Inspired by water..

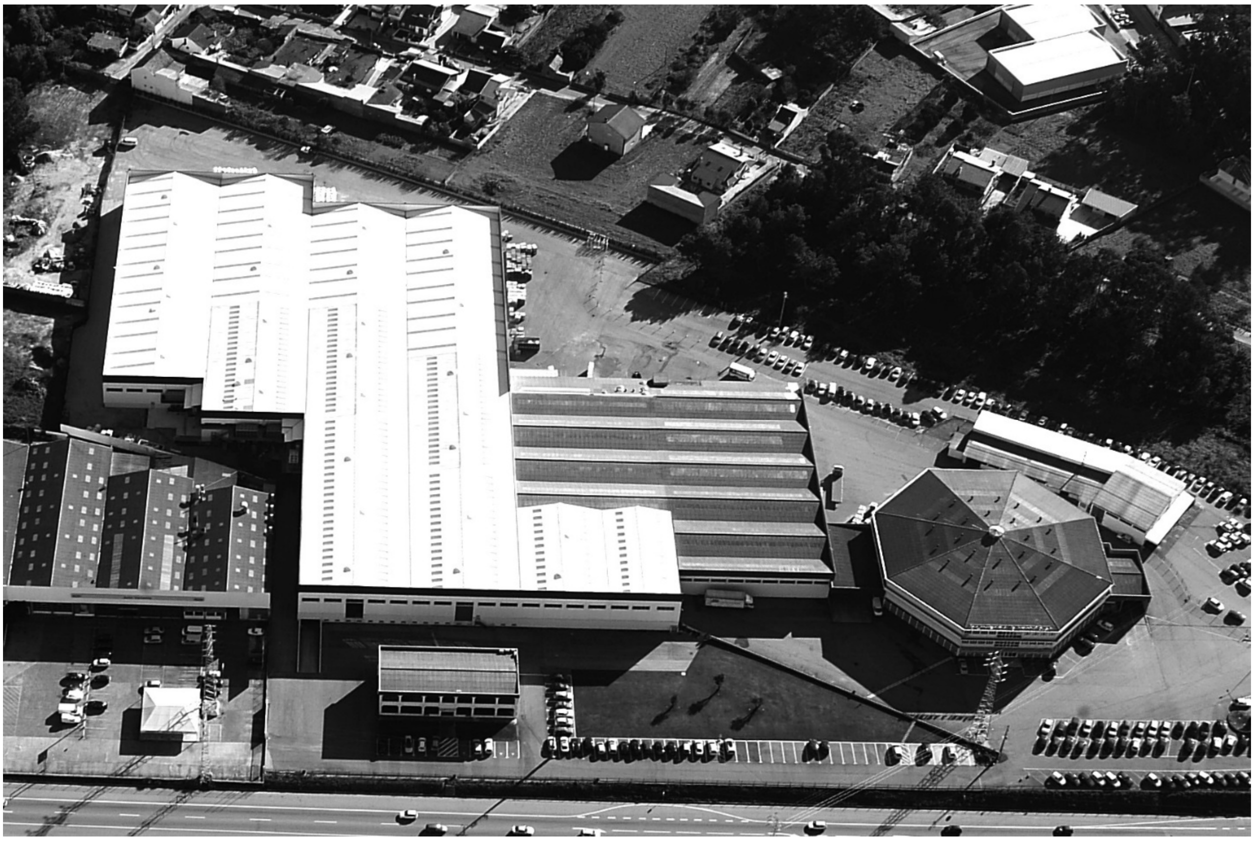
OLI

Annual Financial Report

2015

I. Management Report

In accordance with articles 65 and 66 of the Companies Code, we hereby present the 2015 Management Report and accounts for the company Oliveira & Irmão, S.A., with registered office at Travessa do Milão, Parish of Esgueira, Municipality of Aveiro, taxpayer no. 500 578 737, registered at the Companies Registry Office of Aveiro under the same number, with a fully paid-up share capital of €10,000,000, corresponding to 2,000,000 shares with a nominal value of 5 euros each.



www.oli-world.com

II. Report of the Board of Directors – Individual accounts

Message from the Chairman

Another year has passed and another year has begun under the rule of uncertainty.

Social and political developments in Europe (and not only in Europe) do not allow for very reliable forecasts, apart, perhaps for the prediction that the world as we knew it until a few years ago, will be replaced with a new one, with a new order and new rules of "conviviality" among nations.

In Portugal, even though it seems that, for now, at least, we have been spared from some of the international problems, there are plenty of domestic issues to worry about: an economy having trouble gaining momentum, reforms that were not implemented, an economic structure that has not changed, the reliance on factors that are too distant from the wishes and moods of our "leaders" and, as such, something has changed so that everything would stay the same (hopefully!) despite the best efforts and sacrifices of a drained middle class.

We like to believe that, domestically, the "invisible hand" will be benevolent to us and that good sense will finally prevail in this tired, sick, old Europe.

For our part (at home), we will continue to work as if the world were in order and economies were functioning properly. As always, we will fight for improved performance and increased market shares, based on our firm belief that common sense is just around the corner, that politics will rediscover its true calling and that a better future for all also lies around that corner!

1. Economic background and performance

Macroeconomic Background

The macroeconomic performance of most of the countries that constitute our sales destinations was anaemic, or even of full-blown recession. The economy in Europe, where we continue to make most of our sales (over 84% if we include sales in Portugal), remains anaemic and unable to get out of the torpor in which it fell after the 2008 crisis.

There are, however, several countries in Europe showing some signs of improvement in the construction sector. In Eastern Europe, as in the Middle East, local problems are, of course, disturbing the economic environment and hindering our sales operations.

The relatively good performance of our sales was the result of increased efforts by our organisation, and not of an improvement in general macroeconomic conditions. In other words, our increased sales in some countries were due to an increase in our market share and not to the growth of those markets.

2. Development of activities throughout 2015

Domestic and Portuguese-speaking African countries (PALOPs) distribution

Sales involving this process (including sales in Portugal and in PALOPs of goods purchased and products manufactured by us) accounted for 21.3% of the company's total sales, which represents a stabilising of that percentage in relation to 2014 and an increase in absolute value: a 10% growth, which translates into an increase in value of about €900,000.

An analysis of the breakdown per category reveals generally higher sales of manufactured products, with particularly good performance in the category of interior toilet flushing systems.

Purely commercial activities (purchases and sales) performed well, having grown by 13%, particularly driven by the sale of piping, heating equipment and bathroom furniture.

Sales in the PALOPs experienced a slowdown, as a consequence of the economic difficulties felt in those markets.

Exports and sales to domestic ceramics companies

Sales under this category performed well, recording a growth of 8%. Sales of industrial products to national ceramics companies grew by about 3%. Exports of industrial products performed well, having grown by approximately 8%.

We are starting to notice some results from our efforts to reduce our concentration in Europe, with some regions outside Europe showing a tendency to grow above our average growth rate, although this growth is, in absolute terms, relatively modest, as it grows from historically low figures.

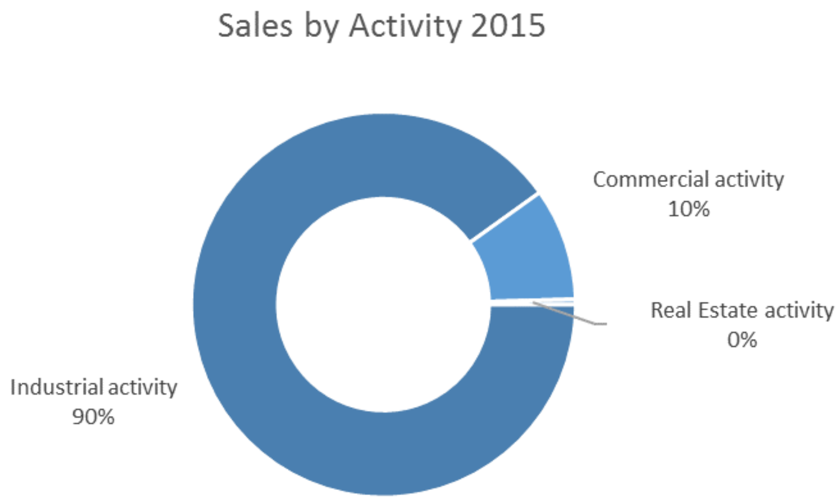
Conclusion and summary of the year's main economic indicators

Overall sales reached €46,109,674, which represents 9% growth over the previous year. A comparative analysis between the domestic and foreign markets reveals the following:

- Domestic market: €10,595,213 (23% of our total sales), a 13% growth
- Foreign market: €35,514,461 (77% of our total sales), an 8% growth

The breakdown of total sales per activity is as follows:

- Industrial activity €41,543,624 (90.1% of the total), an 8% growth
- Commercial activity €4,360,051 (9.5% of the total) a 13% growth
- Real estate activity €206,000 (0.4%)



It should be noted that the internal market, as well as commercial activity, recorded the highest growth rates in some years.

In terms of profitability, there was an improvement. Net profit amounted to €3,462,934, as a consequence of the following key factors:

- Increased activity
- Improvement in gross margin
- Improved performance of subsidiaries

3. Outlook for 2016

Commercial Activity (Domestic Market and Portuguese-speaking African Countries (PALOPs)

Domestic Market

The market is far from being stabilised and is very sensitive to any disturbing factor, however small it may be.

The construction market continues to suffer from the imbalances of recent years and the refurbishment market (a market that is more difficult to follow, in commercial terms) may finally give some positive contributions to our performance, but the development of this market is linked to factors that are difficult to predict.

On the other hand, market agents have yet to fully absorb the financial problems caused by the sharp drop in construction (and the subsequent bankruptcies) for many entities, entailing high volumes of bad debt and hindering the normal functioning of traditional distribution (favouring the so-called "modern distribution," which, due to its different form of capitalisation and organisation, has been gaining market share year after year).

Foreign Market

The foreign market for our commercial activity is basically limited to sales in the PALOPs, where there are many uncertainties, so we do not expect improvements on this front.

We dare to estimate growth in commercial activity of a bit over 5% (albeit dependent on factors that can improve or worsen this forecast!)

Industrial Activity

Domestic Market

The weight of sales to domestic ceramics companies in our total sales continues to shrink. We do not foresee significant changes in this line of business.

Foreign Market

We expect a positive development of sales in the foreign market. Over the last few years, we have implemented a few changes in our industrial and commercial strategies, which we believe are now beginning to bear fruit. In 2016, we will continue to consolidate the implementation of an enhanced segmentation in markets and products.

On the one hand, we will strengthen our partnerships with OEMs in Europe and in other countries. On the other hand, we will seek to boost the sales of products in the OLI catalogue, be it by intensifying collaboration with our traditional network of customers and distributors or through the newly created branches.

We will seek the right balance between traditional distribution and modern distribution, working with differentiating products in each of these channels.

With regard to OEMs, which have always had significant weight and an important role in our strategy, we intend to strengthen our appetite and ability to develop solutions tailored to the needs of each partner, seeking to affirm ourselves as an increasingly important partner for key players this market, seeking to promote intense technical collaboration for developing specific solutions, suitable to the needs of each partner, also looking to broaden the geographical base of those customers, no longer being confined to Europe. We are working on developments with partners in the Middle East and in the Americas.

Regarding the distribution of catalogue products (OLI brand), and as mentioned above, we have opened two new sales branches in Germany and Russia, with the aim of increasing our presence in these two important markets. In both cases, we will keep a stock of catalogue products and a network of experienced salespersons, which we believe will allow us to have a strong presence in these markets within two to three years.

Also a brief reference to the Spanish market, where we have never had a major presence and where we are testing a new commercial organisation model, which is more suited to the Spanish commercial habits, expecting to improve our presence here also, through a new commercial proximity model and stock in key regions.

We are also intensifying our sales operations in other markets, acquiring new customers, in order to achieve a substantial increase in our presence, in Europe and in other geographic locations.

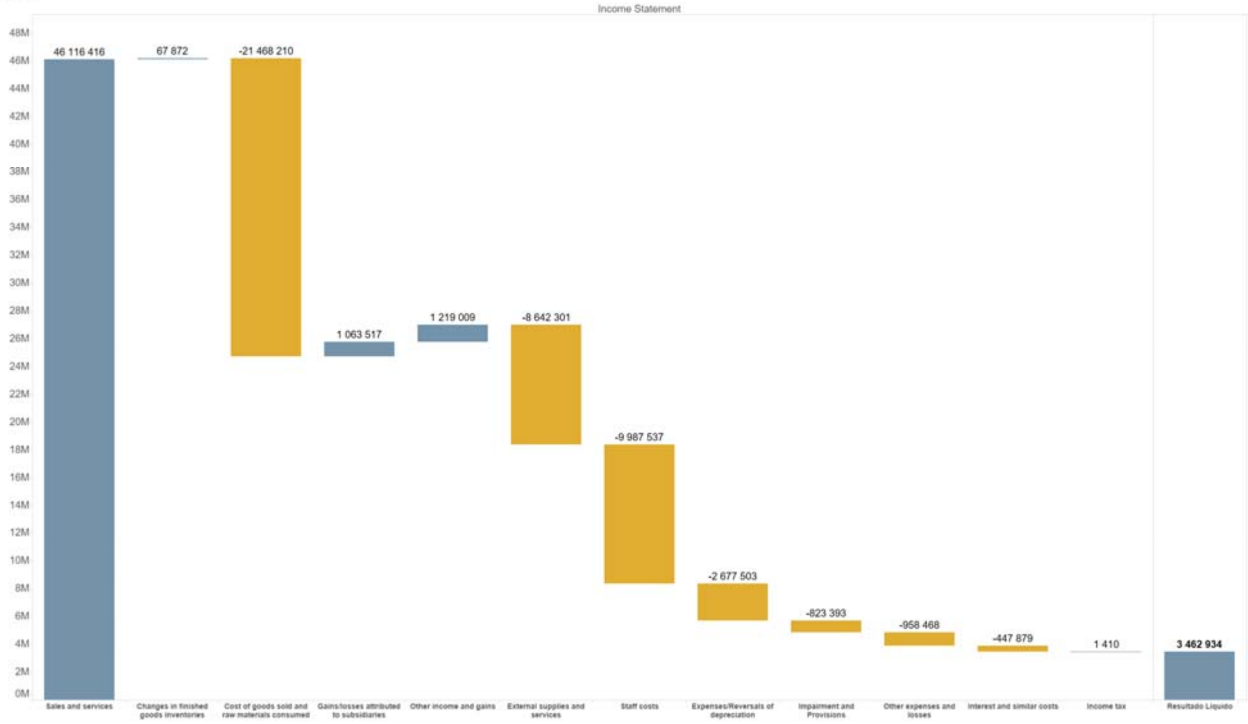
Lastly, a brief reference to the careful attention we are giving to the so-called "modern distribution," with the segregation of a range of products for this increasingly important distribution channel.

4. Economic and financial analysis 2015

Economic Analysis

In 2015, OLI reached a turnover of around €46M, which represents an increase of €3.8M, corresponding to 9% growth over 2014. As already mentioned, this good performance was driven by sales in the domestic market, which have increased by 13%, and in the foreign market, which grew by 8%. This good performance was driven by the diversification strategy initiated several years ago, which allowed the company to be present, with sales, in 67 different markets in 2015.

2015

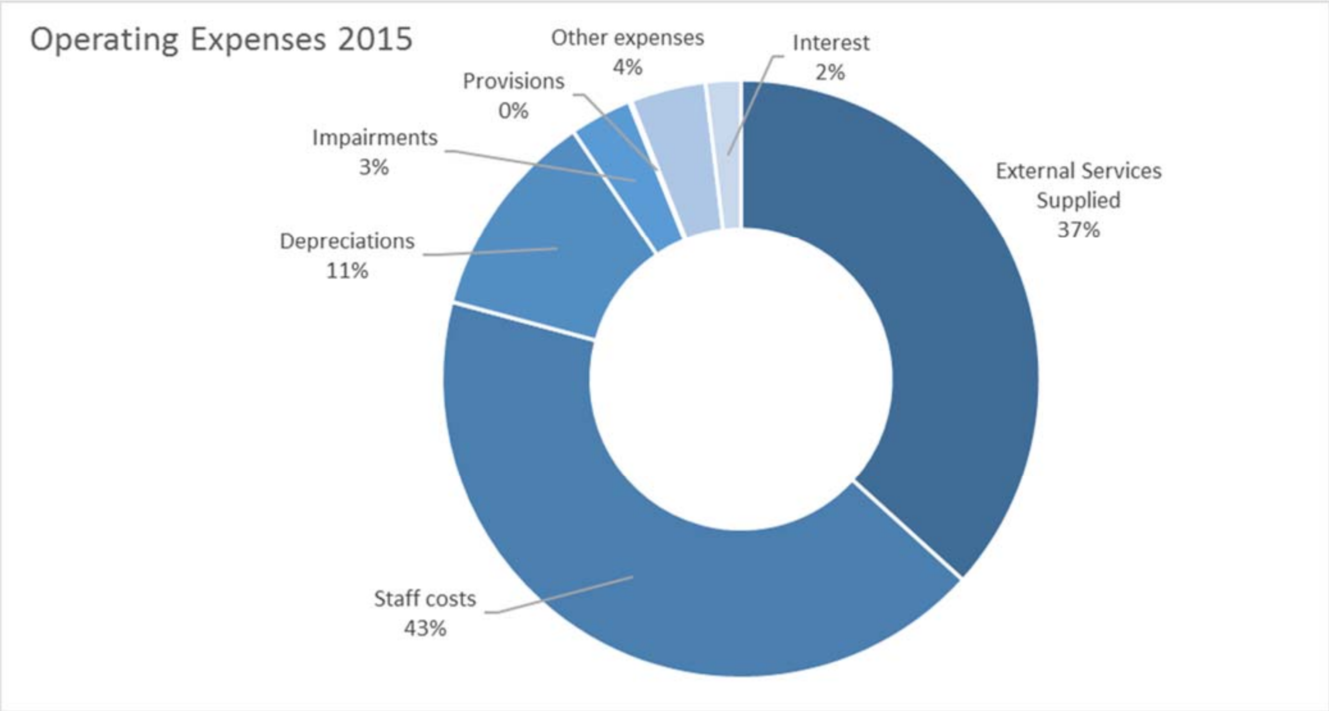


In addition to this good performance in turnover, there were equally positive developments in the gross accounting margin, which benefited from a scenario of declining costs of certain raw materials in international markets, as well as from efforts to cut costs, where the search for more competitive solutions brought some benefits. Gross margin increased by 3pp, reaching 53.6% of turnover.

In terms of operating expenses, these followed the increase in the company's operating activity, having recorded an increase of €3.2M, corresponding to 16% of total expenditure, the largest contributions to this increase coming from External Supplies and Services (ESS) and Staff Costs, with increases of 21% and 11%, respectively.

In ESS highlight goes to the increase in headings relating to subcontracts, maintenance and repair and tools and utensils, these three related to the industrial activity, increased freight expenses, as a result of increased commercial activity and the increase in headings related to advertising and representation expenses, as a result of the increased awareness we have been raising to the OLI brand.

In staff costs, as result not only of increases in activity and in the number of employees, but also of a wage increase, implemented mid-year.



Impairments were another item that contributed to higher operating costs, namely those associated with subsidiaries, the real estate activity and customer debts. With regard to the subsidiaries, an impairment of €561,500 was recognised in relation to the loan granted by OLI to Soplasnor, which was settled in 2015. As a result of a real estate transaction, for the sale of its facilities to OLI, Soplasnor paid a significant portion of the outstanding loan to OLI. As this subsidiary has no other significant assets, OLI decided to record an impairment for the remaining amount. As for inventory, the increased impairment, in the amount of €181,013 resulted from the identification of some items in stock whose turnover is very low, and, conservatively, the company decided to adjust the corresponding figure. With regard to customer debts, the respective impairment was increased by €49,500, as a result of a number of cases of potential default by customers.

