVALENTS

As of 31 December 2016 and 2015, the caption "Cash and cash equivalents" can be detailed as follows:

| | 31.12.2016 | 31.12.2015 |
|---|---|---|
| Cash | 41,809 | 356,715 |
| Bank deposits | 300,052,445 | 242,797,445 |
| | 300,094,254 | 243,154,160 |
| Cash and cash equivalents | 300,094,254 | 243,154,160 |

According to Note 2.4) a) ii), on 31 December 2016 and 2015, the cash and cash equivalents balances in a non-euro currency amounted to 7,550,702 Euro and 7,999,537 Euro, respectively. Since these amounts correspond to bank deposits on demand that are constantly moved, the exchange rate fluctuation effects on cash and cash equivalents held at the beginning and at the end of the years 2016 and 2015 for purposes of the statement of cash flows are immaterial.

During the year ended as of December 31, 2016, the receipts relating with financial investments correspond to the partial payment of the sale value of Sócasca – Recolha e Comércio de Recicláveis, S.A. (disposed in 2011).

During the year ended as of 31 December 2015, the group did not receive any amounts related with financial investments.

During 2016, the payments related to financial investments correspond to the acquisition of a financial participation in the subsidiary Sociedade Imobiliária Porto Seguro, S.A.

For the year ended on 31 December 2015 there was a payment in the amount of 149,687 Euro for the acquisition of the remaining shares of the share capital of Celtejo.

18. OTHER NON-CURRENT ASSETS

As of 31 December 2016 and 2015, this caption can be detailed as follows:

| | 31.12.2016 | 31.12.2015 |
|---|---|---|
| Value added tax | 3,210,260 | 3,210,260 |
| Rents paid in advance | 334,029 | 280,209 |
| | 3,544,289 | 3,490,469 |

The "value added tax" relates to the payment of an additional settlement of Value Added Tax to tax authorities of Germany, which is fully provisioned, as described in note 22.

19. SHARE CAPITAL AND RESERVES

Share capital

As of 31 December 2016, the Company's fully subscribed and paid up capital consisted of 205,131,672 shares with a nominal value of 12.5 cents of a Euro each.

(amounts expressed in Euro)

As of 31 December 2016 and 2015, there were no entities holding more than 33% of the subscribed share capital.

Legal reserves

The Portuguese commercial legislation provides that at least 5% of the annual net profit must be used to reinforce the "Legal reserve" until this caption represents at least 20% of the share capital.

As of 31 December 2016 and 2015, the Company presented the amount of 5,128,292 Euro and 4,336,498 Euro of legal reserves, respectively, which cannot be distributed to shareholders unless the Company closes, although these reserves can be used to absorb losses after all other reserves are over, or incorporated in share capital.

Other reserves

| | 31.12.2016 | 31.12.2015 |
|---|---|---|
| Hedging reserves | (3,747,420) | (136,786) |
| Other reserves and retained earnings | 239,642,039 | 226,134,914 |
| | 235,894,619 | 225,998,128 |

The caption “Hedging reserves” reflects the fair value of the derivative financial instruments classified as cash-flows hedging in the effective hedging component, net of the corresponding deferred tax effect (Note 27).

Under Portuguese legislation, the amount of distributable reserves is determined based on the non-consolidated financial statements of the Company, prepared in accordance with the International Financial Reporting Standards, as adopted by the European Union. As of 31 December 2016, distributable reserves amount to 75,310,299 Euro.

20. NON-CONTROLLING INTERESTS

The changes on this caption during the year ended 31 December 2015 are as follows:

| | 31.12.2015 |
|---|---|
| Opening balance | 155,240 |
| Partial acquisitions of subsidiaries | (172,028) |
| Net profit attributable to non controlling interests | 16,788 |
| Closing balance | - |

Since 2015, Altri SGPS holds 100% of all its subsidiaries, and as so there aren’t any non-controlling interest changes in 2016.

(amounts expressed in Euro)

21. BANK LOANS, OTHER LOANS AND REIMBURSABLE SUBSIDIES

As of 31 December 2016 and 2015, the captions “Bank loans”, “Other loans” and “Reimbursable subsidies” can be detailed as follows:

| | Nominal value | | | Book value | | |
|---|---|---|---|---|---|---|
| | Current | Non current | Total | Current | Non current | Total |
| Bank Loans | 13,500,000 | 118,000,000 | 131,500,000 | 13,854,263 | 118,000,000 | 131,854,263 |
| Pledged Current accounts | 25,000,000 | - | 25,000,000 | 25,043,446 | - | 25,043,446 |
| Bank Loans | 38,500,000 | 118,000,000 | 156,500,000 | 38,897,709 | 118,000,000 | 156,897,709 |
| Commercial paper | 58,500,000 | 115,000,000 | 173,500,000 | 58,500,000 | 115,000,000 | 173,500,000 |
| Bonds | 31,600,000 | 346,500,000 | 378,100,000 | 31,790,307 | 347,357,627 | 379,147,934 |
| Other loans | 30,564,111 | - | 30,564,111 | 30,564,111 | - | 30,564,111 |
| Other loans | 120,664,111 | 461,500,000 | 582,164,111 | 120,854,418 | 462,357,627 | 583,212,045 |
| Reimbursable subsidies | 3,115,183 | 14,946,630 | 18,061,813 | 3,115,183 | 14,946,631 | 18,061,814 |
| | 162,279,294 | 594,446,630 | 756,725,925 | 162,867,310 | 595,304,258 | 758,171,568 |

2015

| | Nominal value | | | Book value | | |
|---|---|---|---|---|---|---|
| | Current | Non current | Total | Current | Non current | Total |
| Bank Loans | 11,000,000 | 154,000,000 | 165,000,000 | 10,775,000 | 153,587,500 | 164,362,500 |
| Bank Loans | - | 154,000,000 | 165,000,000 | 10,775,000 | 153,587,500 | 164,362,500 |
| Commercial paper | 64,000,000 | 115,500,000 | 179,500,000 | 63,519,337 | 115,500,000 | 179,019,337 |
| Bonds | - | 299,376,900 | 299,376,900 | - | 298,233,394 | 298,233,394 |
| Other loans | 41,918,791 | - | 41,918,791 | 41,918,791 | - | 41,918,791 |
| Other loans | 105,918,791 | 414,876,900 | 520,795,691 | 105,438,128 | 413,733,394 | 519,171,522 |
| Reimbursable subsidies | 558,872 | 17,439,139 | 17,998,011 | 558,872 | 17,439,139 | 17,998,011 |
| | 106,477,663 | 586,316,039 | 703,793,702 | 116,772,000 | 584,760,033 | 701,532,033 |

Bank loans

(i) Bank loans

During 2013, Celbi obtained a bank loan amounting to 75,000,000 Euro, which was renegotiated in June 2014, with an interest rate equal to Euribor 3 months plus a spread, which payment will be in 5 annual instalments of 5,000,000 Euro each, the first of them in June of 2016 and a last instalment amounted to 50 million Euro. During 2016, Celbi anticipated the full reimbursement of this loan.

During the year ended 31 December 2014, Celbi contracted a bank loan of 30 million Euro, which bears interest at a rate equal to 3 months Euribor plus a spread. This loan will be repaid in 24 equal consecutive monthly instalments, starting in July 2017. Therefore, the amount of 7,500,000 Euro is classified as current debt and the remaining amount is classified as non-current debt.

During the year ended 31 December 2015, Celbi contracted a bank loan of 30 million Euro (at year-end total debt amounts 24,000,000 Euro), which bears interest at a rate equal to 6 months Euribor plus a spread. This loan is being repaid in 5 equal consecutive annual instalments, having started in January 2016. Therefore, the amount of 6 million Euro is classified as current debt and the remaining amount is classified as non-current debt.

During the year ended 31 December 2015, Celbi contracted a bank loan of 30 million Euro, which bears interest at a rate equal to 3 months Euribor plus a spread. This loan will be repaid in 3 equal consecutive annual instalments, starting in February 2018. Therefore, the total amount of the loan is classified as non-current debt.

During the year ended 31 December 2016, Celbi contracted a bank loan of 15 million Euro, which bears interest at a rate equal to 12 months Euribor plus a spread. This loan will be repaid in one instalment, at the end of the contract (September 2022). Therefore, the total amount of the loan is classified as non-current debt.

During the year ended 31 December 2016, Caima Indústria contracted a bank loan of 12.5 million Euro, which bears interest at a rate equal to 12 months Euribor plus a spread. This loan will be repaid in one instalment, at the end of the contract (August 2022). Therefore, the total amount of the loan is classified as non-current debt.

During the year ended 31 December 2016, Celtejo contracted a bank loan of 20 million Euro, which bears interest at a rate equal to 12 months Euribor plus a spread. This loan will be repaid in one instalment, at the end of the contract (August 2021). Therefore, the total amount of the loan is classified as non-current debt.

(ii) Pledged current accounts

As at 31 December 2016, the Group had pledged current accounts amounting to 28 million Euro of which 25 million Euro were being used. In 2015, the Group had pledged current accounts amounting 40.5 million Euro which were not used.

(iii) Bank overdrafts

As of 31 December 2016 and 2015, the Group had bank overdrafts amounting to 15 million Euro which were not used.

Other loans:

(i) Commercial paper:

The Group has renewable commercial paper programs subscribed by several group companies in the maximum amount of 366,000,000 Euro as of 31 December 2016 (388,500,000 Euro as of 31 December 2015), with guaranteed placement, with interests' payable at a rate equal to Euribor for the issuing period (7 to 364 days) plus spread. As of 31 December 2016, the amount in use was 173,500,000 Euro (179,500,000 Euro as of 31 December 2015).

That programs include an amount of 58.5 million Euro classified as current liability because, according to the contracts, both parties can terminate, on a six month or annual basis, the program with a pre-defined warning of 30 to 60 days, although, if the programs are not terminated before maturity, they will only be repaid between years 2017 and 2022. The Board of Directors believes that there will be no early terminations from any parts to these commercial paper programs, but considering the contracts in place this amount is recorded as current debt.

The remaining 115 million Euro relate to programs where it is not possible to terminate the contract before maturity and have guaranteed placement. In this case, the Board of Directors classified this debt according to the program maturity.

(ii) Bond loans:

During 2014, Celulose Beira Industrial (Celbi), S.A. issued a bond loan amounting 80,000,000 Euro repayable in 5 years. In 2015, Altri SGPS acquired bonds amounting to 10,623,100 Euro. In October 2016, Celbi issued a private exchange offer, targeting qualified investors, for all the 800 bonds, with a nominal unit value of 100,000 Euro and a global value of 80,000,000 Euro, of the bond loan "Celbi 2014/2019", exchanging with new bonds that mature in 2024 ("Celbi 2016/2024"). As result of this offer, 473 bonds were exchanged (paid and cancelled after). Therefore, "Celbi 2014/2019 now comprises 327 bonds, with a nominal value of 32,700,000 Euro. As at December 31, 2016 there was still a debt amounting to 31,600,000 Euro (as Altri SGPS SA holds an amount of 1,100,000 Euro) related with this bond loan. The Board of Directors intends to repay this liability in 2017 by using the call option included on the contract, and classified this amount as a current liability.

The new bonds, that replaced the bonds "Celbi 2014/2019", correspond to a new bond loan issued in November 2016 amounting to 65 million Euro, with maturity in February 2024 ("Celbi 2016/2024"). As at December 31, 2016, Altri SGPS holds an amount of 13.5 million Euro, therefore total liability amounts to 51.5 million Euro.

In April 2014, Celbi issued a bond loan amounting 50,000,000 Euro with a maturity of 6 years. In February 20, 2015, Altri SGPS took over the contractual position held by its subsidiary Celbi, passing the bond to be called "ALTRI 2014/2020". On its turn, Altri SGPS proceeded to issue a bond loan in the amount of 70,000,000 Euro due in 2018.

During the year ended as of 31 December 2015, Celulose Beira Industrial (Celbi), S.A. issued three bond loans: one in the amount of 35 million Euro with a maturity of six years (in February); another in the amount of 35 million Euro with a maturity of 2.5 years (in August); and another in the amount of 40 million Euro with a term of four years (also in August), at a rate equal to Euribor 6 months plus a spread.

During the year ended as of 31 December 2016, Altri SGPS issued two bond loans: the first in April 18, 2016, amounting 40 million Euro, payable in two instalments, the first in April 2022 (20 million Euro) and the second in April 2024 (20 million Euro); the second in November 28, 2016 in the amount of 25 million Euro that matures in March 28, 2022, which bears interest at a rate equal to 6 months Euribor plus a spread.

The expenses incurred with the issuance of the loans are deducted to their nominal value and deferred and recognized as interest expenses during the period of the loan (Note 35).

(iii) Factoring

The Group subscribed factoring contracts with two banks with one year of initial duration, according to which it may transfer accounts receivable up to 60,000,000 Euro, which are automatically renewed for equal periods if not terminated by one of the entities with at least 60 contractual days in advance. On the discounted amounts the Group will pay an interest rate equal to Euribor 3 months plus spread or Euribor 12 months plus spread (for contracts in Euro) or equal to Libor 3 months plus a spread (for contracts in USD). As of 31 December 2016, the value used amounted to 29,796,111 Euro (41,918,791 Euro as of 31 December 2015).

The Group believes that the risks and benefits associated to the accounts receivable were not transferred to the factoring entity, so they just remove the accounts receivable transferred to the factoring when the original debtor pays, in accordance with the accounting policy described in Note 2.3l) viii).

Reimbursable subsidies:

In January 2014 Celbi signed a new contract for granting financial and fiscal incentives under Decree Law. 203/2003, of 10 September, with the Agency for Investment and Foreign Trade of Portugal, EPE (AICEP), and the project of modernization and expansion of the plant, was considered by the Portuguese State of strategic interest and relevance to the national economy. The investment project began on August 19, 2013, and ran until June 30, 2015 and the contract value amounted to 30.251 million Euro. The Portuguese State will grant a refundable financial incentive corresponding to 20% of the costs eligible if Celbi complies with the proposed objectives measured in the late 2016, 2017 and 2019 the Portuguese state still will grant Achievement Award that correspond to non-repayment of up to 75% of the refundable incentive amount. Until December 31, 2016 Celbi received the amount of 5,823,585 Euro relating to the refundable incentive.

During 2011, Caima Indústria obtained a financial repayable benefit of 8,815,500 Euro, under Decree nr. 287/2007 granted by AICEP. The period of this investment was between 2010 and 2013. The granted benefit represents 45% of the eligible costs. The last portion of the benefit was received during 2014 and totalled 3,437,000 Euro. During 2016, an amount of 558,872 Euro was received, so Caima Indústria on 31 December 2016 had a debt related to this reimbursable incentive of 1,729,914 Euro, classified as current debt.

Additionally, during 2014, Caima Indústria obtained a reimbursable incentive under the Decree-Law no. 287/2007 granted by the Agência para o Investimento e Comércio Externo de Portugal E.P.E. (AICEP), for a global investment of 35,161,000 Euro. The investment period of the project shall extend between 2013 and 2015. The maximum reimbursable incentive amounts to 10,511,580 Euro, 30% of the eligible expenses. The Company has already received 10,508,314 Euro, to be repaid between 2017 and 2022, and, at 31 December 2016, there was 875,988 Euro, classified as current debt.

During 2016, Celbi obtained a financial and tax incentive under the Decree-Law no. 191/2014 issued by the Agência para o Investimento e Comércio Externo de Portugal E.P.E. (AICEP), for a global investment of 40,000,000 Euro. The investment period of the project shall extend between January 2016 and December 2017. This project was considered relevant to the national economy by the Portuguese Sate, which will grant a financial reimbursable incentive amounting 10% of the eligible expenses. At December 31, 2016, the company haven't received any amount.

(amounts expressed in Euro)

During 2016, Celtejo obtained a financial and tax incentive under the Decree-Law no. 191/2014 issued by the Agência para o Investimento e Comércio Externo de Portugal E.P.E. (AICEP), for a global investment of 85,300,000 Euro. The investment period of the project shall extend between January 2016 and October 2018. This project was considered relevant to the national economy by the Portuguese Sate, which will grant a financial reimbursable incentive amounting 25.1% of the eligible expenses. As at December 31, this agreement is still waiting for European Commission approval, and therefore, no amounts have yet been received.

In the years ended 31 December 2016 and 2015, the Group sensitivity to the change of the interest rate index of more or less 1 basis point, measured as variation on net financial losses, not considering the hedging effects of the derivative financial instruments (Note 27), may be analysed as follows:

| | 31.12.2016 | 31.12.2015 |
|---|---|---|
| Interests (Note 35) | 13,908,735 | 15,840,301 |
| Decrease of 1 b.p. in the interest rate applied to the entire debt | (7,387,000) | (6,900,000) |
| Increase of 1 b.p. in the interest rate applied to the entire debt | 7,387,000 | 6,900,000 |

The sensitivity analysis above was calculated based on the exposure to the interest rate existing as of the date of the statement of financial position. This analysis considered as a basic assumption that the structure of financing (remunerated assets and liabilities) has remained stable throughout the year and similar to that presented at the end of each financial year.

(amounts expressed in Euro)

The bank loans, other loans and reimbursable subsidies reimbursement plan as well as the associated interests are as follows:

| | 31-12-2016 | | | | | |
|---|---|---|---|---|---|---|
| | 2017 | 2018 | 2019 | 2020 | >2020 | Total |
| Bank loans | | | | | | |
| Capital | 13,500,000 | 31,000,000 | 23,500,000 | 16,000,000 | 47,500,000 | 131,500,000 |
| Interests (a) | 2,152,055 | 1,950,260 | 1,456,990 | 1,086,795 | 874,550 | 7,520,650 |
| Pledged current accounts | | | | | | |
| Capital | 25,000,000 | - | - | - | - | 25,000,000 |
| Interests (a) | 250,000 | - | - | - | - | 250,000 |
| Commercial paper | | | | | | |
| Capital | 58,500,000 | 10,000,000 | 10,000,000 | 20,000,000 | 75,000,000 | 173,500,000 |
| Interests (a) | 2,330,000 | 2,000,000 | 1,875,000 | 1,750,000 | 3,000,000 | 10,955,000 |
| Bond loans | | | | | | |
| Capital | 31,600,000 | 105,000,000 | 40,000,000 | 50,000,000 | 151,500,000 | 378,100,000 |
| Interests (a) | 8,497,637 | 7,413,125 | 5,227,025 | 4,714,225 | 9,568,300 | 35,420,312 |
| Other loans | | | | | | |
| Capital | 30,564,111 | - | - | - | - | 30,564,111 |
| Interests (a) | 161,184 | - | - | - | - | 161,184 |
| Reimbursable subsidies | | | | | | |
| Capital | 3,115,183 | 3,121,502 | 7,468,303 | 4,356,826 | - | 18,061,813 |
| Interests (a) | - | - | - | - | - | - |
| Total | | | | | | |
| Capital | 162,279,294 | 149,121,502 | 80,968,303 | 90,356,826 | 274,000,000 | 756,725,925 |
| Interests | 13,390,876 | 11,363,385 | 8,559,015 | 7,551,020 | 13,442,850 | 54,307,146 |
| | 175,670,171 | 160,484,887 | 89,527,318 | 97,907,846 | 287,442,850 | 811,033,071 |

| | 31-12-2015 | | | | | |
|---|---|---|---|---|---|---|
| | 2016 | 2017 | 2018 | 2019 | >2019 | Total |
| Bank loans | | | | | | |
| Capital | 11,000,000 | 18,500,000 | 36,000,000 | 28,500,000 | 71,000,000 | 165,000,000 |
| Interests (a) | 3,646,350 | 3,403,260 | 2,994,427 | 2,198,860 | 1,569,035 | 13,811,932 |
| Commercial paper | | | | | | |
| Capital | 64,000,000 | 28,000,000 | - | - | 87,500,000 | 179,500,000 |
| Interests (a) | 5,657,355 | 3,640,248 | 2,757,764 | 2,757,764 | 2,757,764 | 17,570,894 |
| Bond loans | | | | | | |
| Capital | - | - | 105,000,000 | 109,376,900 | 85,000,000 | 299,376,900 |
| Interests (a) | 7,574,573 | 7,574,573 | 7,574,573 | 4,917,955 | 2,150,596 | 29,792,270 |
| Other loans | | | | | | |
| Capital | 41,918,791 | - | - | - | - | 41,918,791 |
| Interests (a) | 586,863 | - | - | - | - | 586,863 |
| Reimbursable subsidies | | | | | | |
| Capital | 558,872 | 3,115,183 | 3,121,502 | 7,468,303 | 3,734,151 | 17,998,011 |
| Interests (a) | - | - | - | - | - | - |
| Total | | | | | | |
| Capital | 117,477,663 | 49,615,183 | 144,121,502 | 145,345,203 | 247,234,151 | 703,793,702 |
| Interests | 17,465,141 | 14,618,081 | 13,326,764 | 9,874,578 | 6,477,395 | 61,761,958 |
| | 134,942,804 | 64,233,264 | 157,448,266 | 155,219,781 | 253,711,546 | 765,555,660 |

(a) Considering the available information related to the interest rates evolution and that the capital repayment occurs in the end of each year.