Depreciation and amortisation for the year increased by about €302,371, due to the company increasing investment in fixed assets over recent years.

In other expenses and losses, in 2015, there was an increase over 2014, of €342,270, with highlight to items related to inventory losses, which recorded an increase of €132,454, and in items related to cash discounts granted, which increased by €66,726, as a result of increased commercial activity.

As in the previous year, the item 'Interest and similar expenses' recorded a decrease, of €276,563. Despite the increase in debt in comparison to 2014, the company benefited not only from a low-rate environment, with Euribor declining over the year, but also from increased competitiveness between the financial institutions from which the company obtains financing, as it was able to negotiate better financing conditions.

OLI was able to improve its profitability through the combined effect of higher activity and gross margin, along with lower operating costs. *EBITDA* rose by €589,534, i.e., about 10% over the previous year. In relative terms and in comparison with sales, the ratio stood at 14%. *Cash-flow* increased by 23%, from €5.7M in 2014 to €7.0M in 2015.

Invested Capital

In 2015, working capital decreased by €913,464, essentially as a result of a reclassification of inventory, which included the removal of a property worth €1.3M, which was transferred to investment properties.

As for investments in fixed assets, in 2015 these reached €5.3M, a 58% increase over 2014. Investments were concentrated in 4 areas:

- Land and Buildings - 23%
- Molds – 40%
- Production Equipment –22%
- The remaining 15% went into office and transport equipment, as well as to other tangible and intangible assets.

Financial analysis

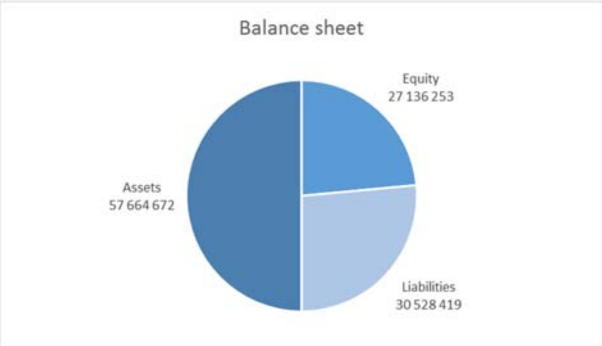
As already pointed out, in 2015 the company increased its free capital, having increased its cash flow by about €1.3M (+23%). Despite this increase in free capital, given the development of invested capital, namely in fixed assets, it was necessary to increase debts to banks, having closed 2015 with a net debt of €16.9M (+€1.8M in relation to 2014).

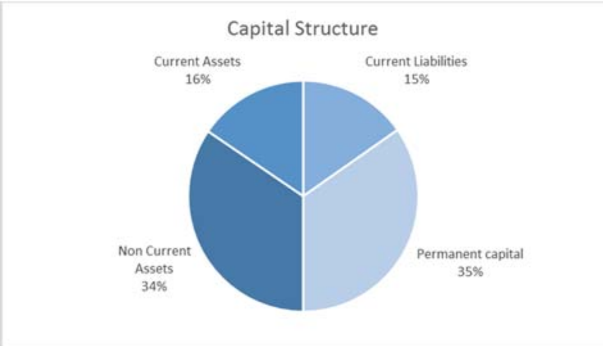
This increase in debt, combined with increased *EBITDA*, allowed the company to maintain the debt/*EBITDA* ratio at 2.6.

Item	2014	2015
Net debt	15,137,604	16,945,076
Net debt / EBITDA	2.52	2.57

Despite increased debt, given the better bank financing conditions obtained by the company in the banking market, it was possible to reduce financing costs by about 0.3M€, corresponding to -38%.

The company maintained its capital structure optimisation policy by seeking to finance investments in fixed assets and permanent needs for working capital through medium- and long-term financing. It also financed its treasury cycle through short-term instruments. Consequently, in late 2015 fixed capital accounted for 101% of non-current assets, whereas current liabilities represented 98% of current assets. Financial autonomy stood at 47%.





In this capital structure optimisation, highlight goes to a structuring operation carried out on our medium- and long-term financing, in the amount €4.5M, for a period of 12 years. This operation was completed near the end of the year and allowed, not only to increase fixed capital and streamline debt service, but also to take another step in reorganising the business group led by OLI. This operation allowed transferring the property previously owned by Soplasnor to OLI, with the subsequent transfer of the respective assets and income generated.

5. Research, Development and Innovation

The globalisation of markets and the emergence of new technologies has been the driving force revolutionising the concept of demand, supply and distribution of new products, which led OLI to look at Research and Development (R&D) as a tool for improvement, to enhance its productivity and competitiveness. OLI is positioned in the market as a global company and has been strengthening its position in new target markets.

Certificações de produto
Product certifications

DE PT FR AU UK NL ZA

Qualidade e certificações
Quality and certifications

The reformulation of the Research, Development and Innovation (RDI) process, which began in 2014, continued throughout 2015. During this period, the R&D department mustered up the resources to be able to respond, in a timely manner and ensuring quality, to the new demands arising from the market diversification strategy. In order to streamline the process, strengthen the existing knowledge and develop more and more products with innovative features, three new mechanical engineers were hired for the development team.

The management of the company's patent portfolio is important for its strategy, as is reflected by the investment made in Industrial Property. OLI currently owns about 50 patents.

The importance of protecting the Intellectual Property of the solutions developed by OLI is assessed on a case-by-case basis, taking into account the level of innovation, given the state of the art, and the effective significance of the invention. In 2015, 5 new patent applications were filed. As in the two previous years, in 2015, OLI was, once again, the Portuguese company that filed the most patent applications with the European Patent Institute, with a total of 5 applications. It should be pointed out that the strategy defined by the company for the Management of Intellectual property is regarded as exemplary in the Portuguese business fabric.

Also in 2015, OLI was honoured at the Litoral *Awards* Gala, in the Innovation category, expressing the recognition of the coastal region of Baixo Vouga. OLI's innovative profile is thus duly recognised in the region where the company operates.

OLI has focused on R&D projects with direct impact on its activity, establishing a strategic cooperation with the best scientific and technological knowledge networks with relevance to its activities in the sector, aware

that this sharing of knowledge is critical to enable and foster new and unique opportunities for value creation.
We should point out the partnerships with members of the National Science and Technology System (Portuguese abbreviation: SCTN), particularly with the University of Aveiro, as well as with associations dedicated to promoting R&D, such as Habitat - Plataforma para a Construção Sustentável, InovaDomus and also some suppliers and customers.

In 2015, two RDI projects were concluded, in partnership with an SCTN entity and developed under the NSRF (National Strategic Reference Framework). Lastly, it should be noted that OLIPURE and LEAKSAFE, which will be launched in 2016, originated in RDI projects carried out in partnership with SCTN entities.

In 2016, OLI intends to intensify the development of technologically advanced solutions and apply to the new P2020 support programme, with projects aimed at developing sustainable products and products for the refurbishment market. As previously mentioned, with the entry into new markets, it is necessary to develop products with specific and particular characteristics, which poses new challenges to the RDI team.

6. Marketing

Throughout 2015, the Marketing and Communication Department remained focused on the mission of positioning OLI as an international brand, characterised by innovation and guided by the values of water sustainability and inclusion.

Many initiatives were thought up, prepared and launched in 2015; some were already implemented in early 2016. All of them aim at increasing the brand's visibility and reputation in Portugal but also in foreign markets, where the stakes are growing, such as: Germany, Russia, Spain and Latin America, never neglecting all the others (more than 60) where OLI is present.

Of much that has been done, we believe highlight goes to some activities that, due to their size, are more relevant.

The construction and implementation of a worldwide website – www.oli-world.com – as a universal communication tool. With the addition of Spanish, German and Russian, the website is currently available in 6 languages, thus reinforcing OLI as a global player in bath solutions.

Because online presence is not enough, we have invested heavily in our offline presence, through participation in industry-reference international trade shows. We were present at "ISH", in Germany, "Mosbuild" in Moscow and BIG5 in Dubai, where we showcased our latest innovations to industry professionals

In order to strengthen our presence at points of sale and provide our sales force with more and more useful working tools, we launched many new catalogues, brochures, displays and miscellaneous materials.

Direct communication with customers, architects, designers, installers and other stakeholders is of utmost importance for OLI. Therefore, we have launched several monthly e-newsletters to introduce new products, present prescription works and disseminate company news;

In Portugal, our investment in Press Advisory was successful, as it translated into approximately €750,000 in financial returns (this financial return is the value corresponding to the time and space taken up by the company in the media. These figures are merely indicative, calculated based on advertising price tables. Source: Cision), through the publication of nearly 300 news items in the national press. Another effort of which we are proud.

There are now two annual events which we consider very important to be associated with, so, once again we marked our presence at the "World Water Day" and, for the first time, at the "World Bathroom Day." This is our way of being closer to the community and drawing attention to the importance of water sustainability and inclusion.

7. Human resources

At the end of FY 2015, the company had 370 employees, a 1.6% increase over the previous year. The number of employees varied throughout the year for various reasons, including the need to continuously adjust to changes in the order portfolio. Throughout the year, the average number of employees was 369 (a 2.2% increase over 2014).

The table below shows comparative data for the years 2013-2015.

Human Resources	2013	2014	2015
Number of employees at the end of the period	359	364	370
males	167	177	180
females	192	187	190
Number of employees throughout the period	353	361	369
Average employee age	38.4	39.0	39.4
Average seniority	12	12	12
Total training hours	14,478	12,905	13,666
Average hours of training per employee	38	35	37
Staff expenses	8,087,034	9,025,853	9,987,537
Average expenditure per employee	22,845	25,002	26,993
GVA per worker	37,128	42,044	45,613
General absenteeism rate	2.5	3.1	4.0
Work accident frequency rate	Good	Good	Good
Work accident severity rate	Good	Medium	Medium

In 2015, a large number of our employees visited several reference companies in the region, in order to get to know other corporate realities. We believe contact with other experiences helps us improve our performance.

We also developed the 'SER + OLI' (Be + OLI) project. This project intended to improve the employees' alignment and commitment to the organisation's goals and induce behaviours that translated this engagement and commitment on day-to-day activities. We began by simplifying the principles of our integrated management system, as well as disseminating and experimenting with these principles. To this aim, we held a number of activities, such as a balloon release, mystery shopper, workplace gymnastics, support for innovation and improvement practices, among others, allowing us to gauge how to proceed in order to translate these principles into behaviours and attitudes.

In 2016 we will begin implementing an employee portal, which will allow reducing bureaucracy and the quantity of paper used.

We will also ensure the transition to standards NP EN ISO 9001:2015 and NP EN ISO 14001:2015.

8. Dividend Policy

In view of the results disclosed in this report and of the business outlook, Oliveira & Irmão decided to distribute dividends.

The Board of Directors of Oliveira & Irmão decided to propose the distribution of €0.28 per share in 2015, in an overall amount of €560,000.

9. Results application proposal

In compliance with the provisions of the Companies Code, namely Article 66(f), and taking into account other legal precepts, as well as the purpose of increasingly consolidating the company's equity structure, we propose that a net profit of €3,462,933.56 be distributed as follows:

- To cover retained earnings €1,911,666.25
- For undistributed profits € 991,267.31
- For Dividends € 560,000.00

10. Profit-sharing proposal for the Board of Directors

Because of the good performance in 2015, we hereby put forth a profit-sharing proposal of €236,887.92 for the two Executive Directors of the Board of Directors. To comply with applicable accounting regulations, this amount has already been recognised in personnel expenses and, thus, the Net Profit already includes this proposal.

11. Public/Government Sector

According to Article 210 of the Portuguese Social Security Welfare Contributions Code and Decree-Law no. 534/80 of 7 November, we hereby announce that the company is in good standing with all entities of the state's public sector and that there are no other situations requiring mention in this report.

Certificates were issued by the tax authorities and Social Security as proof of the aforementioned good standing. The certificates were valid on the closing date of the balance sheet, on 31 December 2015.

12. Acknowledgements

We would like to thank all customers, staff and suppliers who, throughout the year in question, collaborated and interacted with us in a generally dedicated and diligent manner. We also thank the financial institutions for their continued support and confidence.

We are grateful to the Governing Bodies, as well to the auditors and consultants, for their ongoing support and availability. Their contribution was important not only for obtaining the results, but also for making the changes and improvements in progress a realistic goal.

Aveiro, 8 April 2015

The Board of Directors,

António Manuel Moura de Oliveira

Rui Alberto Moura de Oliveira

Graça Maria Moura de Oliveira

Pier Andreino Niboli

Federica Niboli

Notes to the Report of the Board of Directors

In accordance with article 448 of the Companies Code, we hereby declare that the following shareholders possess more than one third of the Share Capital:

Shareholders	31/12/2014	31/12/2015
Oliveira & Irmão SGPS, Lda.	50%	50%
Valsir, Spa.	50%	50%

III. Financial Statements – Individual Accounts

Individual Balance Sheet on 31/12/2015 and 31/12/2014

Items	Notes	Periods	
		31/12/2015	31/12/2014
Assets			
Non-current assets			
Tangible fixed assets	7;9	25,508,714	23,133,684
Investment properties	8	6,140,139	
Intangible assets	6	492,902	185,526
Financial investments - Equity Method	3;12	7,593,580	6,825,533
Financial investments – Other methods	12	30,020	40,020
Other Financial Assets	3;5;12	7,175	4,763,243
Deferred tax assets	17	6,697	
		39,779,227	**34,948,006**
Current assets			
Inventories	3;13;18	6,433,508	7,628,375
Customers	18	9,095,706	9,232,965
Advance payments to suppliers	18	75,470	8,201
State and other public entities	18	892,403	689,820
Other accounts receivable	18	351,275	375,480
Deferrals	18	446,065	210,119
Non-current assets held for sale	3	24,309	24,309
Cash and bank deposits	4;18	566,708	579,470
		17,885,445	**18,748,738**
Total Assets		**57,664,672**	**53,696,744**
Equity and Liabilities			
Equity			
Paid-up capital	18	10,000,000	10,000,000
Legal reserves	18	2,000,000	2,000,000
Other reserves	18	3,138,457	3,138,457
Retained earnings	18	-2,466,391	-4,128,289
Adjustments to Financial Assets	18	4,274,105	3,615,970
Revaluation surpluses	7;18	6,587,092	7,627,062
Other changes in equity	11;18	140,057	136,303
Net result for the period	18	3,462,934	2,850,032
Total Equity		**27,136,253**	**25,239,536**
Liabilities			
Non-current liabilities			
Provisions	14	35,421	38,062
Borrowings	10;18	11,442,287	7,999,094
Deferred tax liabilities	17	1,443,793	550,246
		12,921,501	**8,587,402**
Current liabilities			
Suppliers	18	6,906,844	7,325,506
Advance payments from customers	18	230	245,043
State and other public entities	18	285,360	382,712
Borrowings	10;18	6,069,497	7,717,980
Other accounts payable	18	4,156,282	4,002,500
Deferrals	18	188,705	196,065
		17,606,918	**19,869,806**
Total Liabilities		**30,528,419**	**28,457,208**
Total Equity and Liabilities		**57,664,672**	**53,696,744**

The Statutory Auditor — The Board of Directors

Individual statement of profit and loss, by nature, for the financial years ended 31/12/2015 and 31/12/2014

EUR

Income and Expenses	Notes	Periods	
		2015	2014
Sales and services	15;25	46,116,416	42,342,853
Operating subsidies	11;15	82,215	115,366
Gains/Losses allocated to subsidiaries, associated companies and joint undertakings	3;15	1,063,517	715,047
Changes in production inventories	13	67,872	291,396
Cost of goods sold and materials consumed	13	-21,468,210	-21,171,715
External supplies and services	19;25	-8,642,301	-7,147,223
Staff costs	3;5;20	-9,987,537	-9,025,853
Impairment on inventories (losses/reversals)	13;18	-181,013	-247,421
Impairment on accounts receivable (losses/reversals)	18	-49,500	-170,256
Provisions (increases/decreases)	14	-31,380	-21,162
Impairment on non-depreciable/amortisable investments (losses/reversals)	12	-561,500	
Other income and gains	15;16;21	1,136,793	932,537
Other expenses and losses	16;22	-958,468	-616,198
Earnings Before Interest, Tax and Depreciation (EBITD)		**6,586,906**	**5,997,372**
Expenses/Reversals of depreciation and amortisation	6;7;8;9;24	-2,677,503	-2,375,131
Earnings before interest and taxes (EBIT)		**3,909,403**	**3,622,240**
Interest and similar expenses	23	-447,879	-724,442
Earnings before taxes (EBT)		**3,461,524**	**2,897,798**
Income tax for the year	17	1,410	-47,766
Net profit for the period		**3,462,934**	**2,850,032**

The Statutory Auditor

The Board of Directors

Individual statement of cash flows for the financial years ended 31/12/2015 and 31/12/2014

EUR

Items	Periods	
	2015	2014
Operating cash flows – Direct method		
Receipts from customers	46,724,982	41,076,064
Payments to suppliers	-30,878,925	-28,616,037
Payments to staff	-9,870,912	-8,875,525
Cash generated by operations	5,975,145	3,584,503
Income taxes paid/received	-365,123	-39,631
Other receipts/payments	-219,800	-223,146
Operating cash flows (1)	**5,390,222**	**3,321,725**
Cash flows from investment activities		
Payments concerning:		
Tangible fixed assets	-5,446,185	-1,839,745
Intangible assets	-389,097	-185,526
Financial investments	-104,125	-3,743
Other assets	-4,826,377	
Receipts from:		
Tangible fixed assets	29,750	34,386
Intangible assets		
Financial investments	4,310,291	8,430
Other assets		
Investment grants	11,387	
Interest and similar income	72	186
Dividends	200,310	
Cash flows from investment activities (2)	**-6,213,973**	**-1,986,011**
Cash flows from financing activities		
Receipts from:		
Borrowings	8,406,707	5,212,917
Payments concerning:		
Borrowings	-6,611,997	-5,589,373
Interest and similar costs	-453,721	-739,541
Dividends	-530,000	
Cash flows from financing activities (3)	**810,990**	**-1,115,998**
Changes in cash and cash equivalents (1+2+3)	-12,762	219,716
Effects of exchange rate differences		
Cash and cash equivalents at the beginning of the period	**579,470**	**359,754**
Cash and cash equivalents at the end of the period	**566,708**	**579,470**

The Statutory Auditor

The Board of Directors

Individual Statement of Changes in Equity in 2015

Description		Notes	Paid-up capital	Legal reserves	Other reserves	Retained earnings	Adjustments to Financial Assets	Revaluation surpluses	Other changes in equity	Net result for the period	Total	Total Equity
			Equity attributed to capital holders in the parent company									
Position at the start of 2015	**6**		**10,000,000**	**2,000,000**	**3,138,457**	**-4,128,289**	**3,615,970**	**7,627,062**	**136,303**	**2,850,032**	**25,239,536**	**25,239,536**
Changes in the period First-time adoption of the new accounting standards Changes to accounting policies Exchange rate differences in the financial statements Realisation of the revaluation surplus from tangible and intangible fixed assets Surpluses from reassessments of tangible and intangible fixed assets and respective variations Deferred tax adjustments Other changes recognised in equity		18				2,191,897	658,135	-1,039,970	3,754	-2,850,032	-1,036,217	**-1,036,217**
	7					**2,191,897**	**658,135**	**-1,039,970**	**3,754**	**-2,850,032**	**-1,036,217**	**-1,036,217**
Net result for the period	**8**									3,462,934	3,462,934	**3,462,934**
Comprehensive Income	**9=7+8**									612,901	612,901	**2,426,717**
Transactions with shareholders in the period Capital increases Realisations from share premiums Profit distribution Coverage of losses Other operations		18				-530,000					-530,000	**-530,000**
	10					**-530,000**					**-530,000**	**-530,000**
Position at the end of 2015	**11=6+7+8+10**		**10,000,000**	**2,000,000**	**3,138,457**	**-2,466,391**	**4,274,105**	**6,587,092**	**140,057**	**3,462,934**	**27,136,253**	**27,136,253**

The Statutory Auditor

The Board of Directors

Individual Statement of Changes in Equity in 2014

Description	Notes		Paid-up capital	Legal reserves	Other reserves	Retained earnings	Adjustments to Financial Assets	Revaluation surpluses	Other changes in equity	Net result for the period	Total	Total Equity
			Equity attributed to capital holders in the parent company									
Position at the start of 2014	**6**		**10,000,000**	**2,000,000**	**3,138,457**	**-5,000,000**	**3,065,753**	**7,627,062**	**143,937**	**1,421,928**	**22,397,138**	**22,397,138**
Changes in the period First-time adoption of the new accounting standards Changes to accounting policies Exchange rate differences in the financial statements Realisation of the revaluation surplus from tangible and intangible fixed assets Surpluses from reassessments of tangible and intangible fixed assets and respective variations Deferred tax adjustments Other changes recognised in equity		18				871,711	550,217		-7,634	-1,421,928	-7,634	**-7,634**
	7					**871,711**	**550,217**		**-7,634**	**-1,421,928**	**-7,634**	**-7,634**
Net result for the period	**8**									2,850,032	2,850,032	**2,850,032**
Comprehensive income	**9=7+8**									1,428,104	1,428,104	**1,428,104**
Transactions with shareholders in the period Capital increases Realisations from share premiums Profit distribution Coverage of losses Other operations												
	10											
Position at the end of 2014	**11=6+7+8+10**		**10,000,000**	**2,000,000**	**3,138,457**	**-4,128,289**	**3,615,970**	**7,627,062**	**136,303**	**2,850,032**	**25,239,536**	**25,239,536**

The Statutory Auditor

The Board of Directors

IV. Notes to the Financial Statements – Individual accounts

1. Information

1.1. Identification of the Entity

Entity name:	Oliveira & Irmão, S.A.
Registered Office:	Travessa do Milão, Esgueira, Aveiro, Portugal
Taxpayer no.:	500 578 737
Type of activity:	Main economic activity code (CAE): 22230 – Manufacturing of Plastic Items for Construction

This company's main activity consists of manufacturing plastic items, and its secondary activity is the wholesale of bathroom items, fittings, plumbing pipes, motor pumps, electric pumps, faucets, household appliances and heating materials. Its secondary activity also includes real estate – design, construction, ownership, commercialisation, commercial operation and management of diverse properties.

1.2. Risk Management

i. Credit Risk

a) Receivables from customers

Credit risk arises mostly from customer receivables related to the operating activities. The main goal of credit risk management is to ensure the effective collection of customer operating receivables, according to the negotiated conditions.

In order to mitigate credit risk arising from potential defaults on payments by customers, the company:

- Has implemented credit management procedures and credit approval processes;
- Has a team dedicated to credit and collections management;
- Stipulates and monitors its customers' credit limits, monitoring real exposure;
- Maintains a credit insurance;
- Relies on available legal measures to recover credit, when applicable.

b) Other financial assets other than customer receivables

In addition to assets from operating activities, the company has financial assets arising from its relation with Financial Institutions, such as bank deposits. Consequently, there is also a credit risk arising from potential pecuniary default by the financial institutions involved in these relations. Exposure related to these types of financial assets is fully diversified and of a limited time duration.

ii. Market Risk

a) Interest Rate Risk

Because a relevant proportion of debt in its Balance Sheet is indexed to a variable interest rate, and because of the subsequent cash flows to pay interest, the company is exposed to interest rate risk, particularly to changes in the interest rate of debt in Euro.

b) Currency Exchange Rate Risk

The company is exposed to the risk of transactions subject to currency exchange rates. The exchange rate risk arises from potential accounting profits or losses subsequent to exchange rate swings.

The Group operates internationally and has a subsidiary operating in Russia, and thus, its investment is exposed to exchange rate risk.

The foreign exchange risk management policy seeks to minimise volatility in investments and transactions denominated in foreign currencies, thus contributing to reducing the Group's exposure to currency fluctuations.

Whenever possible, the Group seeks to employ natural hedging to manage exposure, by offsetting credits granted and received in the same currency.

Transaction risk exists essentially when there is a currency exchange rate risk related with cash flows in a currency other than the company's operating currency. The company seeks to compensate for positive and negative cash flows in the same foreign currency.

iii. Liquidity Risk

Through liquidity risk management, the company aims at ensuring that it has the capacity to obtain the necessary financing in due time, to carry out its business activities, implement its strategy and fulfil its payment obligations on time, thereby simultaneously avoiding the need to obtain financing under unfavourable conditions.

With this goal in mind, liquidity management includes the following aspects:

- Consistent financial planning based on cash flow forecasts according to different timeframes (weekly, monthly, annually, multiannual);
- Diversification of financing sources;
- Diversification of maturities on issued debt to avoid excessive concentration of debt amortisation within short time periods;

- Contracting of short-term credit lines, commercial paper programmes and other types of financial operations, thereby ensuring a match between suitable liquidity levels and commitment fees;

2. Accounting framework used for preparing the Financial Statements

2.1 Adopted accounting framework

The attached Financial Statements were prepared in accordance with the applicable provisions in Portugal, in compliance with Decree-Law no. 158/2009 of 13 July and according to the Conceptual Structure (CS), Financial Accounting and Reporting Standards (FARS) and Interpretation Standards (IS) which are part of the Accounting Standards System (ASS), and, additionally, subject to the International Accounting Standards (IAS) adopted in the European Union and the International Accounting Standards (IAS/IFRS) issued by IASB and respective Technical Interpretations (SIC/IFRIC).

2.2 Going-concern assumption

The annexed financial statements were prepared under the assumption that the Company will continue as a going concern, from its books and accounting records, according to the accounting principles generally accepted in Portugal.

2.3 Accrual basis of accounting

The Company records revenues and expenses on an accruals basis, under which revenues are recognised when earned and expenses are recognised when incurred, regardless of the timing of receipts or payments. The differences between the amounts received and paid, and the corresponding revenues and expenses are recognised under "Debtors and Creditors by Accruals and Deferrals."

2.4 Classification of non-current assets and liabilities

Assets receivable and liabilities payable within more than one year from the date of the statement of financial position are classified, respectively, as non-current assets and liabilities. Additionally, due to their nature, "Deferred Taxes" and "Provisions" are classified as non-current Assets and Liabilities.

2.5 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangement, regardless of its legal form.

2.6 Comparability

The accounting policies and measurement criteria adopted on 31 December 2015 are comparable with those used in preparing the Financial Statements on 31 December 2014.

The company recorded computer programmes acquired in the year as intangible assets. These assets were previously recognised as other tangible fixed assets.
In this year, the company recognised deferred tax liabilities associated with a revaluation of land carried out in 2010.

2.7 Subsequent events

Events occurring after the balance sheet date that provide additional information about conditions that existed on that date are reflected in the Financial Statements. If there are materially relevant events after the Balance Sheet date, they are disclosed in the Notes to the Financial Statements.

2.8 Derogation of the provisions of the Accounting Standards

During the year, there were no exceptional cases regarding these Financial Statements implying derogation from any provision stipulated in the ASS.

3. Main accounting policies

3.1. Measurement bases used to prepare the Financial Statements:

INTANGIBLE ASSETS (FARS 6)

Intangible assets are recorded at their acquisition cost, net of depreciations and accumulated impairment losses. Intangible assets are recognised only when they are likely to lead to future economic benefits for the entity, are controllable and their cost may be reliably measured.

Development expenses are recognised whenever the entity demonstrates the capacity to complete the respective development, begin to use it and when it is probable that the created asset will generate future economic benefits. Development expenses that do not meet these criteria are recorded as expenses in the year in which they are incurred. Research expenses are recognised as costs in the period in which they are incurred.

Amortisation is calculated after an asset is put into use and determined by the straight-line method according to its estimated useful life.

TANGIBLE FIXED ASSETS (FARS 7)

Tangible fixed assets acquired until 1 January 2009 (date of the transition to FARS) are recorded at their acquisition cost or at the revalued acquisition cost, according to the accounting principles generally accepted in Portugal until that date, minus accumulated depreciation.

Tangible fixed assets acquired after that date are recorded at their acquisition cost minus the corresponding depreciation and accumulated impairment losses. Buildings and land were revalued in 2011 by an external entity called L2i - Investimentos Imobiliários, Lda.

Depreciation is calculated after the date on which the goods are available for use by the straight-line method in accordance with the estimated lifetime for each group of goods.

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

Description	Estimated useful life in years
Commercial and Office Buildings	50
Industrial Buildings	20
Small structures	10
Molds	6
Machines	10
Assembly lines	10
Tools and utensils	4
Transportation Equipment	4
Administrative Equipment	8

Conservation and repair expenses that do not increase the useful life or do not result in significant enhancements or improvements of tangible fixed assets are recorded as expenses in the year in which they are incurred.

Tangible fixed assets in progress are assets still in the construction stage and are recorded at the acquisition cost. These tangible fixed assets are depreciated as of the moment in which the underlying assets are available for utilisation and in the necessary conditions to operate as planned by the management.

Capital gains or losses resulting from the sale or write-off of tangible fixed assets are calculated as the difference between the sale price and the net book value, on the date of the sale or write-off. The said assets are recorded in the profit-and-loss account, in items Other income and gains or Other expenses and losses.

NON-CURRENT ASSETS HELD FOR SALE (FARS 8)

Current assets held for sale include moulds and machines that were classified as such. These assets are not being recovered by continuous use but, rather, through disposal. The assets are available for immediate sale in their current condition.

LEASES (FARS 9)

Leasing contracts are classified as finance leases if they imply a substantial transfer of all risks and advantages inherent to ownership of the asset. Leasing contracts may also be classified as operating leases if they do not imply the substantial transfer of all risks and advantages inherent to possessing the asset.

Tangible fixed assets acquired through finance lease contracts, as well as the corresponding responsibilities, are accounted for using the financial method. Tangible fixed assets, the corresponding accumulated depreciation and debts pending liquidation are recognised according to the contractual financial plan. Additionally, interest included in the value of rents and depreciation of tangible fixed assets are recognised as expenses in the profit-and-loss statement for the year to which they refer.

BORROWING COSTS (NCRF10)

Borrowing costs are recorded in liabilities through their nominal contracted value. Expenses on the respective commissions and issuance are accounted as expenses in the period. Financial expenses determined according to the effective interest rate are recorded in the profit-and-loss account according to the accrual basis of accounting.

Loans are classified as current liabilities and, when settlement is deferred for over 12 months after the reporting date, they are classified as a non-current liability.

INVESTMENT PROPERTIES (FARS 11)

Investment properties are valued at the acquisition cost, net of depreciation and accumulated impairment losses.

Costs incurred with investment properties, such as maintenance, repairs and insurance, are recognised as expenses in the period to which they relate. If there are improvements, where there is expectation that these will generate future economic benefits beyond those initially expected, these are recognised in the investment properties heading.

Given that the investment properties were recently acquired, and given the stagnation of the real estate market, the company decided not to arrange for the calculation of its fair value for the purposes of paragraph 32 of FARS 11. If any difference exists between the carrying amount and the fair value of investment properties, it will not be relevant.

IMPAIRMENT OF ASSETS (FARS 12)

On the balance sheet date, an assessment is carried out to determine the actual existence of impairments implying changes in circumstances which indicate that the value for which the assets are recognised may not be recoverable.

Whenever the carrying amount of the asset is higher than the recoverable amount, an impairment is recognised in the profit-and-loss account, under item Impairment losses.

The reversal of impairment losses, recognised in previous years, is recorded when there is evidence that such losses no longer exist or have decreased. Said losses are recognised in the profit-and-loss account, under item Reversal of impairment losses and are accounted up to the limit amount that would be recognised if the loss had been recorded.

Impairment of inventories and customers was assessed on the balance sheet date. Objective evidence of impairment was found in customers, due to legal proceedings and age, and in inventories recorded at a higher value than that recoverable. As such, impairments in customers and inventories were recognised in the Profit-and-Loss Statement.

Regarding Soplasnor, an impairment was recognised in relation to the loan payable by this subsidiary to the parent company.

INTERESTS IN JOINT VENTURES AND INVESTMENTS IN ASSOCIATED COMPANIES (FARS13)

Investments in associated companies (shareholdings exceeding 20%) are recorded under the Equity Method. Shareholdings are initially accounted at their acquisition cost, which is increased or decreased to the value corresponding to the proportion of the equity of those entities, reported on the date of acquisition or the date of the first application of the Equity Method.

When the subsidiary, jointly controlled or associated entity has negative or zero equity, the investment is recorded at a zero value.

According to the equity method, investments are adjusted annually by the value corresponding to the share in the net profit of those entities against profits or losses in the period. Distribution of dividends is recorded as a decrease in the value of the investments in the period in which they are paid.

INVESTMENTS IN SUBSIDIARIES AND CONSOLIDATION (FARS 15)

Financial holdings are initially recognised at cost and later adjusted using the Equity Method. Full Consolidation is applied, as this is required by holdings and control in subsidiaries.

After associated companies are acquired, profits and losses are accounted in the profits or losses of the parent company against the financial investment value. After the balance sheet date, the profit or loss is transferred to reserves whenever it is not distributed. When the holding determined by the Equity Method is a loss that equals or exceeds the investment in the associated company, the parent company no longer recognises additional losses.

Profits not obtained from transactions with associated companies are eliminated from the scope of consolidation.

Whenever necessary, the accounting policies of associated companies are altered to ensure consistency with the policies adopted by the Group.

INVENTORIES (FARS 18)

Inventories are valued according to the following criteria:

- Goods and raw, secondary and consumable materials are valued at acquisition cost. Acquisition cost includes expenses incurred until storage, using the weighted average cost as the output costing method.

- Finished products and works in progress are valued at the production cost, which includes the cost of the respective raw materials, labour and general manufacturing expenses. The output cost is determined by the standard cost method.

In cases where the value of those goods is lower than the lowest of the average acquisition or production cost, an impairment cost is recorded for depreciation of inventories.

REVENUE (FARS 20)

The company recognises revenue whenever it is reasonably measurable, when it will likely obtain future economic benefits. The amount of revenue is not considered reasonably measurable until all contingencies relating to a particular sale are substantially resolved. The company bases its estimates on historic results, taking into account the type of customer, the type of transaction and the specificity of each agreement.

Revenue comprises the fair value of the consideration received or receivable for services rendered, arising from the Company's normal business operation. Revenue is recognised net of Value Added Tax (VAT), rebates and discounts.

Revenue from the sale of goods is recognised when all the following conditions are met:

- All risks and benefits associated with the ownership of the goods are transferred to the purchaser;
- The entity does not maintain any control over the goods sold;
- The revenue amount can be reliably measured;
- Future economic benefits associated with the transactions are likely to flow to the entity;
- The costs incurred or to be incurred in the transaction can be reliably measured.

Revenue from services is recognised net of taxes, at the fair value of the amount to be received.

Interest revenue is recognised using the effective interest method, provided it is likely that economic benefits will flow to the entity and its amount can be reliably measured.

PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS (FARS 21)
The company set up a provision for customer guarantees. Because our products are guaranteed for a period during which claims may be made, the company has a current obligation arising from a past event. It is therefore probable that expenses may be incurred to satisfy that obligation. The obligation amount was calculated based on historic occurrences in the previous three years.

GOVERNMENT SUBSIDIES AND GOVERNMENT SUPPORT (FARS 22)
Operating subsidies, namely support for creating jobs, are recognised in the profit-and-loss account, proportionally to the respective incurred expenses, thereby fulfilling the accrual concept of accounting.

The company received subsidies through the job internship programme of IEFP (Institute of Employment and Vocational Training).

As part of the European Regional Development Fund, we receive an incentive for technological research and development, which we call Aquasave. This project is applied to improve potable water-saving solutions in advance of regulatory requirements applicable to the certification of buildings.

Within the same EU framework, we also have the incentive called NSRF (National Strategic Reference Framework), which we call Iflush. The main goal of this project is to develop three autonomous and innovative systems to be applied to flushing systems that will actuate, light up and create the required environment where flushing systems are installed.

These subsidies are applied to operation activities since they finance research expenses for these new products.

Non-refundable investment subsidies to finance tangible assets are recorded in equity and recognised in the profit-and-loss account, proportionally to the depreciation of subsidised assets during their useful life.

We have a refundable interest-free loan in progress from the concession of financial incentives as part of the NSRF innovation incentives system, for which we contributed with internationalisation and investment expenses.

EFFECTS OF CHANGES IN CURRENCY EXCHANGE RATES (FARS 23)
Transactions in foreign currency are converted into the functional currency at the exchange rate on the transaction date.
On the closing date, the currency exchange rate is updated for outstanding balances (monetary items), applying the exchange rate in force on that date. Favourable and unfavourable exchange rate differences between the exchange rates in force on the date of transactions and those on the date of collections,

payment or on the balance sheet date are recorded as income and/or expenses in the profit-and-loss account for the year in the exchange rate profits/losses item.
Exchange differences arising from the translation into Euro of financial statements of subsidiaries denominated in foreign currencies are recognised in equity, under Other changes in equity.

INCOME TAX (FARS 25)

The company is subject to corporate income tax (IRC). In determining the taxable amount, any amounts not accepted by the tax authorities are added to or deducted from the accounting amounts. This difference between accounting and fiscal results can be of a temporary or permanent nature.

In 2015, the company deducted amounts from taxable income related to tax incentives in force applicable to corporate income tax (IRC), namely SIFIDE (Systems of Tax Incentives for Corporate Research and Development) and RFAI (Tax System to Support Investment). It also reported tax incentives that were not used in 2014, namely RFAI and SIFIDE. Consequently, current taxes may be summarised as payment of autonomous taxation and local tax.

The company records deferred taxes corresponding to the temporary differences between the accounting value of assets and liabilities and the corresponding tax base, according to the provisions of FARS 25 – deferred taxes.

Expenses in income tax for the year are determined by adding current and deferred taxes. Current income taxes are calculated based on the entity's taxable income according to the tax rules in force, net of tax benefits; deferred tax is determined by the temporary differences between the value of assets and liabilities for financial reporting purposes, and the respective values for taxation purposes (tax base).

Deferred tax assets and liabilities are calculated using the tax rates in force and are recognised as an expense or income in the year.

FINANCIAL INSTRUMENTS (FARS 27)

Financial instruments are valued according to the following criteria:

- Customers and other third-party receivables – debts from customers or other third parties are recorded at their nominal value, as they do not bear interest, and the discount effect is deemed immaterial. At the end of each reporting period, customer and other third-party receivables are analysed to determine the existence of any objective evidence that they are not recoverable. If they are not recoverable, the respective loss is immediately recognised as an impairment loss. Impairment losses are recorded subsequent to events that objectively and in a quantifiable manner imply that all or part of the outstanding balance will not be received. To this aim, the entity takes into account market information demonstrating that the customer has defaulted on its responsibilities and historic information showing that overdue balances have not been received.

- Debts to suppliers and other third parties – debts to suppliers or other third parties are recorded at their nominal value since they do not bear interest and the discount effect is regarded as immaterial.
- Loans – using one of the options of FARS 27, loans are recorded under liabilities at their cost.
- Transactions and balances in foreign currency – transactions in foreign currency are recorded at the exchange rate of the transaction dates. On each reporting date, the carrying amounts of monetary items stated in foreign currency are restated at the exchange rates of that date. Carrying amounts of non-monetary items recorded in foreign currency are updated on the reporting date at the exchange rate in force. Currency exchange differences arising from the aforementioned updates are recorded in the profit-and-loss account for the year in which they were generated.
- Accrual basis – transactions are recognised in the accounting when they are generated, regardless of the moment when they were received or paid. Differences between amounts received and paid and the corresponding income and expenses are recorded in the items of other accounts receivable, other accounts payable and deferrals.
- Cash and bank deposits – amounts included in the item of cash and cash equivalents correspond to the value of cash and bank deposits, both realisable immediately without losing value.