(amounts expressed in Euro)

## 22. ACCUMULATED PROVISIONS AND IMPAIRMENT LOSSES

The movements occurred in provisions and impairment losses during the years ended 31 December 2016 and 2015 can be detailed as follows:

| | 31-12-2016 | | | |
|---|---|---|---|---|
| | Provisions | Impairment losses in accounts receivable (Notes 13 and 14) | Impairment losses in inventories and biological assets (Note 11) | Total |
| Opening balance | 5,062,741 | 3,720,996 | 7,764,789 | 16,548,526 |
| Increases | - | - | 750,000 | 750,000 |
| Transfers | 240,570 | - | - | 240,570 |
| Utilizations | (12,204) | - | - | (12,204) |
| Reversals | (226,705) | (3,035) | (194,909) | (424,649) |
| Closing balance | 5,064,402 | 3,717,961 | 8,319,880 | 17,102,243 |

| | 31-12-2015 | | | |
|---|---|---|---|---|
| | Provisions | Impairment losses in accounts receivable (Notes 13 and 14) | Impairment losses in inventories and biological assets (Note 11) | Total |
| Opening balance | 5,073,481 | 2,572,513 | 5,266,162 | 12,912,156 |
| Increases | 300,000 | 1,150,000 | 3,000,000 | 4,450,000 |
| Utilizations | (14,013) | (1,517) | - | (15,530) |
| Reversals | (296,727) | - | (501,373) | (798,100) |
| Closing balance | 5,062,741 | 3,720,996 | 7,764,789 | 16,548,526 |

During the year ended at 31 December 2013 the subsidiary Caima Indústria da Celulose, S.A., proceeded to the payment of an additional settlement of Value Added Tax to tax authorities of Germany from previous years in the amount of 2,722,651 Euro which was recorded under the caption “Other non-current assets” because the company does not agree with the fundamentals of the settlement (Note 18). During the month of January of 2014 Caima proceeded to an additional payment of Value Added Tax of approximately of 700,000 Euro. To face the risk of such settlements becoming definite, Altri recorded a liability, during 2013, under the caption “Provisions” against the caption “Other indirect taxes” of the profit and loss statement.

The amount recorded under the caption “Provisions”, at 31 December 2016 and 2015, is the best estimate of the Board of Directors in order to face all the losses that may be supported due to claims in force.

(amounts expressed in Euro)

## 23. OTHER NON-CURRENT LIABILITIES

As on 31 December 2016 and 2015 this caption includes non-reimbursable investment subsidies to be recognized as income in the medium and long term (Notes 21 and 26) which are detailed as follows:

| | 31-12-2016 | | | 31-12-2015 | | |
|---|---|---|---|---|---|---|
| | Total | Current (Note 26) | Non-Current | Total | Current (Note 26) | Non-Current |
| Celtejo | | | | | | |
| POE | 846,045 | 255,422 | 590,623 | 1,101,467 | 403,476 | 697,991 |
| PRIME | 1,824,596 | 1,040,272 | 784,324 | 2,864,869 | 1,052,222 | 1,812,647 |
| | 2,670,641 | 1,295,694 | 1,374,947 | 3,966,336 | 1,455,698 | 2,510,638 |
| Celbi | | | | | | |
| PIN | 19,739,397 | 2,819,811 | 16,919,586 | 22,569,645 | 2,958,170 | 19,611,475 |
| | 19,739,397 | 2,819,811 | 16,919,586 | 22,569,645 | 2,958,170 | 19,611,475 |
| Caima Indústria | | | | | | |
| SIME | 266,747 | 133,374 | 133,374 | 400,121 | 133,374 | 266,747 |
| QREN | 376,277 | 62,713 | 313,564 | 471,174 | 94,897 | 376,277 |
| | 643,024 | 196,086 | 446,938 | 871,295 | 228,271 | 643,024 |
| Altri Florestal | | | | | | |
| Proder | 1,091,040 | 173,931 | 917,109 | 1,264,979 | 175,955 | 1,089,024 |
| | 1,091,040 | 173,931 | 917,109 | 1,264,979 | 175,955 | 1,089,024 |
| Viveiros | | | | | | |
| Proder | 292,744 | 252,968 | 39,776 | 332,520 | 332,520 | - |
| | 24,436,846 | 4,738,491 | 19,698,356 | 29,004,775 | 5,150,614 | 23,854,161 |

During 2006 it was submitted an application under the PRIME program within the scope of the pulp bleaching project on Celtejo mill. This investment had an estimated total amount of 72,000,000 Euro and was concluded in 2008. The success fee was awarded according to the fulfilment degree of the contract, determined in measurements made at the end of the year 2014. Celtejo estimated the ratios contractually required for the year 2014 and concluded that those ratios were met giving a bonus of, approximately, 3,050,000 Euro which was classified as "Other non-current liabilities" and "Other current liabilities" (Note 26) net of the amount recognized directly as income in the income statement (Note 33) in the proportion of the part of the tangible assets subsidized already depreciated according to the accounting policy described in Note 2.3 e). In 2015, AICEP confirmed the amount of the success fee awarded.

In January 2007 Altri and Celbi signed a contract for granting financial and tax incentives under Decree-Law no. 203/2003 of 10 September, with AICEP (Agência para o Investimento e Comércio Externo de Portugal, E.P.E.) having the Portuguese Government considered of national interest PIN (Projecto de Interesse Nacional) this project to expand the production capacity of Celbi. During 2013 Celbi requested AICEP the anticipation of the 2013 evaluation, given the fact that during the year ended on 31 December 2012 Celbi already fulfilled the criteria of 2013 measurement. AICEP agreed with the interruption of repayments, however there are some requirements which can only be evaluated in the measurement date. In 31 December 2013, all the requirements for the award of success fee amounting to 16,526,400 Euro were met, having Celbi classified this amount as “Other non-current liabilities” and “Other current liabilities” (Note 26) net of the amount recognized directly as income in the income statement (Note 33) in proportion of the part of the tangible assets subsidized already depreciated according to the accounting policy described in Note 2.3 e).

(amounts expressed in Euro)

During 2014, Caima Indústria obtained a financial and tax incentive under the Decree-Law no. 287/2007 issued by the Agência para o Investimento e Comércio Externo de Portugal E.P.E. (AICEP), for a global investment of 35,161,000 Euro. If Caima Indústria complies by the end of the years 2016, 2017 and 2019 with the goals set on the incentive arrangement, the company will be granted an achievement premium corresponding to the non-repayment of an amount up to 48% of the total reimbursable subsidy.

During 2016, Celbi obtained a financial and tax incentive under the Decree-Law no. 191/2014 issued by the Agência para o Investimento e Comércio Externo de Portugal E.P.E. (AICEP), having the Portuguese Government considered this project as of national interest. If Celbi complies by the end of the year 2019 with the goals set on the incentive arrangement, the company will be granted an achievement premium corresponding to the non-repayment of an amount up to 30% of the total reimbursable subsidy.

During 2016, Celtejo obtained a financial and tax incentive under the Decree-Law no. 191/2014 issued by the Agência para o Investimento e Comércio Externo de Portugal E.P.E. (AICEP), having the Portuguese Government considered this project as of national interest. If Celtejo complies by the end of the year 2019 with the goals set on the incentive arrangement, the company will be granted an achievement premium corresponding to the non-repayment of an amount up to 30% of the total reimbursable subsidy.

## 24. SUPPLIERS

As of 31 December 2016 and 2015 this caption was made up as follows:

| | | Payable | | |
|---|---|---|---|---|
| | 31.12.2016 | 0-90 days | 90-180 days | >180 days |
| Suppliers, current account | 49,194,705 | 49,194,705 | - | - |
| Suppliers, invoices in conference | 19,850,428 | 19,850,428 | - | - |
| | 69,045,134 | 69,045,134 | - | - |

| | | Payable | | |
|---|---|---|---|---|
| | 31.12.2015 | 0-90 days | 90-180 days | >180 days |
| Suppliers, current account | 41,880,360 | 41,880,360 | - | - |
| Suppliers, invoices in conference | 19,363,044 | 19,363,044 | - | - |
| | 61,243,404 | 61,243,404 | - | - |

As of 31 December 2016 and 2015 the caption “Suppliers” refers to accounts payable from the normal activities of the Group.

The Board of Directors understands that the book value of these debts is close to their fair value.

## 25. OTHER CURRENT CREDITORS

As of 31 December 2016 and 2015, the caption “Other current creditors” can be detailed as follows:

| | | Payable | | |
|---|---|---|---|---|
| | 31.12.2016 | 0-90 days | 90-180 days | >180 days |
| Suppliers of fixed assets | 9,800,083 | 9,800,083 | - | - |
| Other debts | 5,115,671 | 5,010,995 | 6,496 | 98,180 |
| | 14,915,753 | 14,811,077 | 6,496 | 98,180 |

| | | Payable | | |
|---|---|---|---|---|
| | 31.12.2015 | 0-90 days | 90-180 days | >180 days |
| Suppliers of fixed assets | 1,252,476 | 1,252,476 | - | - |
| Other debts | 2,655,929 | 2,573,330 | 9,908 | 72,691 |
| | 3,908,405 | 3,825,806 | 9,908 | 72,691 |

(amounts expressed in Euro)

As of 31 December 2016 and 2015 the caption "Suppliers of fixed assets" includes the amounts of 706,610 Euro and 492,092 Euro, respectively, relating to financial leases (Note 31.2).

## 26. OTHER CURRENT LIABILITIES

As of 31 December 2016 and 2015, the caption "Other current liabilities" can be detailed as follows:

| | 31.12.2016 | 31.12.2015 |
|---|---|---|
| Accrued expenses: | | |
| Amounts payable to employees | 3,576,484 | 3,690,009 |
| Interest payable | 1,274,354 | 2,700,797 |
| Rents | 1,171,694 | 1,124,673 |
| Costs with energy and gas | 4,678,683 | 5,137,376 |
| Discounts to be paid | 3,986,425 | 1,317,624 |
| Fluid rates to be paid | 882,255 | 843,294 |
| Other accrued expenses | 12,689,840 | 13,973,441 |
| Current deferred income: | | |
| Investment subsidies (Notes 21 and 24) | 4,738,491 | 5,150,614 |
| Others | 1,101,490 | 109,213 |
| | 34,099,716 | 34,047,041 |

The caption "Other accrued expenses" in 2016 and 2015 corresponds to costs incurred with operational activities not yet settled.

## 27. DERIVATIVE FINANCIAL INSTRUMENTS

As of 31 December 2016 and 2015 the companies of the Group operated with contracts for derivatives related to hedge interest rate variations and in 2016 operated also with contracts for derivatives related to hedge exchange rate variations, which are recorded according to their fair value.

Altri Group's companies only use derivatives to hedge cash flows associated with operations created related with their activities.

As at 31 December 2016, the fair value of the derivatives is detailed as follows:

| | 31-12-2016 | | 31-12-2015 |
|---|---|---|---|
| | Current | Non-current | Current |
| Interest rate derivatives | (549,066) | - | (136,786) |
| Exchange rate derivatives | (1,873,584) | (2,428,023) | - |
| | (2,422,650) | (2,428,023) | (136,786) |

### (i) Interest rate derivatives

In order to reduce its exposure to interest rates volatility, the Group signed interest rates swap contracts. These contracts were evaluated by their fair value as of 31 December 2016 and 2015, and the correspondent amount has been recognized under the caption "Derivatives".

(amounts expressed in Euro)

As of 31 December 2016 and 2015 there were established derivatives contracts which total amounts are as follows:

| Type | Amount | Maturity | Rate | Fair value 31.12.2016 | Fair value 31.12.2015 |
|---|---|---|---|---|---|
| Interest rate swap | 5,000,000 | 16/04/2020 | Pays fixed interest rate and receives Euribor 6M | (82,619) | (30,594) |
| Interest rate swap | 5,000,000 | 16/04/2020 | Pays fixed interest rate and receives Euribor 6M | (84,099) | (32,265) |
| Interest rate swap | 5,000,000 | 16/04/2020 | Pays fixed interest rate and receives Euribor 6M | (79,470) | (27,673) |
| Interest rate swap | 5,000,000 | 16/04/2020 | Pays fixed interest rate and receives Euribor 6M | (87,442) | (35,581) |
| Interest rate swap | 5,000,000 | 16/04/2020 | Pays fixed interest rate and receives Euribor 6M | (63,753) | (13,201) |
| Interest rate swap | 10,000,000 | 16/04/2020 | Pays fixed interest rate and receives Euribor 6M | (111,978) | 2,528 |
| Interest rate swap | 15,000,000 | 16/04/2020 | Pays fixed interest rate and receives Euribor 6M | (39,705) | - |
| | | | | (549,066) | (136,786) |

In accordance with the accounting policies adopted, these derivatives fulfil every requirement to be accounted as interest rate hedging instruments (Note 2.3l) v)).

The fair value of the Group's contracted derivatives is determined by the respective counterparts (financial institutions with whom such contracts were signed). The derivative evaluation model, used by the counterparts is based on the discounted cash flows method, i.e., using the swaps par rates, listed in the interbank market and available at Reuters and Bloomberg, for the applicable periods where the forward rates and the discount factors used to discount the fixed cash flows (fix leg) and the variable cash-flows (variable leg) are computed. The sum of these two components results on the Net Present Value of the future cash flows or on the fair value of the derivatives.

(ii) Exchange rate derivatives

Altri uses exchange rate derivatives, mainly to hedge future cash flows. Thus, Altri, in the year of 2016, engaged some exchange rate forwards of U.S. dollars to manage the risk of exchange rate to which it is exposed.

The Group acquired European-style put options of the US dollar, with a volume of USD 10 million per month for the 1$^{st}$ and 2$^{nd}$ half of 2017 and 2018.

(amounts expressed in Euro)

As of 31 December 2016 and 2015 there were established derivatives contracts which total amounts are as follows:

| Notional USD | Maturity | Fair Value 31.12.2016 |
|---|---|---|
| 10,000,000 | January 2017 | (55,786) |
| 10,000,000 | February 2017 | (78,144) |
| 10,000,000 | March 2017 | (98,709) |
| 10,000,000 | April - 2017 | (111,762) |
| 10,000,000 | May - 2017 | (121,354) |
| 10,000,000 | June - 2017 | (269,537) |
| 10,000,000 | July - 2017 | (144,950) |
| 10,000,000 | August - 2017 | (146,862) |
| 10,000,000 | September - 2017 | (146,190) |
| 10,000,000 | October - 2017 | (145,156) |
| 10,000,000 | November - 2017 | (146,945) |
| 10,000,000 | December - 2017 | (408,189) |
| 10,000,000 | January - 2018 | (169,140) |
| 10,000,000 | February - 2018 | (166,754) |
| 10,000,000 | March - 2018 | (163,298) |
| 10,000,000 | April - 2018 | (159,339) |
| 10,000,000 | May - 2018 | (154,798) |
| 10,000,000 | June - 2018 | (454,408) |
| 10,000,000 | July - 2018 | (170,343) |
| 10,000,000 | August - 2018 | (163,993) |
| 10,000,000 | September - 2018 | (157,402) |
| 10,000,000 | October - 2018 | (151,033) |
| 10,000,000 | November - 2018 | (143,864) |
| 10,000,000 | December - 2018 | (373,651) |
| | | (4,301,607) |

The movement occurred in the fair value of the financial instruments during the years ended 31 December 2016 and 2015 can be detailed as follows:

| 2016 | Pulp price hedging derivatives | Interest rates derivatives | Total |
|---|---|---|---|
| Opening balance | (136,786) | - | (136,786) |
| Derivative fair value variation/cessation | | | |
| Effects on shareholders funds (Note 19) | (396,988) | (4,301,607) | (4,698,595) |
| Effects on the profit and loss statement (Note 35) | (15,292) | - | (15,292) |
| Effects on balance sheet | - | - | - |
| Closing balance | (549,066) | (4,301,607) | (4,850,673) |

| 2015 | Pulp price hedging derivatives | Interest rates derivatives | Total |
|---|---|---|---|
| Saldo inicial | (1,902,297) | - | (1,902,297) |
| Variação do justo valor | | | |
| Efeitos em capitais próprios (Nota 19) | 134,470 | - | 134,470 |
| Efeitos na demonstração de resultados (Nota 35) | (268,267) | - | (268,267) |
| Efeitos no balanço | 1,899,308 | - | 1,899,308 |
| Saldo final | (136,786) | - | (136,786) |

During 2016, the gains and losses of the year associated to the fair value variation, in the non-matured part (as described in IAS 39), of the hedging instruments, in the amount of 4,698,595 Euro (134,470

(amounts expressed in Euro)

Euro as of 31 December 2015), were directly recorded under equity's captions net of the respective deferred tax, in the amount of (1,087,961) Euro ((62,096) Euro as of 31 December 2015) (Notes 12 and 19).

The gains and losses for the year associated to the fair value variation, during 2016, of the hedging instruments in the matured part and of the instruments which although had been contracted with a hedging purpose, do not gather the requirements to be classified as so, and their ineffective part were recorded directly in the profit and loss statement for the year ended 31 December 2016 (Note 35).

## 28. CONTINGENT LIABILITIES AND GUARANTEES

As of 31 December 2016 and 2015, the bank guarantees provided by Group companies can be detailed as follows:

| | 31.12.2016 | 31.12.2015 |
|---|---|---|
| AICEP/API (Note 21) | 4,585,311 | 7,676,315 |
| Others | 1,415,827 | 1,468,674 |
| | 6,001,138 | 9,144,989 |

## 29. FINANCIAL COMMITMENTS NOT INCLUDED IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### a) Pension Fund

Some of the Group companies have assumed commitments related with retirement pensions not included in the consolidated statement of financial position, since these commitments are covered by autonomous pension funds as follows.

The Caima and Altri Florestal Pension Fund, managed by "BPI Pensões - Sociedade Gestora de Fundos de Pensões, S.A." was created by a public deed held 31 December 1987, and aims to provide the employees who (i) at their normal retirement age or (ii) at the end of their contract with the company have completed at least 10 years of continuous service and 57 years old, with a monthly pension complement based on their average gross salary for the two years preceding the date of their retirement, beginning in the usual year of retirement. Following a decision of Caima's Board of Directors and after obtaining approval from "Instituto de Seguros de Portugal" (the Portuguese insurance institute), the Caima and Altri Florestal Pension Fund was divided into two independent funds in December 1998. During the year ended December 31, 2010, Caima and Altri Florestal transferred their shares of the collective fund that they had in BPI Pensões to Celtejo's plan. The transfer was requested to the Instituto de Seguros de Portugal, on September 23, 2010 and approved on March 3, 2011. In April 2011, the pension fund of Altri Florestal and Caima was incorporated in Tejo pension fund, named Pension Plan C.