EMPLOYEE BENEFITS (FARS 28)

The entity's employees receive the following benefits:

- Short-term benefits: include wages, salaries, social security contributions and gratifications. These benefits are accounted in the same time period in which the employee provided the service.
- Benefits for termination of employment: the entity recognises expenses on work contract terminations, either by expiry of a term contract or by mutual agreement.

3.2. - Main sources of uncertainty in estimates

Estimates are based on the best knowledge at any moment and on planned actions. These actions are periodically reviewed based on available information. Estimates may be reviewed in the event of any changes to the facts and circumstances, such that actual future results may be different.

4. Cash flows

The cash and bank deposits item is broken down as follows:

CARRYING AMOUNT AND OPERATIONS IN THE PERIOD EUR

Description	Initial	Debits	Credits	Final
Cash	4,759	124,514	112,046	17,228
Demand deposits	574,711	246,058,171	246,083,402	549,480
Total cash and bank deposits	**579,470**	**246,182,686**	**246,195,447**	**566,708**

5. Related Parties

5.1. Parent company and subsidiaries:

The following transactions took place between related parties:

RELATED PARTIES

E

UR

Description		2015					2014				
		Sales and Services	Purchases	Balances Receivable	Balances Payabl	Loans in the Period	Sales and Services	Purchases	Balances Receivable	Balances Payable	Loans in the Period
Subsidiaries	Moldaveiro - Moldes, LDA	56,504	1,995,532	7,658	1,303,425		56,428	1,702,422	3,348	1,507,050	
	Soplasnor - Soc. Plásticos do Norte, S.A.		4,500,370	7,000		-4,199,500		500			-1,500
	Nuno & Gradeço - Mat. Construção, S.A.	35,700	32,108				61,200				
	Oli Sanitairsysteme GMBH	1		1							
	OOO Oli Rus	186,652		489,645							
	Oli, SRL	6,781,831	389,242	1,034,166	46,956		5,750,153	580,454	1,425,582	317,275	
Total		**7,060,687**	**6,917,252**	**1,538,470**	**1,350,381**	**-4,199,500**	**5,867,780**	**2,283,376**	**1,428,930**	**1,824,324**	**-1,500**

On 30 June 2015, the date on which it presented its final settlement accounts, Nuno & Gradeço, S.A. ceased to be a subsidiary of Oliveira & Irmão, S.A. On this date, Nuno & Gradeço transferred its bad debts to the parent company.

On 4 September 2015, Oliveira & Irmão, S.A. acquired the entire share capital of OOO Oli Rus, a company based in Russia.

On 17 December 2015, it also acquired the entire share capital of Oli Sanitairsysteme GMBH, based in Germany.

5.2. Remuneration of key management staff

The following remunerations were paid to governing bodies (understood as key management staff) in the financial years ended 31 December 2015 and 2014:

SALARIES OF GOVERNING BODIES EUR

Description	2015	2014
Board of Directors - Oliveira & Irmão, S.A.	645,978	573,087
Total	**645,978**	**573,087**

6. Intangible Assets

Intangible assets were disclosed as follows:

CARRYING AMOUNT AND OPERATIONS IN TANGIBLE FIXED ASSETS IN 2015 EUR

Description	Development projects	Computer Programmes	Industrial Property	Intangible assets in progress	Total
With finite service life:					
Initial gross carrying amount	406,618		1,216,703	185,526	1,808,847
Initial accumulated amortisations	406,618		1,216,703		1,623,321
Initial net carrying amount (7=4-5-6)				**185,526**	**185,526**
Operations in the period: (8 = 8.1 - 8.2 + 8.3 + 8.4 +8.5 +8.6)	**48,204**	**270,788**		**-11,617**	**307,376**
Total additions		**29,128**		**297,761**	**326,889**
Acquisitions as new		29,128		297,761	326,889
Total deductions	**11,636**	**70,086**			**81,722**
Amortisation	-394,982	70,086	-1,216,703		-1,541,599
Write-offs	406,618		1,216,703		1,623,321
Transfers of TFA in progress	59,840	311,746		-372,318	-732
Other transfers				62,940	62,940
Final net carrying amount (9=7+8)	**48,204**	**270,788**		**173,909**	**492,902**

CARRYING AMOUNT AND OPERATIONS IN 2014 IN INTANGIBLE FIXED ASSETS EUR

Description	Development projects	Computer Programmes	Industrial Property	Intangible assets in progress	Total
With finite service life:					
Initial gross carrying amount	406,618		1,216,703		1,623,321
Initial accumulated amortisations	406,618		1,216,703		1,623,321
Initial net carrying amount (7=4-5-6)					
Operations in the period: (8 = 8.1 - 8.2 + 8.3 + 8.4 +8.5 +8.6)				**185,526**	**185,526**
Total additions				**185,526**	**185,526**
Acquisitions as new				185,526	185,526
Total deductions					
Amortisation					
Final net carrying amount (9=7+8)				**185,526**	**185,526**

The increase in intangible assets in relation to the year 2014 was mainly due to changes in the criteria used to classify computer programmes, which, up to 2014, were recognised as Other tangible fixed assets.

7. Tangible fixed assets

7.1. Disclosures on tangible fixed assets

CARRYING AMOUNT AND OPERATIONS IN TANGIBLE FIXED ASSETS IN 2015 EUR

Description	Land and natural resources	Buildings and other edifications	Basic equipment	Transportation equipment	Administrative equipment	Other TFA	TFA in progress	Total
Initial gross carrying amount	6,828,277	15,769,071	31,374,227	1,069,860	1,541,274	1,659,406	2,773,534	61,015,648
Initial accumulated depreciation		8,327,579	25,734,477	819,220	1,377,094	1,623,593		37,881,964
Initial net carrying amount (4=1-2-3)	**6,828,277**	**7,441,492**	**5,639,749**	**250,640**	**164,180**	**35,813**	**2,773,534**	**23,133,684**
Operations in the period: (5 = 5.1 - 5.2 + 5.3 + 5.4 + 5.5 + 5.6)	**270,754**	**271,258**	**1,881,331**	**69,989**	**115,317**	**-11,284**	**-222,333**	**2,375,030**
Total additions	**270,754**	**17,657**	**150,583**	**184,496**	**217,668**	**5,385**	**4,125,856**	**4,972,400**
Acquisitions	270,754	17,657	150,583	184,496	217,668	5,385	4,125,856	4,972,400
Total deductions		**787,514**	**1,516,888**	**114,507**	**112,023**	**4,229**		**2,535,162**
Depreciation		614,461	-570,938	34,668	-263,664	-411,474		-596,948
Disposals				60,456				60,456
Write-offs		173,054	2,087,826	19,384	375,687	415,703		3,071,653
Transfers of TFA in progress		1,041,115	3,243,840			732	-4,285,687	
Other transfers			3,796		9,672	-13,172	-62,503	-62,207
Final net carrying amount (6=4+5)	**7,099,031**	**7,712,750**	**7,521,080**	**320,628**	**279,496**	**24,529**	**2,551,200**	**25,508,714**

CARRYING AMOUNT AND OPERATIONS IN 2014 IN TANGIBLE FIXED ASSETS EUR

Description	Land and natural resources	Buildings and other edifications	Basic equipment	ransportation equipment	Administrative equipment	Other TFA	TFA in progress	Total
Initial gross carrying amount	6,828,277	14,896,694	29,542,456	1,086,860	1,604,245	1,695,374	2,617,686	58,271,591
Initial accumulated depreciation		7,587,573	24,325,256	929,651	1,402,117	1,679,689		35,924,286
Initial net carrying amount (4=1-2-3)	**6,828,277**	**7,309,121**	**5,217,200**	**157,210**	**202,128**	**15,684**	**2,617,686**	**22,347,305**
Operations in the period: (5 = 5.1 - 5.2 + 5.3 + 5.4 + 5.5 + 5.6)		**132,371**	**422,549**	**93,430**	**-37,948**	**20,128**	**155,848**	**786,379**
Total additions			**111,516**	**188,050**	**41,664**	**36,001**	**2,791,420**	**3,168,651**
Acquisitions			111,516	168,050	41,664	36,001	2,791,420	3,148,651
Other acquisitions				20,000				20,000
Total deductions		**740,005**	**1,430,973**	**94,620**	**97,661**	**15,873**		**2,379,131**
Depreciation		740,005	1,409,222	-110,431	-25,023	-56,096		1,957,678
Disposals				142,451				142,451
Write-offs			21,751	62,599	122,684	71,969		279,002
Transfers of TFA in progress		888,333	1,742,006				-2,630,339	
Other transfers		-15,956			18,049		-5,233	-3,140
Final net carrying amount (6=4+5)	**6,828,277**	**7,441,492**	**5,639,749**	**250,640**	**164,180**	**35,813**	**2,773,534**	**23,133,684**

7.2. Disclosures on revaluation surplus from tangible fixed assets recognised by revalued amounts

CARRYING AMOUNT AND OPERATIONS IN REVALUATIONS SURPLUSES IN 2015 EUR

Description	Legal Revaluation Reserves		Free Revaluation Reserves		Total
	Not performed	Performe	Not performed	Performed	
Value of the revaluation surplus, at the beginning of period	107,211	54,882	6,667,522	797,447	7,627,062
Depreciation	-10,271	10,271	-1,727,482	687,512	-1,039,970
Amount of the revaluation surplus, at the end of the period	**96,940**	**65,153**	**4,940,040**	**1,484,959**	**6,587,092**

CARRYING AMOUNT AND OPERATIONS IN 2014 IN REVALUATIONS SURPLUSES EUR

Description	Legal Revaluation Reserves		Free Revaluation Reserves		Total
	Not	Performe	Not	Performed	
Value of the revaluation surplus at the beginning of the period	107,211	54,882	6,667,522	797,447	7,627,062
Depreciation	-11,963	11,963	-199,362	199,362	
Amount of the revaluation surplus at the end of the period	**95,248**	**66,845**	**6,468,160**	**996,809**	**7,627,062**

In 2015 deferred tax was recognised in relation to a revaluation of land carried out in 2010. Given that they were not recognised in the periods to which they pertained, their tax value was updated based on the monetary depreciation coefficient for 2015.

7.3. Tangible fixed assets pledged as guarantees for liabilities

TANGIBLE FIXED ASSETS PLEDGED AS GUARANTEES FOR LIABILITIES IN 2015

Asset	Creditor	Pledged amount	Asset value	Depreciation	Net amount
Soplasnor Building and adjacent land	BPI	4,500,000	4,826,377	28,796	4,797,582
Moulds and machines	BPI	827,750	912,012	282,388	629,624
		5,327,750	5,738,389	311,183	5,427,206

TANGIBLE FIXED ASSETS PLEDGED AS GUARANTEES FOR LIABILITIES IN 2014

Asset	Creditor	Pledged amount	Asset value	Depreciation	Net amount
Moulds and machines	BPI	827,750	937,373	176,112	761,261
		827,750	937,373	176,112	761,261

8. Investment properties

Description	Land and natural resources	Buildings and other edifications	other investment properties	IP in progress	Total
Initial gross carrying amount Initial accumulated depreciation					
Initial net carrying amount (4=1-2-3)					
Operations in the period: (5 = 5.1 - 5.2 + 5.3 + 5.4 + 5.5 + 5.6)	**1,719,814**	**4,420,325**			**6,140,139**
Total additions	**1,719,814**	**4,505,225**			**6,225,039**
Acquisitions	1,719,814	4,505,225			6,225,039
Total deductions		**84,901**			**84,901**
Depreciation		84,901			84,901
Final net carrying amount (6=4+5)	**1,719,814**	**4,420,325**			**6,140,139**

The amount recognised under investment properties concerns the acquisition of the facilities of subsidiary Soplasnor - Soc. Plásticos do Norte, S.A. and the transfer of the facilities of subsidiary Nuno & Gradeço - Mat. Construção, S.A. from goods into investment properties.

9. Leases

9.1. Leasing contracts

Assets being financed through finance leasing contracts, respective net carrying amounts and contingent rentals recognised as an expense in the year		Finance leases in force				Lease period		2015	2014
		Description	Acquisition value	Leasing entity	Contract identification	Start	End	Carrying amounts net of leased assets	Carrying amounts net of leased assets
	Leasing	Press	297,297	CGD LEASING	CT100051140	20/07/2011	20/07/2016	168,468	198,198
	Subtotals		297,297					168,468	198.198
Assets	Leasing	VW Passat - 29NJ81	35,500	BPI	CT 1260531800	25/12/2012	25/12/2017	8,136	17,011
Fixed	Leasing	VW Sharan - 14NP35	40,000	BPI	CT 1360160200	25/04/2013	25/04/2018	12,500	22,500
Tangible	Leasing	Audi A6 - 25OU22	94,000	BPI	CT 1460255800	25/06/2014	25/06/2019	56,792	80,292
	Leasing	Audi A3 - 28PR19	39,650	BPI	CT 1530029800	05/04/2015	05/04/2020	32,216	
	Leasing	Audi A3 - 28PR20	39,650	BPI	CT 1530029900	05/04/2015	05/04/2020	32,216	
	Leasing	VW Caravelle - 95QL40	42,000	BPI	CT 1561644300	25/10/2015	25/10/2020	39,375	
	Subtotals		290,800					181,234	119,802
	Leasing	Computer Eq.	50,000	BSTOTTA	CT 203751	15/01/2014	15/01/2019	30,000	40,000
	Leasing	VW Passat - 83OP83	29,700	BSTOTTA	CT 205173	15/05/2014	15/05/2019	17,325	24,750
	Leasing	BMW X1 - 76QO89	38,596	BSTOTTA	CT211612	15/12/2015	15/12/2020	37,792	
	Subtotals		118,296					85,117	64,750
	Leasing	Computer Eq. - ORACLE	160,446	BNP PARIBAS	CT 76186/187	01/10/2015	01/08/2017	133,705	
	Subtotals		160,446					133,705	
Totals			866,839					568,524	382,750

9.2. The following amounts are recognised in these assets

Description	Financial leases 2015		Financial leases 2014	
	Tangible fixed assets	Total	Tangible fixed assets	Total
Initial gross carrying amount	866,839	866,839	878,048	878,048
Accumulated amortisations /	298,315	298,315	322,203	322,203
Final net carrying amount (4=1-2-3)	**568,524**	**568,524**	**555,845**	**555,845**
Total future minimum lease payments on the balance sheet date: (5 = 5.1 + 5.2 + 5.3)	**440,552**	**440,552**	**525,243**	**525,243**
Up to one year	169,163	169,163	126,288	126,288
One to five years	271,389	271,389	398,955	398,955

10. Borrowing

10.1. Information on general loans

TYPE OF FINANCING **EUR**

Description	31/12/2015			31/12/2014		
	Short term	Medium and Long Term	Total	Short term	Medium and Long Term	Total
Pledged Current Account	68,890		68,890	345,449		345,449
Commercial Paper Programme	2,400,000		2,400,000	4,000,000		4,000,000
Medium and Long Term	2,898,661	9,819,699	12,718,360	2,728,775	6,877,569	9,606,344
Leasing	169,163	271,389	440,552	126,288	398,955	525,243
Remittances Discounted	532,784		532,784	517,467		172,595
ERDF - Application no. 27024		1,351,198	1,351,198		722,570	722,570
Total	**6,069,497**	**11,442,287**	**17,511,784**	**7,717,980**	**7,999,094**	**15,372,202**

10.2. Guarantees

GUARANTEES

Company	Guarantee no.	Guarantee Beneficiary	Guarantee		31/12/2015	31/12/2014
			Amount	%	Outstanding Principal Amount	Outstanding Principal Amount
Garval	2012.00974	BSTOTTA - PME CRESC 1,000K	56,108	5.61%		
Lisgarante	2012.01445	BSTOTTA - PME CRESC 1,000K	56,108	5.61%		
Norgarante	2012.01691	BSTOTTA - PME CRESC 1,000K	387,784	38.78%	333,333	555,556
Norgarante	2010.07573	CGD - PME INVEST V 1,000K	500,000	50.00%	272,727	454,545

11. Subsidies

GOVERNMENT SUBSIDIES AND AIDS EUR

DESCRIPTION	2015 Subsidies from the State and Other Public Entities		2014 Subsidies from the State and Other Public Entities	
	Amount granted in the period or in previous	Amount assigned to the period	Amount granted in the period or in previous periods	Amount assigned to the period
Subsidies related to assets/investment: (1 = 1.1 + 1.2 + 1.3)				
Tangible fixed assets (1.1 = 1.1.1 + 1.1.2 + ……. + 1.1.7)				
Intangible assets (1.2 = 1.2.1+ 1.2.2 +…… + 1.2.4)				
Other assets				
Subsidies related to income / operations		82,215		115,366
Value of repayments in the period related to: (3 = 3.1 + 3.2)				
TOTAL (4 = 1 + 2 - 3)		82,215		115,366

The amount of subsidies granted by the state and other public entities concerns the internship and employment programme and the Research & Development incentive system.

12. Financial investments

12.1. Information on Financial investments

Financial investments EUR

Description	Investments in subsidiaries	Total
Equity method:		
Initial gross carrying amount	16,586,533	16,586,533
Initial accumulated impairment losses	5,000,000	5,000,000
Initial net carrying amount (4 = 1- 2 + 3)	**11,586,533**	**11,586,533**
Operations in the period: (5=5.1+5.2+5.3-5.4+5.5+5.6-5.7-5.8-5.9+5.10+5.11+5.12+5.13+5.14)	**-3,992,953**	**-3,992,953**
Acquisitions through corporate combinations		
Other acquisitions	25,137	25,137
Investor's share in the investee's profits	1,128,484	1,128,484
Distributions received from the investee	-200,310	-200,310
Effects arising from loans granted	-4,199,500	-4,199,500
Write-offs	-185,264	-185,264
Impairment losses	-561,500	-561,500
Final net carrying amount (6=4+5)	**7,593,580**	**7,593,580**
Other methods		
Initial gross carrying amount	42,263	42,263
Initial net carrying amount (10=7-8+9)	**42,263**	**42,263**
Operations in the period: (11 = 11.1 + 11.2 + 11.3 + 11.4 + 11.5 + 11.6 + 11.7 + 11.8 + 11.9 + 11.10 + 11.11 + 11.12)	**-5,067**	**-5,067**
Other acquisitions	4,933	4,933
Disposals	-10,000	-10,000
Final net carrying amount (12 = 10+11)	**37,195**	**37,195**

In 2015 there was an increase in impairment losses in financial investments, in the amount of €561,500. With this increase, the amount of accumulated impairment is equal to the amount of the loan granted to Soplasnor, as the company does not expect to recover this amount, given that the subsidiary does not have sufficient assets to cover it.

The parent company acquired the remainder of Soplasnor's share capital and now holds 100%. It also acquired its facilities. With this sale, the subsidiary was able to repay a significant portion of the loan.

In 2015, Oliveira & Irmão acquired the entire share capital of OOO OLI RUS, based in Russia, and constituted OLI Sanitairsysteme GMBH in Germany, in which it holds 100% of the share capital.

13. Inventories

Inventories are broken down as follows:

Description	31/12/2015			31/12/2014		
	Gross amount	Impairment losses	Net amount	Gross amount	Impairment losses	Net amount
Goods	1,528,448	213,103	1,315,345	2,802,785	108,006	2,694,779
Raw, secondary and consumable materials	1,944,646	85,617	1,859,029	1,826,511	57,362	1,769,150
Finished and intermediate goods	3,446,209	187,076	3,259,134	3,303,862	139,415	3,164,447
Total	**6,919,304**	**485,796**	**6,433,508**	**7,933,158**	**304,783**	**7,628,375**

The cost of goods and materials consumed is as follows:

Description	31/12/2015			31/12/2014		
	Finished and intermediate goods	By-Products, waste and rejects	Products and work in progress	Finished and intermediate goods	By-Products, waste and rejects	Products and work in progress
Final Inventories	3,446,209			3,303,862		
Reclassification and adjustment of inventories	-74,476			40,598		
Initial inventories	3,303,862			3,053,064		
Changes in production inventories (4=1+2-3)	**67,872**			**291,396**		
Inventory adjustments/impairment losses in the period	59,840			139,415		
Accumulated inventory adjustments/impairment losses in the period	187,076			139,415		

There was a decrease in the inventory item. This difference was mainly due to the transfer of the building and land previously occupied by subsidiary Nuno e Gradeço, previously recorded as goods, into Investment Properties.

Changes in production inventories was as follows:

Description	31/12/2015			31/12/2014		
	Goods	Raw and secondary mat. consumption	Total	Goods	Raw and secondary mat. consumption	Total
Initial inventories	2,802,785	1,826,511	4,629,297	2,520,806	2,042,727	4,563,533
Purchases	3,584,097	18,282,875	21,866,972	3,124,008	18,202,256	21,326,264
Reclassification and adjustment of inventories	1,474,817	1,944,646	1,554,964	83,545	5,241	88,786
Final inventories	1,528,448	1,944,646	3,473,094	2,802,785	1,826,511	4,629,297
Cost of goods sold and materials consumed	**3,383,617**	18,084,593	21,468,210	2,758,484	18,413,231	21,171,715
Inventory adjustments/impairment losses in the period	144,939	28,256	173,195	108,006		108,006
Accumulated inventory adjustments/impairment losses in the period	213,103	85,617	298,720	108,006	57,362	165,368

14. Provisions in the year

Provisions for guarantees to customers were set up in the proportion between expenses arising from these guarantees actually incurred over the last three fiscal years and sales in the same period.

Description	2015		2014	
	Guarantees provided to customers	Total	Guarantees provided to customers	Total
Initial carrying amount	38,062	38,062	50,147	50,147
Operations in the period (2 = 2.1-2.2)	**-2,640**	**-2,640**	**-12,085**	**-12,085**
Total increases	35,421	35,421	38,062	38,062
Reinforcement	35,421	35,421	38,062	38,062
Total decreases	38,062	38,062	50,147	50,147
Use Reversal	34,020 4,041	34,020 4,041	33,248 16,899	33,248 16,899
Carrying amount in the year (3=1+2)	**35,421**	**35,421**	**38,062**	**38,062**
Final carrying amount	**35,421**	**35,421**	**38,062**	**38,062**

15. Revenue

The following table breaks down revenue and other income:

REVENUE AND OTHER INCOME RECOGNISED IN THE PERIOD EUR

Description	31/12/2015	31/12/2014
Goods sold	**46,109,674**	**42,322,188**
Services provided	**6,742**	**20,665**
Subsidies	**82,215**	**115,366**
Other income and gains	**2,276,488**	**1,653,645**
Supplementary income	731,923	760,210
Cash payment discounts obtained	76,844	34,986
Recovery of receivable debts		
Gains in inventories	242,001	
Income and gains from subsidiaries	1,139,767	858,449
Income and gains from other financial assets	**27,038**	**8,430**
Income and gains from non-financial investments	**29,750**	**30,386**
Other	**29,165**	**98,339**
Income and gains from financing	**72**	**186**
Interest earned	72	186
Other similar income		
Total	**48,561,146**	**44,249,205**

SUPPLEMENTARY INCOME AND OTHER INCOME AND GAINS EUR

Description	31/12/2015	31/12/2014
Supplementary income	**731,923**	**760,210**
Debited transports	353,732	450,697
Advisory Services	1,900	2,400
Rents	103,150	122,550
Moulds, contribution by customers	117,354	92,641
Other	155,786	91,922
Other Income and Gains	**29,165**	**98,339**
Corrections from previous years	4,342	1,339
Excessive estimate		14,563
Allocation of subsidies to investments	7,634	7,634
Gains in other financial instruments		
Other	17,190	74,803
Total	**761,088**	**858,549**

16. Exchange Rate Differences

EFFECTS OF CHANGES ON FOREIGN EXCHANGE RATES EUR

Descriptio	31/12/2015	31/12/2014
Exchange rate differences		
Recognised in profit and loss for the period:		
Unfavourable exchange rate differences	59,430	46,929
Favourable exchange rate differences	27,034	8,354

17. Income Tax

INCOME TAX CARRYING AMOUNT EUR

Description	31/12/2015	31/12/2014
Accounting result for the year (before taxes)	3,461,524	2,897,798
Current tax	-151,711	-122,444
Deferred income tax	153,121	74,678
Income tax for the period (4 = 2 + 3)	**1,410**	**-47,766**
Autonomous taxation	99,495	84,689

DEDUCTIONS FROM TAXABLE INCOME ARISING FROM TAX BENEFITS EUR

Description	31/12/2015	31/12/2014
SIFIDE - System of Tax Benefits for Business Research and Development	451,404	272,202
RFAI - Investment Assistance Tax Policy	339,048	289,618
CFEI - Extraordinary Fiscal Credit		47,594
Total	**790,452**	**609,414**

We do not have the definitive amount for the SIFIDE of 2015. The amount indicated refers to 2014.

The RFAI amount deducted in 2015 refers only to a part of the 2014 report.

The company recognises deferred tax assets in the amount of €6,697, related to impairment losses not accepted for tax purposes.

It also recognises deferred tax liabilities in the amount of €9,588, related to legal revaluations and of €1,434,205 related to free revaluations.

18. Financial instruments

18.1. Disclosure of third-party values

CARRYING AMOUNT AND OPERATION IN THE PERIOD EUR

Description	31/12/2015	31/12/2014
Customers	**9,095,706**	**9,232,965**
Current account	8,935,970	9,091,760
Bills receivable	149,802	146,671
Doubtful debt	541,337	506,459
Impairment	-531,403	-511,924
Advance payments from customers	**230**	**245,043**
Suppliers	**6,906,844**	**7,325,506**
Advance payments to suppliers	**75,470**	**8,201**
Other accounts payable	**4,156,282**	**4,002,500**
Staff	2,419	1,822
Investment suppliers	1,810,062	2,344,807
Creditors by accrued expenses - interest	37,478	43,319
Creditors by accrued expenses - insurance	9,060	3,867
Creditors by accrued expenses – vacations and vacation pay	1,413,703	1,274,378
Creditors by accrued expenses – commissions	33,327	31,691
Creditors by accrued expenses – rappel	244,873	
Creditors by accrued expenses – points	75,000	
Creditors by accrued expenses – other	204,216	292,614
Other creditors	326,143	10,001
Other accounts receivable	**351,275**	**375,480**
Staff	14,629	23,321
Debtors by accrued income – Subsidies	58,265	76,790
Debtors by accrued income – other	118,230	10,675
Other debtors	160,151	264,695
Total	**20,585,808**	**21,189,696**

18.2. State and other Public Entities

Description	31/12/2015			31/12/2014		
	Current	Non-current	Total	Current	Non-current	Total
State and other public entities						
Assets						
Income tax	443,613		443,613	329,654		329,654
Income tax withholding						
Value Added Tax	448,790		448.790	360,166		360,166
Other taxes						
Social Security contributions						
Local government levies						
Other levies						
Total	**892,403**		**892,403**	**689,820**		**689,820**
Liabilities						
Income tax				122,444		122,444
Income tax withholding	108,347		108,347	97,392		97,392
Value Added Tax						
Other taxes	49		49	30		30
Social Security contributions	176,964		176,964	162,846		162,846
Total	**285,360**		**285,360**	**382,712**		**382,712**

18.3. Deferrals

CARRYING AMOUNT AND OPERATIONS IN THE PERIOD EUR

Description	31/12/2015			31/12/2014		
	Current	Non-current	Total	Current	Non-current	Total
Deferrals						
Assets						
Expenses to be recognised – interest	46,110		46,110	33,086		33,086
Expenses to be recognised – insurance	40,683		40,683	8,637		8,637
Expenses to be recognised – moulds owned by customer	255,866		255,866			
Expenses to be recognised – protection items	1,199		1,199			
Expenses to be recognised – marketing items	36,715		36,715			
Expenses to be recognised – gift items	2,768		2,768			
Expenses to be recognised – services in transit	7,381		7,381	163,521		163,521
Expenses to be recognised – other	55,343		55,343	4,874		4,874
Total	**446,065**		**446,065**	**210,119**		**210,119**
Liabilities						
Income to be recognised – moulds	168,903		168,903			
Income to be recognised – other	19,802		19,802	196,065		196,065
Total	**188,705**		**188,705**	**196,065**		**196,065**

18.4. Financial Assets and Liabilities

INFORMATION ON FINANCIAL ASSETS AND LIABILITIES IN 2015 EUR

Description	Measured at fair value through profit and loss	Measured at cost	Accumulated impairment
Financial Assets:			
Customers		9,095,706	531,403
Advance payments to suppliers		75,470	
Other accounts receivable		351,275	
Financial Liabilities:			
Suppliers		6,906,844	
Advance payments from customers		230	
Borrowings		17,511,784	
Other accounts payable		4,156,282	

INFORMATION ON FINANCIAL ASSETS AND LIABILITIES IN 2014

Description	Measured at fair value through profit and loss	Measured at cost	Accumulated impairment
Financial Assets:			
Customers		9,232,965	511,924
Advance payments to suppliers		8,201	
Other accounts receivable		375,480	
Financial Liabilities:			
Suppliers		7,325,506	
Advance payments from customers		245,043	
Borrowings		15,717,073	
Other accounts payable		4,002,500	

18.5. Cash

CARRYING AMOUNT AND OPERATIONS IN THE PERIOD EUR

Description	31/12/2015	31/12/2014
Cash and bank deposits		
Assets		
Cash	17,228	4,759
Demand deposits	549,480	574,711
Total	**566,708**	**579,470**

18.6. Financing

Description	31/12/2015			31/12/2014		
	Current	Non-current	Total	Current	Non-current	Total
Borrowings						
Credit institutions and financial companies	6,069,497	10,091,089	16,160,586	7,717,980	7,276,524	14,994,504
Other funders		1,351,198	1,351,198		722,570	722,570
Total	**6,069,497**	**11,442,287**	**17,511,784**	**7,717,980**	**7,999,094**	**15,717,074**

18.7. Capital

CARRYING AMOUNT AND OPERATIONS IN THE PERIOD EUR

Description	31/12/2015	31/12/2014
Equity		
Capital	10,000,000	10,000,000
Legal reserves	2,000,000	2,000,000
Other reserves	3,138,457	3,138,457
Retained earnings	-2,466,391	-4,128,289
Adjustments to financial assets	4,274,105	3,615,970
Revaluation surpluses	6,587,092	7,627,062
Other changes in equity	140,057	136,303
Net result for the period	3,462,934	2,850,032
Total	**27,136,253**	**25,239,536**

18.8. Disclosure of information on impairments

IMPAIRMENT LOSSES IN FINANCIAL ASSETS AT COST IN 2015 EUR

Description	Impairment losses in the year	Impairment loss reversals	Accumulated
Debts receivable from customers	49,500		531,403
Inventories - goods	144,939	39,842	213,103
Inventories - raw materials	28,256		85,617
Inventories - finished products	59,840	12,179	187,076
Total	**282,534**	**52,021**	**1,017,199**

IMPAIRMENT LOSSES IN FINANCIAL ASSETS AT COST IN 2014 EUR

Description	Impairment losses in the year	Impairment loss reversals	Accumulated
Debts receivable from customers	170,491	235	511,924
Inventories - goods	108,006		108,006
Inventories - raw materials			57,362
Inventories - finished products	139,415		139,415
Total	**417,913**	**235**	**816,707**

18.9. Information on Doubtful Debts

DEBTS RECORDED AS DOUBTFUL DEBTS EUR

Description	2015	2014
Regarding companies subject to processes of insolvency, recovery or enforcement		
Legally claimed	232,937	259,579
In arrears:	**298,466**	**252,346**
For more than twenty-four months	187,474	215,400
For more than eighteen months and up to twenty-four months	106,878	210
For more than twelve months and up to eighteen months	162	1,649
For more than six months and up to twelve months	3,952	34,944
Up to six months		142
Total	**531,403**	**511,924**

19. Disclosure of information on External Supplies and Services:

EXTERNAL SUPPLIES AND SERVICES EUR

Description	31/12/2015	31/12/2014
Subcontracts	**1,081,064**	**224,244**
Specialised work	982,279	892,611
Advertising and propaganda	470,465	393,006
Safety and security	80,151	74,047
Fees	55,667	69,159
Fees	310,027	264,248
Maintenance and repairs	820,506	779,030
Other	159,623	223,018
Total specialised services	**2,878,719**	**2,695,119**
Fast-wearing tools and utensils	300,341	157,962
Technical books and documentation	1,724	1,085
Office supplies	20,077	9,083
Gift items	45,594	64,611
Other	17,309	10,109
Total materials	**385,045**	**242,851**
Electricity	864,195	808,018
Fuels	70,745	78,121
Water	16,764	17,646
Other	1,687	1,612
Total energy and fluids	**953,392**	**905,397**
Travel and accommodation	520,732	439,458
Transport of goods	2,107,094	1,982,274
Total transportation, travels and accommodation	**2,627,826**	**2,421,732**
Leases and rentals	45,651	24,241
Communication	66,989	61,920
Insurance	173,998	165,776
Royalties	2,048	
Legal expenses	9,758	9,221
Representation expenses	355,469	323,630
Cleaning, hygiene and comfort	55,848	59,405
Other services	6,496	13,689
Total miscellaneous services	**716,256**	**657,881**
Total external supplies and services	**8,642,301**	**7,147,223**

20. Disclosure of information on Staff Costs

EMPLOYEES AND HOURS WORKED

Description	2015		2014	
	Average number of employees	Number of hours worked	Average number of employees	Number of hours worked
People working for the company, paid and unpaid:				
People paid by the company	369	658,786	361	648,604
People working for the company but unpaid				
People working for the company by type of schedule:				
People working for the company full time	369	658,786	361	648,604
Of which: Remunerated employees working for the company full time	369	658,786	361	648,604
People working for the company part time				
Of which: Remunerated employees working for the company part time				
People working for the company, by gender:				
Men	180	331,555	172	315,827
Women	189	327,231	189	332,777
People working for the company, of which:				
People working for the company allocated to research and development activities	73		23	
Service providers	16		18	
People placed through temporary work agencies	67		56	

STAFF COSTS

EUR

Description	31/12/2015	31/12/2014
Staff expenses	**9,987,537**	**9,025,853**
Remuneration of governing bodies	645,978	573,087
Of which: Profit sharing	236,888	213,499
Staff remuneration	6,633,394	6,068,649
Charges on remunerations	1.518.781	1,407,597
Insurance against work accidents and occupational diseases	66,053	54,403
Employee benefit costs	113,531	104,474
Other staff costs	1,009,800	817,644
Of which:		
Temporary work	933,119	750,484
Training costs	49,023	42,486

21. Disclosure of information on Income and Gains

OTHER INCOME AND GAINS

EUR

Description	31/12/2015	31/12/2014
Supplementary income	731,923	760,210
Cash payment discounts obtained	76,844	34,986
Gains in inventories	242,001	
Income and gains from other financial assets	27,038	8,430
Income and gains from non-financial investments	29,750	30,386
Other	29,165	98,339
Interest earned	72	186
Total other income and gains	**1,136,793**	**932,537**

22. Disclosure of information on other expenses and losses

OTHER EXPENSES AND LOSSES EUR

Descriptio	31/12/2015	31/12/2014
Taxes	82,128	63,366
Cash payment discounts granted	348,827	282,101
Bad debt	15,128	16,536
Inventory losses	153,015	20,562
Expenses and losses in non-financial investments	24,281	
Other		
Corrections regarding previous financial years	20,657	6,853
Donations	32,987	39,530
Contributions	11,578	8,828
Gifts and samples in inventory	101,313	61,744
Insufficient Estimates on Taxes	1,677	1,111
Moulds owned and customer contributions	51,601	40,096
Unfavourable exchange rate differences	59,430	46,929
Commissions and other bank expenses	25,317	17,957
Other	30,527	10,586
Total other expenses and losses	**958,468**	**616,198**

23. Disclosure of information on interest and similar expenses

INTEREST AND SIMILAR EXPENSES EUR

Description	31/12/2015	31/12/2014
Interests borne	447,879	724,442
Total interest and similar expenses	**447,879**	**724,442**

24. Disclosure of information on depreciation expenses

EXPENSES/REVERSIONS OF DEPRECIATION AND AMORTISATION EUR

Description	31/12/2015	31/12/2014
Industrial Property	**84,901**	
Buildings	84,901	
Tangible fixed assets	**2,510,881**	**2,375,131**
Buildings	785,965	740,005
Basic equipment	1,489,237	1,430,973
Transportation equipment	114,507	90,620
Administrative equipment	103,770	97,661
Other tangible fixed assets	17,401	15,873
Intangible assets	**81,722**	
Development projects	11,636	
Computer Programmes	70,086	
Total costs with depreciation and amortisation	**2,677,503**	**2,375,131**

25. Legally required disclosures

Ordinance 208/2007 of 16 February establishes IES (simplified business information) requires the disclosure of the following information:

INFORMATION PER GEOGRAPHICAL MARKET FOR 2015 EUR

Description	Internal	EU	Non-EU	Total
Sales	10,595,213	26,163,183	9,351,278	**46,109,674**
Services provided	6,742			**6,742**
Purchases	10,854,508	9,878,418	1,134,046	**21,866,972**
External supplies and services	6,583,963	1,711,317	347,021	**8,642,301**
Acquisition of tangible fixed assets	4,641,780	309,619	21,000	**4,972,400**
Other supplementary income	269,858	384,830	77,235	**731,923**

INFORMATION PER GEOGRAPHICAL MARKET FOR 2014 EUR

Description	Internal	EU	Non-EU	Total
Sales	9,361,832	24,548,877	8,411,479	**42,322,188**
Services provided	5,463		15,201	**20,665**
Purchases	12,111,147	8,566,893	648,224	**21,326,264**
External supplies and services	5,787,308	1,183,499	176,415	**7,147,223**
Acquisition of tangible fixed assets	2,440 659	719,654	8,338	**3,168,651**
Other supplementary income	96,906	496,449	166,855	**760,210**

Article 66(A) of the Companies Code requires disclosure of the services provided by the Statutory Auditor.

FEES BILLED EUR

Description	2015	2014
Statutory audit	12,250	12,600
Other services		4,450
Totals	**12,250**	**17,050**

26 Information on guarantees provided

Guarantees Provided	Beneficiary	Amount
Bank Guarantees		
Caixa Geral de Depositos	APCMC	16,000
Banco BPI	HAPAG LOYD	61,500
Banco Santander Totta	IAPMEI	353,090

The Statutory Auditor

The Board of Directors

V. Audit Board Report and Opinion – Individual Accounts

AUDIT BOARD REPORT AND OPINION

Dear Shareholders:

In accordance with the law, the company's articles of incorporation and the mandate granted to us, we hereby submit to your assessment our Report and Opinion on the Management Report prepared by the Board of Directors of **Oliveira & Irmão, S.A.**, for the financial year ended 31 December 2015.

Report

1. Throughout the fiscal year we have monitored the activities of the Company with the regularity and to the extent deemed appropriate, having received all the necessary support and clarifications from the Board of Directors.
2. As part of our responsibilities, we have confirmed that:

    2.1. The individual financial statements were prepared based on organised accounting, in accordance with the legal provisions in force in Portugal.

    2.2. The accounting policies and measurement criteria adopted are adequate to the circumstances and are in accordance with the accounting rules in force in Portugal and outlined in the Notes.

    2.3. The Management Report, prepared in accordance with the Companies Code and all other applicable legislation, is sufficiently clear and highlights the most significant aspects.