The Tejo Pension Fund was created by Celtejo on February 28, 2005, to finance the pension plan under the Company Agreements. After the agreement reached in 2007 with the trade union, it was created a new Pension Fund applicable to all employees admitted since September 1, 2007, and also to all other employees that clearly state to choose this new plan. Since then, Tejo Pension Fund is financing the three defined benefits pension plan described in a Regulation published in Service Order on 2002, and also the benefits defined in the new Pension Plan, called Pension Plan B, as defined in Company Agreement published in BTE, number 32, on August 29, 2007. Since 2009, the Pension Plan B, started to include all the active workers of Celtejo, and the remaining Pension Funds, started to guarantee the responsibilities related to all ex-Workers, which had the right to receive the pension, according to the terms of termination agreement.

In May 2014, it was created a new defined contribution Pension Plan as part of Tejo Pension Fund, designated as Pension Plan CD, applicable to all active workers of Celtejo, Caima and Altri Florestal. To all employees admitted until April 30, 2014 was given the choice to change to the Pension Plan CD if they renounced to the defined benefit pension plan, on the following terms: (a)

(amounts expressed in Euro)

Celtejo's workers still active on April 30 2014 could choose to change or not to the new plan; (b) for Caima and Altri Florestal, only workers in the company for more than ten years and with 57 years old or older, were given this choice. The Tejo Pension Fund started to finance the responsibilities of five Pension Plans, four under the defined benefits scheme and the other one under the defined contribution scheme, whose contributions change according to Group's results.

In 2014 Celbi changed to a defined contribution scheme. Celbi makes a contribution to the Pension Fund, which varies annually depending on the results of the Altri Group, assigning each worker's permanent staff a percentage of their pensionable salary depending on the number of years of service. The annual contribution to the Pension Fund changes in line with the Group's profits, and is recorded as losses of the year and the company has not responsibilities on future benefits related to the Pension Fund.

With the new contribution scheme, Celbi records the contributions made as loss of the exercise, avoiding future responsibilities for eventual future benefits.

In accordance with the latest actuarial valuation prepared by the funds' managers, the present value of the past service liabilities with retired and current employees as of 31 December 2016 and 2015 as well as the funds' patrimonial situation were as follows:

| | 2016 | | |
|---|---|---|---|
| | **Caima/Celtejo/Altriflorestal** | **Celbi** | **Total** |
| Current responsabilities for past services | 13,981,980 | N.a. | 13,981,980 |
| Assets of pension funds | 11,426,928 | N.a. | 11,426,928 |

| | 2015 | | |
|---|---|---|---|
| | **Caima/Celtejo/Altriflorestal** | **Celbi** | **Total** |
| Current responsabilities for past services | 12,997,878 | n.a. | 12,997,878 |
| Assets of pension funds | 12,220,331 | n.a. | 12,220,331 |

n.a. – not applicable

The movement in the present value of responsibilities for past services during the years ended 31 December 2016 and 2015 is as follows:

| 31 December 2016 | Plans | | | | |
|---|---|---|---|---|---|
| | Ex - Adminis. (DA) | Plan A | Plan B | Plan C | Total |
| Responsibilities in the beginning of the year | 692,713 | 5,777,058 | 2,426,153 | 4,101,955 | 12,997,878 |
| Change to defined contribution | - | - | - | - | - |
| Benefits paid by the Pension Funds | (34,950) | (476,838) | (48,775) | (318,008) | (878,571) |
| Current services cost | - | - | 15,482 | 21,263 | 36,745 |
| Interest costs | 25,334 | 207,894 | 90,596 | 148,844 | 472,668 |
| Actuarial (gains)/losses | | | | | |
| Change of conditions | 97,752 | 630,729 | 376,831 | 459,600 | 1,564,912 |
| Others | (24,455) | 21,620 | (223,590) | 14,771 | (211,654) |
| Responsibilities at the year end | 756,395 | 6,160,463 | 2,636,697 | 4,428,426 | 13,981,980 |

(amounts expressed in Euro)

| 31 December 2015 | Plans | | | | |
|---|---|---|---|---|---|
| | Ex - Adminis. (DA) | Plan A | Plan B | Plan C | Total |
| Responsiblities in the beginning of the year | 659,823 | 5,735,702 | 3,370,528 | 5,218,866 | 14,984,919 |
| Change to defined contribution | - | - | (1,054,049) | (1,212,356) | (2,266,405) |
| Benefits paid by the Pension Funds | (34,776) | (473,635) | (37,882) | (303,787) | (850,079) |
| Current services cost | - | - | 77,098 | 27,081 | 104,179 |
| Interest costs | 30,531 | 261,395 | 162,887 | 242,222 | 697,035 |
| Actuarial (gains)/losses | | | | | |
| Change of conditions | 35,434 | 198,016 | 172,990 | 158,735 | 565,175 |
| Others | 1,701 | 55,578 | (265,419) | (28,807) | (236,946) |
| Responsibilities at the year end | 692,713 | 5,777,058 | 2,426,153 | 4,101,955 | 12,997,878 |

The change verified on pension funds' patrimonial situation during the years ended 31 December 2016 and 2015 is as follows:

| 31 december 2016 | Ex - Admin. (DA) | Plan A | Plan B | Plan C | Total |
|---|---|---|---|---|---|
| Pension funds value at the beginning of the year | 623,876 | 5,401,049 | 2,313,426 | 3,881,980 | 12,220,331 |
| Change to defined contribution | - | - | - | - | - |
| Pensions paid | (34,950) | (476,838) | (48,775) | (318,008) | (878,571) |
| Return on fund's assets | - | - | - | - | - |
| Others | 4,455 | 36,674 | 17,396 | 26,643 | 85,168 |
| Pension funds value at year end | 593,381 | 4,960,885 | 2,282,047 | 3,590,615 | 11,426,928 |

| 31 December 2015 | Plans | | | | |
|---|---|---|---|---|---|
| | Ex - Adminis. (DA) | Plan A | Plan B | Plan C | Total |
| Pensions funds value in the beginning of the year | 645,895 | 5,940,968 | 3,393,066 | 4,970,973 | 14,950,902 |
| Change to defined contribution | - | - | (1,041,758) | (913,709) | (1,955,466) |
| Pensions pais | (34,776) | (473,635) | (37,882) | (303,787) | (850,079) |
| Return of fund's assets | - | - | - | - | - |
| Others | 12,756 | (66,284) | - | 128,503 | 74,974 |
| Pension funds value at the year end | 623,876 | 5,401,049 | 2,313,426 | 3,881,980 | 12,220,331 |

Considering the difference between the value of responsibilities and the value of the pension funds on 31 December 2016, it was recorded a liability in the caption "Pension liabilities" in the amount of 1,750,818 Euro in order to cover possible liabilities related with to pension plans in effect. As of December 31, 2016 and 2015, changes in this caption can be detailed as follows:

| 31 december 2016 | Plans | | | | |
|---|---|---|---|---|---|
| | Ex - Admin. (DA) | Plan A | Plan B | Plan C | Total |
| Pension liablities at the begin of the year | 68,837 | 376,459 | 112,729 | 219,975 | 778,000 |
| Increase/ (reversal) in other comprehensive income | 68,843 | 615,224 | 136,956 | 397,533 | - |
| Increase/ (reversal) in income statement | 25,334 | 207,894 | 104,965 | 194,068 | 532,261 |
| Pension liablities at the end of the year | 163,014 | 1,199,578 | 354,650 | 811,576 | 1,310,261 |

(amounts expressed in Euro)

| 31 december 2015 | Plans | | | | |
|---|---|---|---|---|---|
| | Ex - Admin. (DA) | Plan A | Plan B | Plan C | Total |
| Pension liabilities at the begin of the year | - | - | - | - | - |
| Increase/ (reversal) in other comprehensive income | - | - | - | - | - |
| Increase/ (reversal) in income statement | 68,837 | 376,459 | 112,729 | 219,975 | 778,000 |
| Pension liabilities at the end of the year | 68,837 | 376,459 | 112,729 | 219,975 | 778,000 |

The responsibilities of Celtejo Pension Plan are based, at December 31, 2016, in the following assumptions:

(i) Calculation method "Projected Unit Credit"
(ii) Mortality Tables TV 88/90;
(iii) Income/discount Rate 2.5%;
(iv) Growth Wage Rate 1%

Characteristics of Celtejo Pension Fund at December 31, 2016:

(i) Portfolio composition:
a. 11.85% shares;
b. 65.19% bonds at fixed rates;
c. 9.76% bonds at variable rates;
d. 13.20% liquidity and other assets.
(ii) Expected return of the assets of the Plan in the long run 2.5%

The responsibilities of Celtejo Pension Plan are based, at December 31, 2015, in the following assumptions:

(i) Calculation method "Projected Unit Credit"
(ii) Mortality Tables TV 88/90;
(iii) Income/discount Rate – 3,75%;
(iv) Growth Wage Rate 1%

Characteristics of Celtejo Pension Fund, at December 31, 2015:

(i) Portfolio composition:
a. 11.20% shares;
b. 68.27% bonds at fixed rates;
c. 10.30% bonds at variable rates;
d. 10.23% liquidity and other assets.
(ii) Expected return of the assets of the Plan in the long run 3.75%.

According to the sensitivity analysis to discount/income rate variations, changes of 1 p.p. in this rate would have an impact in the net value of past services responsibilities of 1,250 thousand Euro.

b) Other commitments

As of 31 December 2016, the contractual obligations for the acquisitions of fixed assets assumed by the Group companies amounted to, approximately, 63,000,000 Euro (4,311,000 Euro as of 31 December 2015). These obligations relate with the ongoing projects, in Celbi and Celtejo, initiated in 2016 and that will keep going through 2017 (Note 7).

(amounts expressed in Euro)

## 30. LEASE CONTRACTS

### 30.1 OPERATIONAL LEASES

During the year ended at 31 December 2016 it was recognized in the profit and loss statement an amount of, proximately, 9,990,885 Euro (10,150,000 Euro during the year ended at 31 December 2015) of operational leases rents, essentially, related with lands explored by the Group.