    2.4. The proposed distribution of profits is duly justified.

3. The terms of the Statutory Audit and Audit Conclusion and Recommendation Report issued by the Audit Firm were assessed and, having warranted our agreement, are considered an integral part of this report.

Opinion

4. In light of the content of the Report, bearing in mind that the accounting, the Individual Financial Statements and the Management Report, together with the Statutory Audit, which was issued without reservation and with emphasis, and the Audit Conclusion and Recommendation Report fulfil all legal and statutory provisions, reflecting the financial position and results achieved by the Company during the financial year, and there being no knowledge of any infringement of the law or articles of incorporation, we are of the opinion that the Annual General Meeting:
    a) Approve the Management Report and the Individual Financial Statements presented by the Board of Directors, concerning the 2015 financial year;
    b) Approve the profit distribution proposal contained in said report;
    c) Conduct a general assessment of the Company's Governing and Audit Bodies.

Aveiro, 22 April 2016

The Audit Board

[Illegible signature]

Eng. José Luís Azevedo Cacho - *Chairman*

[Illegible signature]

Eng. João Paulo Araújo Oliveira - *Member*

[Illegible signature]

Jorge Silva, Neto, Ribeiro & Pinto, Sroc, Lda., represented by

António Rodrigues Neto - *Member*

VI. Statutory Audit – Individual Accounts

Jorge Silva, Neto, Ribeiro & Pinho, Sroc, Lda.

Audit Firm

STATUTORY AUDIT

Introduction

1. We have examined the financial statements of **Oliveira & Irmão, S.A.,**, which comprise the Balance Sheet on 31 December 2015 (showing a total of €57,664,672 and a total equity of €27,136,253, including a net profit of €3,462,934), the Profit-and-Loss Account by nature, the Statement of Changes in Equity and the Cash Flow Statement for the year ended on said date, as well as the corresponding Notes.

Responsibilities

2. The Board of Directors is responsible for preparing the financial statements in a way that they present the true and appropriate financial position of the company, the result of its operations, changes in equity and cash flows. The Board must also adopt adequate accounting policies and criteria and maintain an appropriate internal control system.

3. It is our responsibility to express a professional and independent opinion, based on our audit of said financial statements.

Scope

4. Our audit was performed in accordance with the Review/Audit Technical Standards and Guidelines issued by the *Ordem dos Revisores Oficiais de Contas* (Portuguese Institute of Statutory Auditors), which require that the inspection is planned and executed in a way that results in an acceptable degree of assurance as to whether the financial statements are free from any materially relevant distortions. To this end, the examination includes:
   - a sample-based checking of evidence concerning the amounts and disclosures included in the financial statements and the assessment of estimates, based on the judgements and criteria defined by the Board of Directors, used in the preparation thereof;
   - appreciation of whether the accounting policies adopted and their dissemination are appropriate under these particular circumstances;
   - verification of the applicability of the going-concern principle; and
   - appreciation of whether, in global terms, the presentation of the financial statements can be considered appropriate.

5. Our examination also included checking whether the financial information in the management report was in agreement with the financial statements.

6. We believe that our examination provides an acceptable basis on which to express our opinion.

[Initial]

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Branch: Rua Manuel Firmino, Ed. Veneza, 52 – 8º andar, sala AZ – 3800-213 Aveiro – Phone: 214 386 517 – Fax: 234 386 518
E-mail: antonio.neto@ua.pt

Jorge Silva, Neto, Ribeiro & Pinho, Sroc, Lda.

Audit Firm

Opinion

7. We are of the opinion that the aforementioned financial statements present, in an appropriate and accurate manner, and in all materially relevant aspects, the financial position of **Oliveira & Irmão, S.A.** on 31 December 2014 and the result of its operations during the year ending on that date, in compliance with the accounting principles generally accepted in Portugal.

Emphasis

8. Notwithstanding the opinion stated in paragraph 7, above, we draw attention to the following situation:
    8.1. The company recently acquired two investment properties. As pointed out in section 3 of the Notes, the Board of Directors decided not to promote the calculation of their fair value, given the short period elapsed since their acquisition and the date to which the financial statements pertain and considering the stagnation of the real estate market, if any difference exists between the carrying amount and the fair value of the investment properties in question, it will not be relevant.

Report on other legal requirements

9. It is also our opinion that the information included in the Management Report is consistent with the financial statements for the fiscal year.

Aveiro, 22 April 2016

[Illegible signature]

Jorge Silva, Neto, Ribeiro & Pinto, Sroc, Lda., represented by

António Rodrigues Neto

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VII. Report of the Board of Directors – Consolidated Accounts

In compliance with legal and statutory provisions, we hereby present and submit to the consideration of the General Meeting the Report of the Board of Directors and Consolidated Financial Statements for FY 2015.

In 2015, the scope of consolidation of Oliveira & Irmão, S.A. included the following entities:

- Oliveira & Irmão, S.A. (Parent Company);
- OLI, SRL., 99.0% share held;
- OOO Oli Rus 100% share held;
- OLI Sanitärsysteme, GMBH, 100% share held
- Moldaveiro - Moldes, LDA., 83.0% share held;
- Soplasnor - Sociedade Plásticos do Norte, SA., 100% share held.
- Nuno & Gradeço – Materiais de Construção, SA., 99.1% share held; (liquidated and wound up)

OLI, SRL., Based in Casto, Province of Brescia (Italy), carries on its business in Italy, distributing the industrial products of the parent company and complementing this activity with an interesting re-exporting (and dissemination) activity, involving the products of the parent company in markets with the greatest affinity with Italy, also coordinating commercial partnerships with major industry groups, through its decision centres in Italy (or in locations with a privileged relationship with this market).

OLI Rus, based in Moscow (Russia), was created in 2015 with the purpose of distributing our products in the Eastern European market, enhancing not only the portfolio of existing customers but promoting our products and brands in this market with high growth potential. The final purpose of this business unit is to become a production unit for our products, seeking to profit from greater competitiveness in terms of cost.

OLI Sanitärsysteme, based in Möckmühl (Germany), was established in late 2015 and is dedicated to distributing our products in the German market, fostering greater proximity to potential customers and the development of our brand's notoriety, as well as our presence in this important European market.

Moldaveiro - Moldes, Lda., based in Aveiro, which produces plastic injection moulds, works essentially for the parent company. It continues to play a strategically important role, whether through its capacity to design and produce moulds adapted to the specific needs of our industry, our customers and our markets, or by ensuring the normal and timely maintenance of moulds for the parent company.

Soplasnor, based in Matosinhos, formerly dedicated to the manufacture of PVC and PE pipes for various purposes, was shut down and all its assets and liabilities are currently being liquidated.

Nuno & Gradeço, S.A., based in Anadia was wound up during 2015.

Consolidated turnover increased by 10%, reaching a total of €53,388,044. This increase was mainly driven by Oliveira & Irmão, OLI SRL and Moldaveiro.

In terms of economic and financial performance, the consolidated data reflect the following changes:

- Consolidated net profit recorded a very positive development, rising from €2,783,777 to €3,822,095. This 37% increase was mainly driven by the industrial and commercial activities developed by the three main subsidiaries. The companies currently in liquidation or that have been recently created had only a minor impact on this item.
- Cash-Flow increased by 17%, reaching €7,109,400.
- There was also an increase in *EBITDA*, of 16%, to €7,841,875, which is equivalent to 14.7% of sales.
- Consolidated net bank debt increased by €1,959,758, reaching €19,002,508.
- Consolidated financial autonomy was 42%.

In terms of group strategy, we intend to focus on our core business, seeking to strengthen the companies that support the base of our business, namely:

- The Italian and German subsidiaries, as an important channel for distributing the parent company's products in the respective markets.
- The Russian subsidiary, as complementary industrial unit to the parent company, with the goal of supplying Eastern European markets, in a more economically competitive way.
- Moldaveiro, as an important instrument supplying moulds to the parent company with excellent technical conditions and opportunities (in addition to an increasingly demanding maintenance of existing moulds). Moldaveiro plays a growing role in the parent company's operations and performance due to the complexity of the parent company's partnerships with some important customers.
- Oliveira & Irmão, S.A., the parent company, which must act as the core and driving force for the small group of companies to which it belongs.

The parent company's report was prepared in a way that suitably reflects the group's operation strategy, taking into account the proximity and affinity of strategic objectives between the various companies. To avoid unnecessary and tiresome repetitions, we will regard that report as part of this one and implicitly reproduced herein.

We will now briefly analyse each of the companies and indicate the most significant aspects related to the group's strategy:

Oliveira & Irmão

The various documents preceding this report clearly indicate the importance and role of this company as the group's core. As we mentioned above, this company is increasingly becoming the core and driving force for the group's other companies (a group which is now more concentrated and cohesive).

The management is deeply committed to boosting the company's competitiveness through various means. Because of Europe's current economic situation, we have implemented a number of measures to decrease the company's dependence on Europe for its sales.

Recent changes in business require implementing some strategic reorientation measures. Along with the desired lower dependence on Europe, we plan to increase sales of our own brand and to improve our product line. As such, we must reposition the company in its marketing and communication and improve our research, development and innovation capacity.

OLI has focused on R&D projects with direct impact on its activity, establishing a strategic cooperation with the best scientific and technological knowledge networks with relevance to its activities in the sector, aware that this sharing of knowledge is critical to enable and foster new and unique opportunities for value creation. Highlight goes to partnerships with members of the Scientific and Technological System, including Universities and organisations dedicated to promoting R&D, as well as with a number of suppliers and customers. The registration of the intellectual property produced remains a key strategic factor, which allows us to be an industry benchmark.

OLI, SRL.

As previously mentioned, this company is essentially the Italian sales branch of the parent company, distributing the products manufactured by Oliveira & Irmão in Italy. However, it complements this activity with the distribution (re-exporting or "representation") in some markets, for reasons of greater affinity between those markets and those products. This strategy has proven successful, in that it allows it to optimise the sales potential of the parent company, in a complementarity that enhances the profitability of both companies.

Highlight also to the growing industrial activity that this subsidiary has been developing, particularly in developing solutions for existing OEMs in the Italian market.

Sales of this company increased by 12%, reaching €13,469,086. In terms of net profit, there was an increase of 28%, compared to 2014. Net profit reached €754,944.

OLI Rus

This company was established in March 2015 and, in a first phase, it has been dedicated to marketing and distributing the parent company's products. In 2015, it reached turnover of €754,145 (55,013,451 rubles) and a net loss of -95,673 (6,979,129 rubles).

OLI Sanitärsysteme

The company was established in December 2015, and so it did not record any commercial activity in 2015. Due to some initial expenses related to the installation and commissioning, the company recorded a negative result in this period, of €-11,147.

Moldaveiro

This company continues to work largely for the parent company.

In 2015, its turnover reached €2,377,503, a 12% increase in relation to 2014. Its net profit was €472,739.

Soplasnor

In 2015, the company sold off its main assets, selling the building to Oliveira & Irmão, as part of the reorganisation of the business group and its subsidiaries. The net loss of Soplasnor amounted to €-519,292, primarily as a result of losses recorded with the sale of the property.

Nuno & Gradeço

This company was definitively liquidated in 2015, having recorded a loss of €-34,752.

Future strategies

Oliveira & Irmão

We once again point out the company's determination to diversify its markets and boost sales by strengthening the OLI brand and by achieving a better market segmentation, both geographically and in terms of types of customers.

OLI Subsidiaries

These will function as complementary tools for developing the OLI group's strategy, seeking to enhance quality, innovation and product notoriety in the respective markets.

Moldaveiro

Moldaveiro is expected to continue its work of previous years, to improve its technical capacity and to combine that greater technical capacity with faster mould design and production. Achieving this goal will improve its services to the parent company and increase its competitiveness (not only in price, but also, and mainly, through faster delivery times).

Soplasnor

We will remain committed to the task of liquidating the assets and liabilities of these companies, in order to conclude their termination.

Conclusion

In closing, we would like to reaffirm our determination to focus our efforts on the most profitable and competitive activities and companies. We shall endeavour to have each company be, in itself, of merit and profitable, whilst belonging to a group strategy that benefits them all, both in terms of each company's business and the robustness of the group as a whole.

Aveiro, 30 April 2015

The Board of Directors,

António Manuel Moura de Oliveira

Rui Alberto Moura de Oliveira

Graça Maria Moura de Oliveira

PierAndreino Niboli

Federica Niboli

VIII. Consolidated financial statements

Consolidated Balance Sheet in 31/12/2015 and 31/12/2014 **EUR**

Items	Notes	Periods	
		31/12/2015	31/12/2014
Assets			
Non-current assets			
Tangible fixed assets	7;9	29,723,149	32,105,619
Investment properties	8	6,488,805	
Intangible assets	6	552,513	232.756
Financial investments - Equity Method	5	708	708
Financial investments - Other methods	5	30,569	41,569
Other financial assets	5	7,433	2,311
Deferred tax assets	16	28,246	
		36,831,422	**32,382,963**
Current assets			
Inventories	11	8,210,967	9,029,498
Customers	17	14,586,542	13,430,028
Advance payments to suppliers	17	75,648	8,201
State and other public entities	17	1,134,502	862,260
Other accounts receivable	17	728,028	645,166
Deferrals	17	360,881	12,401
Non-current assets held for sale	3	91,288	91,288
Cash and bank deposits	4	4,078,240	2,416,493
		29,266,096	**26,495,334**
Total Assets		**66,097,517**	**58,878,297**
Equity and Liabilities			
Equity			
Paid-up capital	17	10,000,000	10,000,000
Other equity instruments	17	4,653	4,653
Legal reserves	17	2,320,221	2,286,081
Other reserves	17	8,228,960	7,599,629
Retained earnings	17	-3,591,997	-4,546,592
Revaluation surpluses	17;7	6,587,092	7,627,062
Other changes in equity	17	140,057	136,303
Exchange rate differences	17	8,892	
Consolidated net income for the period	17	3,734,504	2.726.372
Non-controlling interests	17	377,781	-737,257
Total Equity		**27,810,162**	**25,096,252**
Liabilities			
Non-current liabilities			
Provisions	17	218,507	227,163
Borrowings	9;10	11,534,885	8,023,912
Deferred tax liabilities	16	1,449,873	769,531
		13,203,265	**9,020,606**
Current liabilities			
Suppliers	17	8,881,964	8,603,020
Advance payments from customers	17	1,211	252.628
State and other public entities	17	767,214	853.905
Borrowings	9;10	11,545,862	11,435,332
Other accounts payable	17	3,693,586	3,408,748
Deferrals	17	194,253	207,807
		25,084,090	**24,761,440**
Total Liabilities		**38,287,355**	**33,782,045**
Total Equity and Liabilities		**66,097,517**	**58,878,297**

The Statutory Auditor The Board of Directors

Individual statement of profit and loss, by nature, for the financial years ended 31/12/2015 and 31/12/2014

EUR

INCOME AND EXPENSES	Notes	Periods	
		2015	2014
Sales and services	22	53,388,044	48,483,960
Operating subsidies	14	83,449	115,366
Gains/Losses allocated to subsidiaries, associated companies and joint undertakings	17	20	15
Changes in production inventories	12	102,826	294,699
Capitalisation of own work		1,756,834	1,536,356
Cost of goods sold and materials consumed	12	-23,769,260	-23,146,309
External supplies and services	18	-10,945,323	-9,125,139
Staff costs	5;19	-12,685,158	-11,509,408
Impairment on inventories (losses/reversals)	12	-176,688	-242,201
Impairment on accounts receivable (losses/reversals)	17	28,318	-217,247
Provisions (increases/decreases)	16	-41,975	-21,162
Other income and gains	13;15	1,731,066	1,517,470
Other expenses and losses	15;20	-1,594,212	-933,756
Earnings Before Interest, Tax and Depreciation (EBITD)		**7,877,942**	**6,752,644**
Expenses/Reversals of depreciation and amortisation	6;7;9	-3,097,039	-2,814,841
Earnings before interest and taxes (EBIT)		**4,780,903**	**3,937,803**
Interest and similar expenses	21	-478,088	-755,284
Earnings before taxes (EBT)		**4,302,815**	**3,182,519**
Income tax for the year	16	-480,720	-398,742
Net profit for the period		**3,822,095**	**2,783,777**
Net result for the period attributable to:			
Holders of capital in the parent company		3,734,504	2,726,372
Non-controlling interests		87,591	57,405
		3,822,095	**2,783,777**
Basic earnings per share		**7.64**	**5.57**

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Consolidated statement of Cash Flows for the financial years ended 31/12/2015 and 31/12/2014

EUR

Items	Periods	
	2015	2014
Operating cash flows – Direct method		
Receipts from customers	60,666,926	53,487,557
Payments to suppliers	-38,626,715	-36,568,643
Payments to staff	-11,573,205	-10,467,077
Cash generated by operations	10,467,006	6,451,837
Income taxes paid/received	-948,067	-422,591
Other receipts/payments	-3,303,757	-3,147,479
Operating cash flows (1)	**6,215,182**	**2,881,767**
Cash flows from investment activities		
Payments concerning:		
Tangible fixed assets	-5,772,482	-879,645
Intangible assets	-403,165	-185,526
Financial investments	-79,181	-2,311
Other Assets	-308,161	
Receipts from:		
Tangible fixed assets	24,948	314,322
Financial investments	111,356	8,430
Investment grants	11,387	
Interest and similar income	1,711	4,111
Cash flows from investment activities (2)	**-6,413,587**	**-740,620**
Cash flows from financing activities		
Receipts from:		
Borrowings	9,602,334	5,246,433
Other financing operations	6,462	
Payments concerning:		
Borrowings	-6,749,237	-5,652,837
Interest and similar costs	-456,035	-744,224
Cash flows from financing activities (3)	**1,860,835**	**-1,150,628**
Changes in cash and cash equivalents (1+2+3)	1,662,430	990,520
Effects from changes in exchange rate	-684	
Cash and cash equivalents at the beginning of the period	**2,416,493**	**1,425,973**
Cash and cash equivalents at the end of the period	**4,078,240**	**2,416,493**

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Consolidated Statement of Changes in Equity in 2015

DESCRIPTION		NOTES	Equity attributed to capital holders in the parent company									Non-controlling interests	Total Equity
			Paid-up capital	Share issue premiums	Legal reserves	Other reserves	Retained earnings	Revaluation surpluses	Other changes in equity	Net result for the period	Total		
POSITION AT THE START OF 2015	**1**		**10,000,000**	**4,653**	**2,286,081**	**7,599,629**	**-4,546,592**	**7,627,062**	**136,303**	**2.726.372**	**25,833,508**	**-737,257**	**25,096,251**
CHANGES IN THE PERIOD Realisation of the revaluation surplus from tangible and intangible fixed assets Surpluses from reassessments of tangible and intangible fixed assets and respective variations Deferred tax adjustments Other changes recognised in equity		17			34,140	629,330	1,697,595	-1,039,970	12.646	-2.726.372	-1,392,631	1,115,037	**-277,594**
	2				**34,140**	**629,330**	**1,697,595**	**-1,039,970**	**12,646**	**-2.726.372**	**-1,392,631**	**1,115,037**	**-277,594**
NET RESULT FOR THE PERIOD	**3**									3,734,504	**3,734,504**		**3,734,504**
COMPREHENSIVE INCOME	**4=2+3**									**1,008,133**	**1,008,133**	**1,115,037**	**3,456,910**
TRANSACTIONS WITH SHAREHOLDERS IN THE PERIOD Capital increases Realisations from share premiums Profit distribution Coverage of losses Other operations		17					-743,000				-743,000		**-743,000**
	5						**-743,000**				**-743,000**		**-743,000**
POSITION AT THE END OF 2015	**6=1+2+3+5**		**10,000,000**	**4,653**	**2,320,221**	**8,228,960**	**-3,591,997**	**6,587,092**	**148,949**	**3,734,504**	**27,432,382**	**377,781**	**27,810,162**

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Consolidated Statement of Changes in Equity in 2014

EUR

DESCRIPTION		NOTES	Equity attributed to capital holders in the parent company									Non-controlling interests	Total Equity
			Paid-up capital	Share issue premiums	Legal reserves	Other reserves	Retained earnings	Revaluation surpluses	Other changes in equity	Net result for the period	Total		
POSITION AT THE START OF 2014	**6**		**10,000,000**	**4,653**	**2,261,737**	**7,001,253**	**-4,224,765**	**7,627,062**	**143,937**	**361,908**	**23,175,783.88**	**-794,661,73**	**22,381,123**
CHANGES IN THE PERIOD Realisation of the revaluation surplus from tangible and intangible fixed assets Surpluses from reassessments of tangible and intangible fixed assets and respective variations Deferred tax adjustments Other changes recognised in equity		17			24,344	598,377	-321,826		-7,634	-361,908	-68,647	57,405	**-11,243**
	7				**24,344**	**598,377**	**-321,826**		**-7,634**	**-361,908**	**-68,647**	**57,405**	**-11,243**
NET RESULT FOR THE PERIOD	**8**									2,726,372	2,726,372		**2,726,372**
COMPREHENSIVE INCOME	**9=7+8**									2,364,464	2,364,464	57,405	**2,715,129**
TRANSACTIONS WITH SHAREHOLDERS IN THE PERIOD													
	10												
POSITION AT THE END OF 2014	**11=6+7+8+10**		**10,000,000**	**4,653**	**2,286,081**	**7,599,629**	**-4,546,592**	**7,627,062**	**136,303**	**2,726,372**	**25,833,508**	**-737,257**	**25,096,252**

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IX. Notes to consolidated financial statements

1. Information on companies included in the scope of consolidation

1.1. Companies included in the scope of consolidation

The scope of consolidation included the parent company and all its subsidiaries, listed below:

The scope of consolidation included the parent company and all its subsidiaries, listed below:

Company/Registered Office	Shareholding	Share Capital
Oli, Srl Località Piani di Mura 25070 Casto (BS) – Italy	99.0%	1,000,000
Moldaveiro Moldes, Lda Lugar do Milão, Esgueira - Aveiro	83.0%	500,000
Soplasnor - Indústria de Plásticos do Norte, SA Rua das Poças, Lavra	100.00%	6,800,000
Nuno & Gradeço - Materiais de Construção, S.A. Paraimo, Sangalhos	99.07%	1,500,000
Oli Sanitarsysteme GMBH Bittelbronner Strabe 42-46, 74219 Mockmuhl - Germany	100.00%	25,000
OOO Oli Rus Str Promyshlennaya 11, 142191 - Troitsk, Moscow - Russia	100.00%	133

2. Accounting framework used to prepare the Financial Statements

2.1. Accounting framework adopted and presentation bases

The attached Financial Statements were prepared in accordance with the applicable provisions in Portugal, in compliance with Decree-Law no. 158/2009 of 13 July and according to the Conceptual Structure (CS), Financial Accounting and Reporting Standards (FARS) and Interpretation Standards (IS) which are part of the Accounting Standards System (ASS), and, additionally, subject to the International Accounting Standards (IAS) adopted in the European Union and the International Accounting Standards (IAS/IFRS) issued by IASB and respective Technical Interpretations (SIC/IFRIC). The accounting standardisation commission regulated investments in subsidiaries and consolidation by issuing FARS 15 - Investments in subsidiaries and consolidation, based on IAS 27 - Consolidated and separate financial statements.

Financial investments in individual financial statements are valued according to the equity method (EM). The companies included under item 1 are regarded as subsidiaries because the parent company holds an interest of over 50% in them, and thus also has exclusive control over them.

The consolidation of subsidiary companies indicated in note 1 was performed by the global integration method. Significant transactions and balances between companies were eliminated in the consolidation process. The value corresponding to third-party holdings in the subsidiary companies is presented in the balance sheet, under Minority Interests.

Bases of presentation

The consolidated financial statements were prepared according to the principle of going concern, based on the accounting books and records of the companies included in the consolidation (note 1), maintained according to accounting principles generally accepted in Portugal.

3. Main accounting policies

3.1. Measurement bases used to prepare the Financial Statements:

INTANGIBLE ASSETS (FARS 6)

Intangible assets are recorded at their acquisition cost, net of depreciations and accumulated impairment losses. Intangible assets are recognised only when they are likely to lead to future economic benefits for the entity, are controllable and their cost may be reliably measured.

Development expenses are recognised whenever the entity demonstrates the capacity to complete the respective development, begin to use it and when it is probable that the created asset will generate future economic benefits. Development expenses that do not meet these criteria are recorded as expenses in the year in which they are incurred.

Amortisation is calculated after an asset is put into use and determined by the straight-line method according to its estimated useful life.

TANGIBLE FIXED ASSETS (FARS 7)

Tangible fixed assets acquired until 1 January 2009 (date of the transition to FARS) are recorded at their acquisition cost or at the revalued acquisition cost, according to the accounting principles generally accepted in Portugal until that date, minus accumulated depreciation.

Tangible fixed assets acquired after that date are recorded at their acquisition cost minus the corresponding depreciation and accumulated impairment losses. For most of the companies included in the scope of consolidation, buildings and land were revalued in 2011 by an external entity called L2i - Investimentos Imobiliários, Lda.

Depreciation is calculated after the date on which the goods are available for use by the straight-line method in accordance with the estimated lifetime for each group of goods. Conservation and repair expenses that do not increase the useful life or do not result in significant enhancements or improvements of tangible fixed assets are recorded as expenses in the year in which they are incurred.

Tangible fixed assets in progress are assets still in the construction stage and are recorded at the acquisition cost. These tangible fixed assets are depreciated as of the moment in which the underlying assets are available for utilisation and in the necessary conditions to operate as planned by the management.

Capital gains or losses resulting from the sale or write-off of tangible fixed assets are calculated as the difference between the sale price and the net book value, on the date of the sale or write-off. The said assets are recorded in the profit-and-loss account, in items Other income and gains or Other expenses and losses.

NON-CURRENT ASSETS HELD FOR SALE (FARS 8)

At our subsidiary Soplasnor, non-current assets held for sale include basic equipment, seeing as the company rented the facilities and thus reclassified the building and land as tangible fixed assets. At the parent company, assets held for sale refer to moulds that were classified as such because the assets are to be sold and are not being recovered through continuous use. The assets are available for immediate sale in their current condition.

LEASES (FARS 9)

Leasing contracts are classified as finance leases if they imply a substantial transfer of all risks and advantages inherent to ownership of the asset. Leasing contracts may also be classified as operating leases if they do not imply the substantial transfer of all risks and advantages inherent to possessing the asset. The classification of leases as financial or operational is based on the spirit and not in the form of the contract.

Tangible fixed assets acquired through finance lease contracts, as well as the corresponding responsibilities, are accounted for using the financial method. Tangible fixed assets, the corresponding accumulated depreciation and debts pending liquidation are recognised according to the contractual financial plan. Additionally, interest included in the value of rents and depreciation of tangible fixed assets are recognised as expenses in the profit-and-loss statement for the year to which they refer.

In leases considered operating leases, rents due are recognised as expenses in the Income Statement on a linear basis during the period of the leasing contract.

BORROWING COSTS (NCRF10)

Borrowing costs are recorded in liabilities through their nominal contracted value. Expenses on the respective commissions and issuance are accounted as expenses in the period. Financial expenses determined according to the effective interest rate are recorded in the profit-and-loss account according to the accrual basis of accounting.

Loans are classified as current liabilities and, when settlement is deferred for over 12 months after the reporting date, they are classified as a non-current liability.

In the group, only the parent company capitalised interest on borrowings, in the construction of a building in the centre of the city of Aveiro. This cost is part of the asset, as it is directly attributable to it. The amount of capitalised interest was determined by applying a capitalisation rate to the amount. In inventory, we have only one apartment and one store in this building. All other assets have been sold.

INVESTMENT PROPERTIES (FARS 11)

Investment properties are valued at the acquisition cost, net of depreciation and accumulated impairment losses.

Costs incurred with investment properties, such as maintenance, repairs and insurance, are recognised as expenses in the period to which they relate. If there are improvements, where there is expectation that these will generate future economic benefits beyond those initially expected, these are recognised in the investment properties heading.

Given that the investment properties were recently acquired, and given the stagnation of the real estate market, the company decided not to arrange for the calculation of its fair value for the purposes of paragraph 32 of FARS 11. If any difference exists between the carrying amount and the fair value of investment properties, it will not be relevant.

IMPAIRMENT OF ASSETS (FARS 12)

On the balance sheet date, an assessment is carried out to determine the actual existence of impairments implying changes in circumstances which indicate that the value for which the assets are recognised may not be recoverable.

Whenever the carrying amount of the asset is higher than the recoverable amount, an impairment is recognised in the profit-and-loss account, under item Impairment losses.

A reversal of impairment losses recognised in previous years is recorded when there is evidence that these losses no longer exist or have decreased. It is recognised in the profit-and-loss account in the reversal of impairment losses item and accounted up to the limit of the amount that would have been recognised if the loss had been recorded.

Impairment of inventories and customers was assessed on the balance sheet date. It was found that there was objective evidence of impairment in customers and inventories and, thus, said impairment was derecognised in the profit-and-loss account.

Regarding Soplasnor, an impairment was recognised in relation to the loan payable by this subsidiary to the parent company.

INVESTMENTS IN SUBSIDIARIES AND CONSOLIDATION (FARS 15)

Financial holdings were initially recognised at cost and later adjusted using the Equity Method. Full Consolidation is applied, as this is required by holdings and control in subsidiaries.

After associated companies are acquired, profits and losses are accounted in the profits or losses of the parent company against the financial investment value. After the balance sheet date, the profit or loss is transferred to reserves whenever it is not distributed. This year, there will be distribution of dividends and, therefore, the amount to transfer to reserves will be lower. When the holding determined by the Equity Method is a loss that equals or exceeds the investment in the associated company, the parent company no longer recognises additional losses except if it has taken on obligations on behalf of the associated company.

Profits not obtained from transactions with associated companies are eliminated from the scope of consolidation.

Whenever necessary, the accounting policies of associated companies are altered to ensure consistency with the policies adopted by the Group.

INVENTORIES (FARS 18)

Inventories are valued according to the following criteria:

Goods and raw, secondary and consumable materials are valued at acquisition cost. Acquisition cost includes expenses incurred until storage, using the weighted average cost as the output costing method.

Finished products and works in progress are valued at the production cost, which includes the cost of the respective raw materials, labour and general manufacturing expenses. The output cost is determined by the standard cost method.

In cases where the value of those goods is lower than the lowest of the average acquisition or production cost, an impairment cost is recorded for depreciation of inventories.

REVENUE (FARS 20)

The company recognises revenue whenever it is reasonably measurable, when it will likely obtain future economic benefits. The amount of revenue is not considered reasonably measurable until all contingencies relating to a particular sale are substantially resolved. The company bases its estimates on historic results, taking into account the type of customer, the type of transaction and the specificity of each agreement.

Revenue comprises the fair value of the consideration received or to be received for the sale and providing of services arising from the company's normal activities. Revenue is recognised net of Value Added Tax (VAT), rebates and discounts.

Revenue from the sale of goods is recognised when all the following conditions are met:

- All risks and benefits associated with the ownership of the goods are transferred to the purchaser;
- The entity does not maintain any control over the goods sold;
- The revenue amount can be reliably measured;
- Future economic benefits associated with the transactions are likely to flow to the entity;
- The costs incurred or to be incurred in the transaction can be reliably measured.

Interest revenue is recognised using the effective interest method, provided it is likely that economic benefits will flow to the entity and its amount can be reliably measured.

PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS (FARS 21)

The company set up a provision for customer guarantees, as its products are guaranteed for a period during which claims may be made. This would result in a current obligation arising from a past event. It is, therefore, likely that expenses will be incurred to satisfy that obligation. The obligation amount was calculated based on historic occurrences in the previous three years.

GOVERNMENT SUBSIDIES AND GOVERNMENT SUPPORT (FARS 22)

Operating subsidies – namely subsidies to support research and technological development, as well as job and internship programmes – are recognised in the profit-and-loss account proportionally to the expenses incurred, thereby fulfilling the principle of accrual accounting.

Non-refundable investment subsidies to finance tangible assets are recorded in equity and recognised in the profit-and-loss account, proportionally to the depreciation of subsidised assets during their useful life.

EFFECTS OF CHANGES IN CURRENCY EXCHANGE RATES (FARS 23)

Transactions in foreign currency are converted into the functional currency at the exchange rate on the transaction date.

On the closing date, the currency exchange rate is updated for outstanding balances (monetary items), applying the exchange rate in force on that date. Favourable and unfavourable exchange rate differences between the exchange rates in force on the date of transactions and those on the date of collections, payment or on the balance sheet date are recorded as income and/or expenses in the profit-and-loss account for the year in the exchange rate profits/losses item.

Exchange differences arising from the translation into Euro of financial statements of subsidiaries denominated in foreign currencies are recognised in equity, under Other changes in equity.

INCOME TAX (FARS 25)

The company is subject to corporate income tax (IRC). In determining the taxable amount, any amounts not accepted by the tax authorities are added to or deducted from the accounting amounts. This difference between accounting and fiscal results can be of a temporary or permanent nature.

The company records deferred taxes corresponding to the temporary differences between the accounting value of assets and liabilities and the corresponding tax base, according to the provisions of FARS 25 – Deferred taxes.

Expenses in income tax for the year are determined by adding current and deferred taxes.

Current income taxes are calculated based on the entity's taxable income according to tax regulations in force. Deferred tax results from temporary differences between the value of assets and liabilities for financial reporting purposes, and the respective values for taxation purposes (tax base).

Deferred tax assets and liabilities are calculated using the tax rates in force and are recognised as an expense or income in the year.

FINANCIAL INSTRUMENTS (FARS 27)

Financial instruments are valued according to the following criteria:

- Customers and other third-party receivables – debts from customers or other third parties are recorded at their nominal value, as they do not bear interest, and the discount effect is deemed immaterial. At the end of each reporting period, customer and other third-party receivables are analysed to determine the existence of any objective evidence that they are not recoverable. If they are not recoverable, the respective loss is immediately recognised as an impairment loss. Impairment losses are recorded subsequent to events that objectively and in a quantifiable manner imply that all or part of the outstanding balance will not be received. To this aim, the entity takes into account market information demonstrating that the customer has defaulted on its responsibilities and historic information showing that overdue balances have not been received.
- Debts to suppliers and other third parties – debts to suppliers or other third parties are recorded at their nominal value since they do not bear interest and the discount effect is regarded as immaterial.
- Loans – using one of the options of FARS 27, loans are recorded under liabilities at their cost.
- Transactions and balances in foreign currency – transactions in foreign currency are recorded at the exchange rate of the transaction dates. On each reporting date, the carrying amounts of monetary items stated in foreign currency are restated at the exchange rates of that date. Carrying

amounts of non-monetary items recorded in foreign currency are updated on the reporting date at the exchange rate in force. Currency exchange differences arising from the aforementioned updates are recorded in the profit-and-loss account for the year in which they were generated.

- Accrual basis – transactions are recognised in the accounting when they are generated, regardless of the moment when they were received or paid. Differences between amounts received and paid and the corresponding income and expenses are recorded under items Other accounts receivable, Other accounts payable and Deferrals.
- Cash and bank deposits – amounts included in the item of cash and cash equivalents correspond to the value of cash and bank deposits, both realisable immediately without losing value. Bank overdrafts are shown in the balance sheet, in Current Liabilities, under Borrowings.

EMPLOYEE BENEFITS (FARS 28)

The entity's employees receive the following benefits:

- Short-term benefits: includes wages, salaries, social security contributions and profits distributed. These benefits are accounted in the same time period in which the employee provided the service.
- Benefits for termination of employment: the entity recognises expenses for work contract terminations, either by expiry of a term contract or by mutual agreement.

3.2. Main sources of uncertainty in estimates

Estimates are based on the best knowledge at any moment and on planned actions. These actions are periodically reviewed based on available information. Estimates may be reviewed in the event of any changes to the facts and circumstances, such that actual future results may be different.

4. Cash flows

The cash and bank deposits item is broken down as follows:

CARRYING AMOUNT AND OPERATIONS IN THE PERIOD EUR

Description	Initial Balance	Debits	Credits	Final Balance
Cash	5,679	1,744,457	1,731,365	18,771
Demand deposits	2,230,814	248,129,702	246,916,047	3,444,469
Other bank deposits	180,000	1,265,000	830,000	615,000
Total cash and bank deposits	**2,416,493**	**251,139,159**	**249,477,412**	**4,078,240**

5. Investments in subsidiaries and consolidation

5.1. Significant operations in subsidiaries

LIST OF SIGNIFICANT INVESTMENTS IN SUBSIDIARIES EUR

	2015			
		Shareholding		

Description		Country of incorporation	Shareholding percentage	Percentage of voting rights	Accounting method used	Carrying amount of the
Subsidiaries	Moldaveiro - Moldes LDA	Portugal	83.00%	83.0%	EM	1,539,642
	Soplasnor-Soc. Plásticos do Norte, SA	Portugal	100.00%	100.0%	A)	
	Oli SRL	Italy	99.0%	99.0%	EM	6,040,085
	Oli Sanitarsysteme GMBH	Germany	100.0%	100.0%	EM	13,853
	OOO Oli Rus	Russia	100.0%	100.0%	A)	
	Nuno & Gradeço, S.A.	Portuga	99.07%	99.07%	EM	
Total						7,593,580

Key: EM - Equity Method

A) The EM no longer applies to Soplasnor, as, by recognising losses in subsidiaries, the investment amount was already offset

LIST OF SIGNIFICANT INVESTMENTS IN SUBSIDIARIES

Description		2014				
		Country of incorporation / Registered office	Shareholding		Accounting method used	Carrying amount of the investments
			Shareholding percentage	Percentage of voting rights		
Subsidiaries	Moldaveiro - Moldes LDA	Portugal	83.00%	83.0%	EM	1,202,049
	Soplasnor-Soc. Plásticos do Norte, SA	Portugal	79.90%	79.9%	A)	4,761,000
	Oli SRL	Italy		99.0%	EM	5,438,221
	Nuno & Gradeço, S.A.	Portugal	99.0%	99.07%	EM	185,264
Total						11,586,53

Key: EM - Equity Method

A) The EM no longer applies to Soplasnor, as the investment amount was already offset.