Additionally, at the balance sheet date the Group held as lessee, operational lease contracts, which minimal lease payments present the following maturity:

| Year | 2016 | 2015 |
|---|---|---|
| Until 1 year | 10,018,152 | 9,377,248 |
| Between 1 year and 5 years | 36,423,587 | 35,406,375 |
| More than 5 years | 74,485,867 | 77,802,569 |
| | 120,927,606 | 122,586,192 |

### 30.2 FINANCIAL LEASES

As of 31 December 2016 and 2015, the responsibilities reflected in the statement of financial position related to financial leases had the following maturity:

| Year | 2016 | 2015 |
|---|---|---|
| Until 1 year (Note 26) | 706,610 | 492,092 |
| Between 1 year and 5 years | - | - |
| More than 5 years | - | - |
| | 706,610 | 492,092 |

As at December 31, 2016 and 2015, Altri estimates that the fair value of financial obligations in leasing contracts corresponds to approximately its book value.

Obligations under finance lease contracts are guaranteed by the reserve of ownership of the leased assets.

## 31. RELATED PARTIES

The subsidiary companies of the Group have between each other transactions that classify as transactions with related parties and which are made at market prices.

In the consolidation procedures, the transactions between the companies included in consolidation by the full consolidation method are eliminated, once the consolidated financial statements present the owner and its subsidiaries information as one single company, therefore they are not disclosed in this note.

(amounts expressed in Euro)

As of 31 December 2016 and 2015 the balances and transactions with related parties are as follows:

| | Purchases and services | | Sales and services | | Interest income | |
|---|---|---|---|---|---|---|
| **Transactions** | 31.12.2016 | 31.12.2015 | 31.12.2016 | 31.12.2015 | 31.12.2016 | 31.12.2015 |
| Associated companies and joint ventures (a) | 2,332,922 | 2,439,999 | 16,042,281 | 15,875,568 | 217,812 | 239,431 |
| Other related parties (b) | 7,193,528 | 8,286,852 | 127,982 | 132,238 | - | - |
| | 9,526,450 | 10,726,851 | 16,170,263 | 16,007,806 | 217,812 | 239,431 |

| | Accounts payable | | Accounts receivable | | Loans granted | |
|---|---|---|---|---|---|---|
| **Balances** | 31.12.2016 | 31.12.2015 | 31.12.2016 | 31.12.2015 | 31.12.2016 | 31.12.2015 |
| Associated companies and joint ventures (a) | 268,133 | 284,249 | 6,359,604 | 2,550,399 | 11,482,905 | 11,544,780 |
| Other related parties (b) | 6,404,548 | 6,365,430 | 127,982 | 2,650,057 | - | - |
| | 6,672,681 | 6,649,680 | 6,487,586 | 5,200,456 | 11,482,905 | 11,544,780 |

(a) All entities consolidated by the equity method at December 31, 2016 and 2015 according to Note 4.2 and available for sale investments as described in Note 4.3;
(b) Were considered as related parties the companies listed below.

During the years ended 31 December 2016 and 2015, there were no transactions or loans granted to the members of the Board of Directors.

Besides the companies included in consolidation (Note 4), entities considered as related parties as of 31 December 2016 can be detailed as follows:

- Actium Capital, SGPS, S.A.
- Adcom Media – Anúncios e Publicidade S.A
- Alteria, SGPS, S.A.
- A Nossa Aposta – Jogos e Apostas On-line, S.A.
- Base Holding, S.G.P.S.
- Base M - Investimentos e serviços S.A.
- Caderno Azul, SGPS, S.A.
- Cofihold, SGPS, S.A.
- Cofina Media, S.A.
- Cofina, SGPS, S.A.
- Destak Brasil – Editora de Publicações, S.A.
- Destak Brasil – Empreendimentos e Participações, S.A.
- Elege Valor, SGPS, S.A.
- Expeliarmus – Consultoria, S.A.
- F. Ramada II, Imobiliária, S.A.
- F. Ramada Investimentos, SGPS, S.A.
- Grafedisport – Impressão e Artes Gráficas, S.A
- Livrefluxo, SGPS, S.A.
- Mercados Globais – Publicação de Conteúdos, Lda.
- Planfuro Global, S.A.
- Préstimo – Prestígio Imobiliário, S.A.
- Promendo, SGPS, S.A.
- Ramada – Aços, S.A.
- Ramada Storax, S.A.
- Socitrel – Sociedade Industrial de Trefilaria, S.A.
- Storax, S.A.
- Storax Benelux, S.A.
- Storax, Ltd.
- Storax España, S.L.
- Universal Afir, S.A.
- Valor Autêntico, SGPS, S.A.
- VASP – Sociedade de Transportes e Distribuições, Lda.
- 1 Thing Investments, SGPS, S.A.

## 32. KEY MANAGEMENT COMPENSATION

Compensation paid to key managers, who in Altri's case correspond to the Board of Directors, due to its corporate governance model, during the years ended 31 December 2016 and 2015 amounted to 1,467,800 Euro and 1,390,200 Euro, respectively, corresponding only to fixed remuneration and were fully paid by the Company in 2016 and by its subsidiaries in 2015.

(amounts expressed in Euro)

Under Article 3 28/2009 of 19 June, the Company hereby informs that the remuneration received by the Board members can be detailed as follows: Paulo Fernandes - 392,000 Euro; João Borges de Oliveira - 392,000 Euro; Domingos Matos - 225,400 Euro; Pedro Borges de Oliveira - 225,400 Euro; Ana Mendonça – 114,000 Euro; Laurentina Martins - 59,500 Euro; José Archer - 59,500 Euro.

On December 31, 2016, there are not: (i) plans or incentive systems related to grant of shares to members of the Board, (ii) supplementary pensions or early retirement for directors, or (iii) non-cash benefits considered as remuneration.

The director Laurentina Martins benefits from a pension plan assigned before her appointment to the Board of Directors because, at the grant date, she was a worker of the subsidiary Caima - Indústria de Celulose, SA. The main features and information about the referred plan are detailed in Note 29 a). On that date, the present value of pensions in payment related with this director amounted to 382,443 Euro and no contribution to the fund was made in 2016. The value received by her through the pension fund in 2016 was 33,705 Euro.

Altri, SGPS, SA does not have any plan to grant shares or stock options to the members of the governing boards or to its employees.

## 33. OTHER INCOME

As of 31 December 2016 and 2015, the caption “Other income” can be detailed as follows:

| | 31.12.2016 | 31.12.2015 |
|---|---|---|
| Subsidies to investments and to exploitation | 4,778,755 | 5,138,483 |
| Gains on disposal or fixed assets | 865,825 | 487,179 |
| Gains on commodities derivate contracts | 2,358,050 | 305,060 |
| Others | 1,540,276 | 1,920,132 |
| | 9,542,906 | 7,850,855 |

## 34. OTHER EXPENSES

As of 31 December 2016 and 2015, the caption “Other expenses” can be detailed as follows:

| | 31.12.2016 | 31.12.2015 |
|---|---|---|
| Direct taxes and fees | 1,848,198 | 1,775,215 |
| Losses on commodities derivate contracts (Note 28) | - | 28,355 |
| CO2 License | 99,663 | 706,000 |
| Others | 2,942,391 | 1,539,771 |
| | 4,890,251 | 4,049,341 |

(amounts expressed in Euro)

## 35. NET FINANCIAL LOSSES

Consolidated net financial losses for the years ended 31 December 2016 and 2015 are made up as follows:

| | 31.12.2016 | 31.12.2015 |
|---|---|---|
| Financial expense: | | |
| Interest (Note 21) | (13,908,735) | (15,840,301) |
| Exchange losses | (3,338,429) | (6,379,199) |
| Losses in derivatives | (1,003,820) | (3,257,100) |
| Other financial expenses | (6,327,368) | (6,468,939) |
| | (24,578,351) | (31,945,538) |
| Financial income: | | |
| Interest | 602,592 | 2,584,521 |
| Exchange gains | 4,739,370 | 5,129,561 |
| Other financial income | 623,978 | 559,687 |
| | 5,965,940 | 8,273,770 |

The caption "Losses on derivatives" corresponds to the losses originated by the changes of the derivatives fair value and the loss on interest rate derivatives instruments that matured or were paid until that date (Note 27).

The caption “Other financial expenses and losses” includes, mainly, expenses with loans setup, which are recognized in the profit and loss statement through the duration of those loans (Note 21).

## 36. AMORTISATION AND DEPRECIATION

As of 31 December 2016 and 2015, the caption “Amortisation and Depreciation” can be detailed as follows:

| | 31-12-2016 | 31-12-2015 |
|---|---|---|
| Tangible fixed assets (Note 7) | 51,113,207 | 52,746,593 |
| Investment properties (Note 8) | - | 7,381 |
| Intagible Assets (Note 10) | 78,791 | 79,708 |
| | 51,191,998 | 52,833,682 |

(amounts expressed in Euro)

## 37. EARNINGS PER SHARE

Earnings per share for the years ended 31 December 2016 and 2015 were determined taking into consideration the following amounts:

| | 31-12-2016 | 31-12-2015 |
|---|---|---|
| Number of shares for the computation of basic and diluted earning | 205,131,672 | 205,131,672 |
| Net profit considered for the computation of basic and diluted earning | 76,977,826 | 117,656,401 |
| Earnings per share | | |
| Basic | 0.38 | 0.57 |
| Diluted | 0.38 | 0.57 |

As of 31 December 2016 and 2015, there are no dilution effects of the number of shares issued.

## 38. SEGMENTAL INFORMATION

On 16 April 2008, was signed the Altri SGPS, S.A. spin-off public deed. Under the terms of that project, the planned reorganization implies the split of Altri's two business units that manage equity holdings in the pulp and paper sector and in the steel and storage systems sector. This reorganization aimed a bigger focus and transparency on ALTRI’s business, and giving each of the areas an opportunity to be better seen and better evaluated by the market. This allows for the Altri Group to focus its activity on its core business, production and commercialization of bleached pulp from eucalyptus, so the Board of Directors believes that there is only one business segment and the management information is reported and analysed on this basis.

Sales and services rendered in 2016 and in 2015 by the Group, according to the geographic segments, were as follows:

| | 31.12.2016 | 31.12.2015 |
|---|---|---|
| Domestic market | 116,161,818 | 123,551,976 |
| International market | 486,791,011 | 533,422,409 |
| | 602,952,829 | 656,974,385 |

## 39. PAYROLL EXPENSES

During the years ended 31 December 2016 and 2015, the average number of employees of the companies included in the consolidated financial statements by the full consolidation method was of 682 and 666, respectively.

As of 31 December 2016 and 2015, the caption “Personnel expenses” can be detailed as follows:

| | 31.12.2016 | 31.12.2015 |
|---|---|---|
| Remunerations | 24,132,202 | 24,232,014 |
| Social security contributions | 4,565,536 | 4,735,135 |
| Pension costs | 1,642,889 | 1,110,341 |
| Employee benefits | 234,185 | 1,018,172 |
| Indemnities | 435,508 | 1,707,751 |
| Insurances | 720,386 | 671,754 |
| Others | 2,105,578 | 1,801,863 |
| | 33,836,284 | 35,277,030 |

## 40. EXTERNAL SUPPLIES AND SERVICES

As of 31 December 2016 and 2015, the caption “External Supplies and Services” can be detailed as follows:

| | 31.12.2016 | 31.12.2015 |
|---|---|---|
| Energy | 36,914,260 | 40,762,611 |
| Transport of goods | 34,534,687 | 30,612,214 |
| Fuels | 15,962,027 | 20,095,613 |
| Plantations | 15,857,077 | 16,156,437 |
| Maintenance and repair | 12,210,386 | 13,685,738 |
| Rents and leasing | 10,786,865 | 10,722,571 |
| Others | 34,869,888 | 30,801,023 |
| | 161,135,191 | 162,836,207 |

## 41. FEES OF STATUTORY AUDITOR

The remuneration paid to auditors of the Group and other individuals or entities belonging to the same network, by all the group companies in 2016 and 2015, were as follows:

| | 31.12.2016 | 31.12.2015 |
|---|---|---|
| Statutory Audit (in Euro) | 210,817 | 253,944 |
| Other assurance services (in Euro) | 178,927 | 198,044 |
| Tax consulting services (in Euro) | 77,873 | 55,453 |
| Other services (in Euro) | 73,290 | 152,155 |
| | 540,907 | 659,596 |

## 42. ALLOCATION OF NET PROFIT

As regards the year 2015, the Board of Directors proposed in its annual report that the individual net profit of Altri, SGPS, S.A. amounting to 103,489,990.30 Euro would be transferred to Legal Reserves - 791,793.55 Euro, to Free Reserves - 132,360.75 Euro and the amount of 102,565,836.00 to dividends. These proposals were approved by the General Shareholders' Meeting held on April 21, 2016.

(amounts expressed in Euro)

For 2016, the Board of Directors proposes in its annual report the individual net profit of Altri, SGPS, S.A., amounting to 59,541,558.30 Euro, to be allocated as follows:

| | |
|---|---|
| Free reserves | 8,258,640.30 |
| Dividends distribution | 51,282,918.00 |
| | ---------------------- |
| | 59,541,558.30 |
| | ============= |

43. ENVIRONMENTAL INFORMATION

Following the Kyoto Protocol, the European Union committed herself to reduce the emission of greenhouse gases. Therefore, it has issued a Directive that predicts the commercialisation of carbon dioxide emission licenses. This directive was transposed to the Portuguese legislation and became mandatory since 1 January 2005, namely, for the pulp and paper industry.

Following the ministerial dispatch number 38/2013 dated 15 March 2013, the Portuguese government distributed to the companies the carbon dioxide emission licenses. The Group companies received a free license for the emission of 89,945 tons of carbon dioxide in 2016. If the Group exceeds that amount it must buy in the market the remaining licenses. The distribution of the carbon dioxide emission licenses is made in the beginning of the following year, being the emission amounts presented subject to a certification made by an independent entity.

Bearing in mind that these licenses refer to the period 2013-2020, in accordance with the estimates for the year 2012, the Group does not expect this legislation to carry significant additional costs for 2016.

As of 31 December 2016, the Group has not recorded any liability concerning environmental issues, nor has disclosed any environmental contingency, since the Board of Directors believes that, as of that date, no obligations and responsibilities arising from past events have occurred that lead to significant costs to the Group.

44. SUBSEQUENT EVENTS

On March 2017, Altri SGPS, S.A. issued a bond loan amounting 70 million Euro with a maturity of 7 years, designated “Altri 2017-2024”. In the same date, the company acquired 500 bonds representative of the bond loan “Altri/Novembro 2018”, amounting 50 million Euro, having amortised and cancelled them. After these operations, this loan is now represented by 200 bonds with a nominal value of 20 million Euro. These transactions, approved by the Board of Directors in 2017, are in line with the group’s financial strategy of extending maturities, reinforcing equity structure and diversifying financing sources.

Additionally, as of March 2017 Celbi used the early redemption clause (exercising the call option of the contract) and reimbursed the remaining amount of bond loan “Celbi 2014/2019”, represented by 327 bonds with a nominal value equal to 32,700,000 Euro and that had not been exchanged in November, 2016 private bond exchange offer (Note 21).

45. FINANCIAL STATEMENTS APPROVAL

The financial statements were approved by the Board of Directors and authorized for issuance on 23 March 2017. The final approval depends on the agreement of the General Shareholders Meeting.

46. TRANSLATION NOTE

These consolidated financial statements are a translation of financial statements originally issued in Portuguese in accordance with International Financial Reporting Standards (IFRS/IAS) as adopted by the European Union, some of which may not conform or be required by generally accepted accounting principles in other countries. In the event of discrepancies, the Portuguese language version prevails.

The chartered accountant

The Board of Directors

Paulo Jorge dos Santos Fernandes

João Manuel Matos Borges de Oliveira

Domingos José Vieira de Matos

Laurentina da Silva Martins

Pedro Miguel Matos Borges de Oliveira

Ana Rebelo de Carvalho Menéres de Mendonça

José Manuel de Almeida Archer

# STATUTORY AUDIT AND AUDITOR´S REPORT

Deloitte.

Deloitte & Associados, SROC S.A.
Registo na OROC nº 43
Registo na CMVM nº 20161389
Bom Sucesso Trade Center
Praça do Bom Sucesso, 61 - 13º
4150-146 Porto
Portugal

Tel: +(351) 225 439 200
Fax: +(351) 225 439 650
www.deloitte.pt

# STATUTORY AUDIT CERTIFICATION AND AUDIT REPORT

(Translation of a Report and Opinion originally issued in Portuguese.

In case of discrepancy the Portuguese version prevails)

## REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATED FINANCIAL STATEMENTS

### Opinion

We have audited the accompanying consolidated and separated financial statements of Altri, SGPS, S.A. ("the Entity") and of its subsidiaries ("the Group"), which comprise the consolidated and separated statement of financial position as at 31 december 2016 (that presents a total of Euro 1,285,066,552 and Euro 295,460,809 respectively, and a total consolidated and separated equity of Euro 343,642,196 and Euro 105,666,374, respectively, including a net consolidated profit of Euro 76,977,826 and a net separated profit of Euro 59,541,558), the consolidated and separated statement of profit and loss by nature, the consolidated and separated statement of comprehensive income, the consolidated and separated statement of changes in equity and the consolidated and separated statement of cash flows for the year then ended, and the accompanying notes to the consolidated and separated financial statements, including a summary of the significant accounting policies.

In our opinion, the accompanying consolidated and separated financial statements present true and fairly, in all material respects, the consolidated and separeted financial position of Altri, SGPS, S.A. as at 31 december 2016 and of its financial performance and its consolidated and separated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted in the European Union (IFRSs).

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and further standards, technical and ethical directives of 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 the terms of the law and we have fulfilled our other ethical responsibilities arising from the requirements of the ethical code of the Portuguese Institute of Statutory Auditors ("Ordem dos Revisores Oficiais de Contas").

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 and separated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Applicable to the consolidated financial statements:

| **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** | |
| (Notes 2.2.d), 2.3.s) and 9 of the notes to the consolidated financial statements)<br><br>As of December 31st 2016, the carrying amount of Goodwill amounted to 265,531 throusand Euro.<br><br>As required by the International Financial Reporting Standards, management prepares on a yearly basis an impairment test of the Goodwill recognized on consolidated financial statements.<br><br>The impairment tests performed incorporate significant and complex judgments, the discounted cash flows models are based on several assumptions associated with the operations future profitability, namely, growth rates and discount rates.<br><br>This model is both used for the impairment test of goodwill on the consolidated financial statements (265,531 thousand Euro) and the impairment analysis of the book value of Investments in group companies on the separated financial statements (143,069 thousand Euro)<br><br>Considering the amounts, complex nature and significant judgements involved, we understand that this area is subject to significant risks of material misstatement, and thus is a key audit matter. | Our audit procedures in this area included:<br><br>- evaluation of the design and implementation of the relevant control procedures related with evaluation of the recoverability of Goodwill;<br>- obtaining the valuation models approved by the Board of Directors, that were prepared and used by management to determine the recoverable amount of each cash generating unit;<br>- analysing the assumptions made, including discount rates, long term growth rates and estimated cash flows. In order to do so: (i) we involved our internal specialists to challenge the assumptions, discount rates, long term growth, as well as to assess if the computation of the models was made correctly; (ii) assess the reasonableness of the estimated cash flows comparing historical information with the 2017 approved budget.<br><br>Our work also included the analysis of the accuracy of the associated disclosures, considering the applicable accounting principles. |

| **Impairment of biological assets** | |
|---|---|
| (Notes 2.3.i), 2.3.s) and 11 of the consolidated financial statements).<br><br>As stated in Note 2.3 i) of the notes to the consolidated financial statements, Altri Group holds forests as biological assets, which uses as raw material in the production process, that are recorded at acquisition cost.<br><br>On an annual basis, management prepares an impairment test for its biological assets at year end. The impairment tests performed incorporate significant and complex judgments, the discounted cash flows models are based on several assumptions, namely, expected sale price of wood and allocation by species of the costs to be incurred until the first cut. The present value of these cash flows is computed considering a discount rate.<br><br>Considering the amounts, complex nature and significant judgements involved, we understand that this area is subject to significant risks of material misstatement, and thus is a key audit matter. | Our audit procedures in this area included:<br><br>- evaluation of the design and implementation of the relevant control procedures related with evaluation of the recoverability of biological assets, as well as relevant control procedures related with maintenance of the forest master file on which the impairment test is based.<br>- obtaining the impairment test prepared by management in order to determine the recoverable amount of these assets, and assess if the model is appropriate and the computation was done correctly;<br>- analysing the assumptions made, including discount rates, expected sale price of wood and costs to be incurred until the first cut. In order to do so: (i) we involved our internal specialists to challenge the discount rates used; (ii) assessed the reasonableness of the wood price considering historical data; (iii) analysed the reasonableness of costs to be incurred until the first cut and allocation between species by comparing with costs incurred on the current year and assessing if all relevant costs are being considered.<br><br>Our work also included the analysis of the accuracy of the associated disclosures, considering the applicable accounting principles. |

| Tax contingencies / Provisions and contingent liabilities | |
|---|---|
| (Notes 2.3.j), 2.3.m), 2.3.s) and 22 of the notes to the consolidated financial statements)<br><br>As at December 31st 2016 there are some pending litigations with tax authorities, some of which are already being trialled in court. The Group has recorded provisions for all pending litigations for which it is considered probable that a future outflow will occur.<br><br>The classification of the pending litigations as contingent liabilities or provisions, and its measurement in accordance with IAS 37 – Provisions, contingent liabilities and contingent assets, are matters that imply a significant amount of judgement and uncertainty. Thus there is a risk that the decisions made and/or the amounts estimated for the future outflows might not be adequate.<br><br>Considering the amount of provisions recorded, the amounts of the pending litigations and the complex nature and significant judgements involved, we understand that this area is subject to significant risks of material misstatement, and thus is a key audit matter | Our audit procedures in this area included:<br>- we obtained from the tax department of the Group, an update of the relevant pending tax litigations, including the assessment of the probability of the future outflow, as required by the applicable accounting principles;<br>- we obtained confirmations from legal and tax counsellors and advisors of all the pending litigations as well as changes and developments occurred during the year and current situation;<br>- for a sample of the pending litigations, made through qualitative and quantitative criterions, we involved internal specialists in order to analyse and assesse the probability of the future outflow according to the applicable accounting principles;<br>- discussed with management and external experts the assumptions and statements supporting the classification made, challenging them;<br>- Additionally, for the selected sample, we also reviewed the correspondence related with those litigations in order to assess the reasonableness of management's assumptions and computations.<br><br>Our work also included the analysis of the accuracy and completeness of the associated disclosures, considering the applicable accounting principles. |

Applicable to the separated financial statements:

| **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** | |
| (Notes 2.2.f.i), 2.2.f.ii) and 4 of the notes to the separated financial statements)<br><br>As stated in Note 2.2.f.i) e 2.2.f.ii) the investments in group companies are classified as held for sale, in accordance with applicable accounting principles. They are recorded at acquisition cost less impairment losses recognized, as management understands it is not possible to reliably measure their fair value.<br><br>As at December 31st 2016 the Entity held investments in group companies recorded at acquisition cost less impairment losses recognized on its separated financial statements, amounting to 143,069 thousand euro (same amount as of December 31 2015).<br><br>Considering the relevance of these assets for the separated financial statements as well as the judgements involved, we understand that this is a key audit matter. | Our audit procedures in this area are based on the procedures performed to analyse the impairment tests of goodwill on the consolidated financial statements, as well as on the assessment if the computation of the models was made correctly and analysis of all other assumptions made and models applied.<br><br>Our work also included the analysis of the accuracy of the associated disclosures, considering the applicable accounting principles. |

**Responsibilities of Management and Supervisor Body for the consolidated and separated financial statements**

Management is responsible for:

- the preparation of consolidated and separated financial statements that present true and fairly, in all material respects, the financial position, the financial performance and the cash flows of the Entity and the Group in accordance with IFRS as adopted by the European Union;
- the preparation of a management report, including a 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 Group'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 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 and separated 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 skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated and separated 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 and 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 and separated financial statements, including the disclosures, and whether the consolidated and separated 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 and separated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion;
- 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 consolidated and separated 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 consolidated and separated financial statements and the verifications required in article 451, numbers 4 and 5, of the Portuguese Commercial Code ("Código das Sociedades Comerciais").

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

### About the Management report

In compliance with article 451, number 3.e) of the Portuguese Commercial 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 and separated financial statements, and considering our knowledge and appreciation of the Group, we did not identify material misstatements.

### About the corporate governance report

In compliance with article 451, number 4, of the Portuguese Commercial 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 mistakes 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.

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

In compliance with article 10 of Regulation (UE) 537/2014 of the European Parliament and of the Council of April 16th, 2014, and beyond the key audit matters mentioned above, we further report on the following:

- We have been appointed auditors of Altri, SGPS, S.A. for the first time in the shareholders' general assembly that took place on February 15th 2005 for a mandate covering the period between 2005 and 2007. We have been elected in the shareholders' general assembly that took place on April 24th 2014 for a second mandate covering the period between 2014 and 2016.
- 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 consolidated and separated financial statements due to fraud. As a result of our work, we have not identified any material misstatement in the consolidated and separated 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 March 31st 2017.

- We declare that we have not rendered any prohibited services under the terms of article 77, number 8, of the Legal Regime of the Portuguese Statutory Auditors and that we kept our independence from the Group during the execution of the audit.
- We inform (I) that, beyond the audit, we rendered to the Group the following services allowed by the law and regulations applicable:

| | |
|---|---|
| Other assurance services | 178 927 |
| Tax consulting services | 77 873 |
| Other services | 73 290 |
| | 330 090 |

Porto, March 31st 2017

Deloitte & Associados, SROC S.A.
Represented by António Manuel Martins Amaral, ROC

# REPORT AND OPINION OF THE STATUTORY AUDIT BOARD

**Report and Opinion of the Statutory Audit Board**

(Translation of a Report and Opinion originally issued in Portuguese.
In case of discrepancy the Portuguese version prevails)

**To the Shareholders of**
ALTRI, SGPS, S.A.

In compliance with the applicable legislation and our mandate, we hereby submit our Report and Opinion, which covers the Board of Director's Report and the individual and consolidated Financial Statements of Altri, SGPS, S.A. ("Company") for the year ended 31 December 2016, which are the responsibility of the Company's Board of Directors.

1. Report over the year's activity

During the year under analysis, the Statutory Audit Board accompanied the operations of the Company and its affiliates, the timely writing up of accounting records, compliance with statutory and legal requirements and the effectiveness of the risk management and internal control systems, having held meetings with the periodicity and length considered appropriate and having always obtained, from the Board of Directors and personnel of the Company and its affiliates, all the information and explanations required.

As part of its duties, the Statutory Audit Board examined the separated and consolidated statement of financial position as of 31 December 2016, the separated and consolidated statements of profit and loss, comprehensive income, changes in shareholders' funds and cash flows for the year then ended, and the corresponding notes.

In the exercise of its competences, the Statutory Audit Board held, regularly, meetings with Statutory and External Auditor's representatives in order to monitor the audit work carried out and take note of its conclusions, in addition to assessing its independence. In this area, the Statutory Audit Board analyzed the proposals that were presented to it for non-audit services by the Statutory and External Auditor, having approved those that related with permitted services, did not affect the independence of the Statutory and External Auditor and fulfill the other legal requirements.

The Statutory Audit Board reviewed the statutory audit certification and audit report regarding the separated and consolidated information of the year 2016, which comprehends the consolidated and separated statement of financial position for the year ended as of December 31, 2016, the consolidated and separated statements of profit and loss, comprehensive income, changes in shareholders' funds and cash flows for the year then ended, and the corresponding notes, which does not include any reserves.

The Statutory Audit Board also reviewed the Corporate Governance Report, assuring that it includes all the elements referred to in article 245º-A of the Portuguese Securities Market Code.

Finally, the Statutory Audit Board also analyzed the Additional Report to the Statutory Audit Board and other documentation issued by the representative of Deloitte & Associados, SROC SA, Statutory and External Auditor of the Company.

2. Declaration of Responsibility

Within the scope of the powers of its competences, the Statutory Audit Board declares that, to its knowledge and conviction, the information contained in the separated and consolidated financial statements were prepared in accordance with applicable accounting standards, giving a true and fair view of the assets and liabilities, financial position and the results of Altri, SGPS, S.A. and the companies included in the consolidation. Also, it is their understanding that the Board of Directors Report adequately describes the business, performance and financial position of Altri, S.G.P.S., S.A. and of the companies included in the consolidation perimeter and contains a description of the major risks and uncertainties that they face. It is also declared that the Corporate Governance Report complies with article 245º A of the Portuguese Securities Market Code.

3. Opinion

Accordingly, taking into account the diligences, opinions and information received from the Board of Directors, the Entity's services and the Statutory and External Auditor, the Statutory Audit Board is of the opinion that:

1. Nothing prevents the approval of the separated and consolidated Director's Report for the year 2016;
2. Nothing prevents the approval of the separated and consolidated Financial Statements for the year 2016;
3. Nothing prevents the approval of the proposal for the net profit appropriation presented by the Board of Directors, which is duly substantiated

We wish to express our appreciation to the Board of Directors and to the various services of the Entity and of its subsidiaries for their collaboration.

Porto, March 31, 2017

The Statutory Audit Board

Pedro Pessanha
Statutory Audit Board President

André Pinto
Statutory Audit Board Member

José Guilherme Silva
Statutory Audit Board Member

Head Office: Rua do General Norton de Matos, 68 · r/c
4050-424 Porto | PORTUGAL
T: +351 22 8346502
F: +351 22 8346503
sede@altri.pt
www.altri.pt

---

Fiscal Number 507 172 086
Share Capital: 25,641,459 Euro