5.2. Financial investments

Financial investments EUR

Description	Investments in subsidiaries	Total
Equity method:		
Initial gross carrying amount	708	708
Initial net carrying amount (4 = 1- 2 + 3)	**708**	**708**
Operations in the period: (5=5.1+5.2+5.3-5.4+5.5+5.6-5.7-5.8-5.9+5.10+5.11+5.12+5.13+5.14)	**0**	**0**
Final net carrying amount (6=4+5)	**708**	**708**
Other methods		
Initial gross carrying amount	42,881	42,881
Initial net carrying amount (10=7-8+9)	**42,881**	**42,881**
Operations in the period: (11 = 11.1 + 11.2 + 11.3 + 11.4 + 11.5 + 11.6 + 11.7 + 11.8 + 11.9 + 11.10 + 11.11 + 11.12)	**-4,879**	**-4,879**
Other acquisitions Disposals	5,121	5,121
	-10,000	-10,000
Final net carrying amount (12=10+11)	**38,002**	**38,002**

5.3. Remuneration of key management staff

SALARIES OF GOVERNING BODIES

EUR

Description	2015	2014
Board of Directors - Oliveira & Irmão, S.A.	645,978	573,087
Gerência - Moldaveiro - Moldes, Lda	124,327	113,825
Management - OLI SRL	175,000	174,600
Board of Directors - Nuno & Gradeço	13,949	27,515

6. Disclosure of Intangible Assets

CARRYING AMOUNT AND OPERATIONS IN INTANGIBLE FIXED ASSETS IN 2015

EUR

Description	Development projects	Computer Programmes	Industrial property	Other intangible assets	Intangible assets in progress	Total
With finite service life:						
Initial gross carrying amount	406,618		1,250,312	428,997	185,526	2,271,453
Initial accumulated amortisations	406,618		1,250,312	381,767		2,038,697
Initial accumulated impairment losses						
Initial net carrying amount (7=4-5-6)				47,230	185,526	232,756
Operations in the period: (8 = 8.1 - 8.2 + 8.3 + 8.4 +8.5 +8.6)	48,204	274,743		-1,574	-1,617	319,756
Total additions		**33,196**			**307,761**	**340,957**
Acquisitions		33,196			307,761	340,957
Total deductions	**11,636**	**70,199**		**1,574**		**83,409**
Amortisation	-394,982	70,199	-1,216,703	1,574		-1,539,912
Disposals			1,216,703			1,216,703
Write-offs	406,618					406,618
Impairment loss reversals						
Transfers of TFA in progress	59,840	311,746			-372,318	-732
Transfers to/from non-current assets held for sale						
Other transfers					62,940	62,940
Final net carrying amount (9=7+8)	**48,204**	**274,743**		**45,656**	**183,909**	**552,513**

CARRYING AMOUNT AND OPERATIONS IN INTANGIBLE FIXED ASSETS IN 2014

EUR

Description	Development projects	Computer Programmes	Industrial property	Other intangible assets	Intangible assets in progress	Total
With finite service life:						
Initial gross carrying amount	406,618	14,837	1,250,312	428,997		2,100,764
Initial accumulated amortisations	406,618	14,837	1,250,312	380,193		2,051,959
Initial net carrying amount (7=4-5-6)				48,805		48,805
Operations in the period: (8 = 8.1 - 8.2 + 8.3 + 8.4 +8.5 +8.6)				-1,574	185,526	183,952
Total additions					**185,526**	**185,526**
Acquisitions					185,526	185,526
Total deductions				**1,574**		**1,574**
Amortisation				1,574		1,574
Final net carrying amount (9=7+8)				**47,230**	**185,526**	**232,756**

7. Disclosure of Tangible Fixed Assets

CARRYING AMOUNT AND OPERATIONS IN TANGIBLE FIXED ASSETS IN 2015

EUR

Description	Land and natural resources	Buildings and other constructions	Basic equipment	Transportation equipment	Administrative equipment	Other TFA	TFA in progress	Advances on account of TFA	Total
Initial gross carrying amount	6,933,144	17,493,932	36,804,590	1,355,851	2,118,655	1,822,230	2,779,470		69,307,871
Initial accumulated depreciations		8,459,196	29,128,962	1,043,424	1,883,706	1,786,057			42,301,344
Initial accumulated impairment losses									
Initial net carrying amount (4=1-2-3)	6,933,144	9,034,736	7,675,628	312,428	234,949	36,174	2,779,470		27,006,527
Operations in the period: (5 = 5.1 - 5.2 + 5.3 + 5.4 + 5.5 + 5.	286,505	219,234	2,196,319	80,298	103,015	-11,314	-157,435		2,716,621
Total additions	**286,505**	**17,657**	**742,179**	**226,949**	**234,500**	**5,767**	**4,190,755**		**5,704,312**
Acquisitions as new Other	286,505	17,657	742,179	226,949	234,500	5,767	4,190,755		5,704,312
Total deductions		**839,538**	**1,793,497**	**146,651**	**141,157**	**4,641**			**2,925,483**
Depreciation		666,485	-323,312	44,713	-343,579	-414,494			-370,187
Disposals			28,983	82,481	106,077	3,292			220,833
Write-offs		173,054	2,087,826	19,457	378,658	415,843			3,074,837
Transfers of TFA in progress		1,041,115	3,243,840			732	-4,285,687		
Other transfers			3,796		9,672	-13,172	-62,503		-62,207
Final net carrying amount (6=4+5)	**7,219,649**	**9,253,970**	**9,871,946**	**392,726**	**337,964**	**24,859**	**2,622,035**		**29,723,149**

CARRYING AMOUNT AND OPERATIONS IN 2014 IN TANGIBLE FIXED ASSETS

EUR

	Land and natural resources	Buildings and other constructions	Basic equipment	Transportation equipment	Administrative equipment			Advances on account of TFA	
Initial gross carrying amount	9,227,944	20,010,489	34,833,641	1,371,344	2,175,725	1,867,379	2,618,994		72,105,515.57
Initial accumulated depreciations		7,808,874	27,562,636	1,159,633	1,879,667	1,847,325			40,258,135.84
Initial net carrying amount (4=1-2-3)	9,227,944	12,201,615	7,271,005	211,711	296,058	20,054	2,618,994		31,847,379.73
Operations in the period: (5 = 5.1 - 5.2 + 5.3 + 5.4 + 5.5 + 5.		-458,347	500,383	100,716	-61,109	16,120	160,476		258,239.15
Total additions			**757,754**	**236,101**	**58,698**	**36,001**	**2,796,048**		**3,884,601.90**
Aquisitions as new			757,754	207,650	48,165	36,001	2,796,048		3,845,618.56
Other acquisitions				20,000					20,000.00
Other				8,451	10,532				18,983.34
Total deductions		**942,531**	**2,012,269**	**126,934**	**127,333**	**25,894**			**3,234,961.03**
Depreciation		942,531	1,579,218	-124,660	-6,484	-54,588			2,336,017.15
Disposals			398,408	176,349	11,133	518			586,407.67
Write-offs			21,751	75,246	122,684	73,998			293,677.85
Other			12,893			5,966			18,858.36
Transfers of TFA in progress		500,140	1,742,006				-2,630,339		-388,193.04
Other transfers		-15,956	12,892	-8,451	7,526	6,013	-5,233		-3,208.68
Final net carrying amount (6=4+5)	**9,227,944**	**11,743,267**	**7,771,388**	**312,428**	**234,949**	**36,174**	**2,779,470**		**32,105,619**

7.1. Disclosure of revaluation surplus of tangible fixed assets

CARRYING AMOUNT AND OPERATIONS IN REVALUATION SURPLUSES IN 2015

EUR

Description	Legal Revaluation Reserves		Other TFA	Total
	Not performed	Performed		
Value of the revaluation surplus at the beginning of period	107,211	54,882		7,627,062
Depreciation	-10,271	10,271		-1,039,970
Amount of the revaluation surplus at the end of the period	**96,940**	**65,153**		**6,587,092**

CARRYING AMOUNT AND OPERATIONS IN 2014 IN REVALUATIONS SURPLUSES EUR

Description	Legal Revaluation Reserves		Other TFA	Total
	Not performed	Performed		
Value of the revaluation surplus at the beginning of period	107,211	54,882		7,627,062
Depreciation	-11,963	11,963		
Amount of the revaluation surplus at the end of the period	**95,248**	**66,845**		**7,627,062**

7.2. Tangible fixed assets pledged as guarantees for liabilities

TANGIBLE FIXED ASSETS PLEDGED AS GUARANTEES FOR LIABILITIES IN 2015

Asset	Creditor	Pledged amount	Asset value	Depreciation	Net amount
Soplasnor Building and adjacent land	BPI	4,500,000	4,826,377	28,796	4,797,582
Moulds and machines	BPI	827,750	912,012	282,388	629,624
		5,327,750	5,738,389	311,183	5,427,206

TANGIBLE FIXED ASSETS PLEDGED AS GUARANTEES FOR LIABILITIES IN 2014

Asset	Creditor	Pledged amount	Asset value	Depreciation	Net amount
Moulds and machines	BPI	827,750	937,373	176,112	761,261
		827,750	937,373	176,112	761,261

8. Investment properties

CARRYING AMOUNT AND OPERATIONS IN INVESTMENT PROPERTIES IN 2015 EUR

Description	Land and natural resources	Buildings and other constructions	Other investment Properties	IP in progress	Advances on account of TFA	Total
Initial net carrying amount (4=1-2-3)						
Operations in the period: (5 = 5.1 - 5.2 + 5.3 + 5.4 + 5.5 + 5.6)	**1,719,814**	**4,768,991**				**6,488,805**
Total additions	**1,719,814**	**4,869,553**				**6,589,367**
Acquisitions	1,719,814	4,869,553				6,589,367
Total deductions		**100,562**				**100,562**
Depreciation		100,562				100,562
Final net carrying amount (6=4+5)	**1,719,814**	**4,768,991**				**6,488,805**

9. Leases

The company's leasing contracts are listed below:

EUR

Assets being financed through finance leasing contracts, respective net carrying amounts and contingent rentals recognised as an expense in the year		Finance leases in force						2015	2014
		Description	Acquisition value	Leasing entity	Contract identification	Lease period		Carrying amounts net of leased assets	Carrying amounts net of leased assets
						Start	End		
Tangible Fixed Assets	OI - Leasing	Press	297,297	CGD LEASING	CT100051140	20/07/2011	20/07/2016	168,468	198,198
	Subtotals		**297,297**					**168,468**	**198,198**
	OI - Leasing	VW Passat - 29NJ81	35,500	BPI	CT 1260531800	25/12/2012	25/12/2017	8,136	17,011
	OI - Leasing	VW Sharan - 14NP35	40,000	BPI	CT 1360160200	25/04/2013	25/04/2018	12,500	22,500
	OI - Leasing	Audi A6 - 25OU22	94,000	BPI	CT 1460255800	25/06/2014	25/06/2019	56,792	80,292
	OI - Leasing	Audi A3 - 28PR19	39,650	BPI	CT 1530029800	05/04/2015	05/04/2020	32,216	
	OI - Leasing	Audi A3 - 28PR20	39,650	BPI	CT 1530029900	05/04/2015	05/04/2020	32,216	
	OI - Leasing	VW Caravelle - 95QL40	42,000	BPI	CT 1561644300	25/10/2015	25/10/2020	39,375	
	Subtotals		**290,800**					**181,234**	**119,802**
	OI - Leasing	Computer Eq.	50,000	BSTOTTA	CT 203751	15/01/2014	15/01/2019	30,000	40,000
	OI - Leasing	VW Passat - 83OP83	29,700	BSTOTTA	CT 205173	15/05/2014	15/05/2019	17,325	24,750
	OI - Leasing	BMW X1 - 76QO89	38,596	BSTOTTA	CT211612	15/12/2015	15/12/2020	37,792	
	Subtotals		**118,296**					**85,117**	**64,750**
	OI - Leasing	Computer Eq. - ORACLE	160,446	BNP PARIBAS	CT 76186/187	01/10/2015	01/08/2017	133,705	
	Subtotals		**160,446**					**133,705**	
Totals			**866,839**					**568,524**	**382,750**
Tangible fixed assets	MO - Leasing	Audi A4 - 11-OE-11	39,600	BPI LEASING	1460007300	25/01/2014	25/01/2019	19,800	29,700
	Subtotals							**19,800**	**29,700**
Tangible fixed assets	MO - Leasing	Industrial Eq.	95,000	BPI LEASING	2015044167	06/11/2015	06/11/2021	93,021	
	Subtotals							**93,021**	
Totals								**112,821**	**29,700**

10. Borrowing

10.1. Information on general loans

Description	31/12/2015			31/12/2014		
	Short term	Medium and Long Term	Total	Short term	Medium and Long	Total
Pledged Current Account	68,889		68,889	345,449		345,449
Commercial Paper Programme	2,400,000		2,400,000	4,000,000		4,000,000
Medium and Long Term	8,350,425	9,819,700	18,170,125	6,437,429	6,877,569	13,314,998
Leasing	193,764	363,987	557,751	134,987	423,773	558,760
Remittances discounted	532,784		532,784	517,467		517,467
ERDF - Application no. 27024		1,351,198	1,351,198		722,570	722,570
Total	**11,545,862**	**11,534,885**	**23,080,748**	**11,435,332**	**8,023,912**	**19,459,244**

10.2 Guarantees

Company	Guarantee no.	Guarantee Beneficiary	Guarantee		31/12/2015	31/12/2014
			Amount	%	Outstanding Principal Amount	Outstanding Principal Amount
Garval	2012.0097	BSTOTTA - PME CRESC 1,000K	56,108	5.61%		
Lisgarante	2012.0145	BSTOTTA - PME CRESC 1,000K	56,108	5.61%		
Norgarante	2012.0169	BSTOTTA - PME CRESC 1,000K	387,784	38.78%	333,333	555,556
Norgarante	2010.0757	CGD - PME INVEST V 1,000K	500,000	50.00%	272,727	454,545

11. Inventories

Inventories are broken down as follows:

CARRYING AMOUNT EUR

Description	31/12/2015			31/12/2014		
	Gross amount	Impairment losses	Net amount	Gross amount	Impairment losses	Net amount
Goods	2,375,603	260,399	2,115,204	3,440,561	159,628	3,280,933
Raw, secondary and consumable materials	2,616,891	187,183	2,429,708	2,371,078	158,927	2,212,151
Finished and intermediate goods	3,861,102	195,047	3,666,055	3,683,800	147,386	3,536,414
Total	**8,853,596**	**642,629**	**8,210,967**	**9,495 439**	**465,941**	**9,029,498**

12- Calculation of the Cost of Goods Sold and Materials Consumed

12.1 Cost of Goods Sold and Materials Consumed

COST OF GOODS SOLD AND MATERIALS CONSUMED EUR

Description	31/12/2015			31/12/2014		
	Goods	Raw materials and consumables	Total	Goods	Raw materials and consumables	Total
Initial inventories	3,545,081	2,117,696	5,662,777	3,236,701	2,525,112	5,761,814
Purchases	11,411,729	13,095,873	24,507,603	3,502,407	19,637,707	23,140,115
Reclassification and adjustment of inventories	1,477,340	80,147	1,557,487	87,601	5,241	92,842
Final Inventories	2,518,248	2,325,385	4,843,633	3,393,265	2,269,513	5,662,777
Cost of goods sold and materials consumed (5=1+2+3-4)	**10,961,222**	**12,808,038**	**23,769,260**	**3,258,243**	**19,888,066**	**23,146,309**
Other information on goods and raw, subsidiary and consumption materials:						
Inventory adjustments/impairment losses in the period	144,939	28,256	173,195	108,006		108,006
Accumulated inventory adjustments/impairment losses in the period	144,939	85,617	230,557	112,332	57,362	169,693

12.2 Changes in Production

Description	31/12/2015			31/12/2014		
	Finished and intermediate goods	By-Products, waste and rejects	Products and works in progress	Finished and intermediate goods	By-Products, waste and rejects	Products and work in progress
Final inventories	3,853,130			3,675,829		
Reclassification and adjustment of inventories	-74,476			40,598		
Initial inventories	3,675,829			3,421,728		
Changes in production inventories (4=1+2-3)	**102,826**			**294,699**		

13. Other income and gains

OTHER INCOME AND GAINS EUR

Description	Total	
	2015	2014
Supplementary income	1,086,065	998,651
Cash payment discounts obtained	77,902	36,433
Recovery of receivable debts		29,000
Gains in inventories	242,001	
Income and gains from other financial assets	27,038	8,437
Income and gains from non-financial investments	63,119	109,438
Other	197,590	304,759
Interest earned	37,350	30,753
Total	**1,731,066**	**1,517,470**

14. Government subsidies and aids

GOVERNMENT SUBSIDIES AND AIDS EUR

DESCRIPTION	2015 Subsidies from the State and Other		2014 Subsidies from the State and Other	
	Amount granted in the period or in previous periods	Amount assigned to the period	Amount granted in the period or in previous periods	Amount assigned to the period
Subsidies related to assets/investment: (1 = 1.1 + 1.2 + 1.3)				
Tangible fixed assets (1.1 = 1.1.1 + 1.1.2 + ... + 1.1.7)				
Land and natural resources Buildings and other constructions Transport equipment Office equipment Biological equipment Other				
Intangible assets (1.2 = 1.2.1+ 1.2.2 + ... + 1.2.4)				
Development projects Computer programmes Industrial property Other				
Other assets				
Subsidies related to income/operation		83,449		115,366
Value of repayments in the period related to: (3 = 3.1 + 3.2)				
Subsidies related to assets / investment Subsidies related to income / operations				
TOTAL (4 = 1 + 2 - 3)		83,449		115,366

15. Effects of changes on foreign exchange rates

EFFECTS OF CHANGES ON FOREIGN EXCHANGE RATES		EUR
Description	**31/12/2015**	**31/12/2014**
Exchange rate differences		
Recognised in profit and loss for the period:		
Unfavourable exchange rate differences	316,813	47,009
Favourable exchange rate differences	131,138	8,360
Net and recognised in equity in the period		

16. Income tax

INCOME TAX CARRYING AMOUNT		EUR
Description	**31/12/2015**	**31/12/2014**
Accounting result for the year (before taxes)	4,302,815	3,182,519
Current tax	-633,840	-588,802
Deferred income tax	153,121	190,061
Income tax for the period (4 = 2 + 3)	**-480,720**	**-398,742**
Autonomous taxation	105,558	91,587

DEDUCTIONS FROM TAXABLE INCOME ARISING FROM TAX BENEFITS AT OLIVEIRA & IRMÃO, S.A.		EUR
Description	**31/12/2015**	**31/12/2014**
SIFIDE - System of Tax Benefits for Business Research and Development	451,404	272,202
RFAI - Investment Assistance Tax Policy	339,048	289,618
CFEI - Extraordinary Fiscal Credit		47,594
Total	**790,452**	**609,414**

We do not have the definitive amount for the SIFIDE of 2015. The amount indicated refers to 2014. The RFAI amount deducted in 2015 refers only to a part of the 2014 report.

The Group recognises deferred tax assets in the amount of €28,246, related to impairment losses not accepted for tax purposes.

It also recognises deferred tax liabilities in the amount of €9,588, related to legal revaluations, €1,434,205 related to free revaluations and €6,080 related to depreciation of assets acquired in 2008.

17. Financial Instruments

17.1. Disclosure of third-party values

CARRYING AMOUNT AND OPERATIONS IN THE PERIOD

EUR

Description	Total	
	31/12/2015	31/12/2014
Customers	**14,586,542**	**13,430,028**
Current Account	10,743,046	10,776,048
Bills receivable	3,969,549	2,822,748
Doubtful debt	1,774,294	2,338,388
Impairment losses	-1,900,347	-2,507,156
Advance payments from customers	**1,211**	**252,628**
Suppliers	**8,881,964**	**8,603 020**
Advance payments to suppliers	**75,648**	**8,201**
Other accounts payable	**3,693,586**	**3,408,748**
Staff	115,128	94,651
Investment suppliers	610,776	1,093,635
Creditors by accrued expenses - interest	37,478	43,319
Creditors by accrued expenses - insurance	9,060	3,981
Creditors by accrued expenses – vacations and vacation pay	2,008,120	1,788,794
Creditors by accrued expenses – Commissions	33,327	49,437
Creditors by accrued expenses – Rappel	244,873	
Creditors by accrued expenses – Points	75,000	
Creditors by accrued expenses – Other	213,929	302,739
Other creditors	345,895	32,194
Other accounts receivable	**728,028**	**645,166**
Staff	14,870	28,657
Debtors by accrued income – Subsidies	58,265	81,056
Debtors by accrued income – other	435,361	225,046
Other debtors	219,531	310,407
Total	**27,966,979**	**26,347,790**

17.2. Provisions in the year

EUR

Description	Guarantees provided to customers	Ongoing litigation	Total
Initial carrying amount	115,012	103,809	218,821
Operations in the period (2 = 2.1-2.2)	**7,955**		**-314**
Total increases	46,016		46,016
Reinforcement	46,016		46,016
Total decreases	38,062		46,330
Use	34,020		34,020
Reversal	4,041	8,268	12,310
Final carrying amount	**122,966**	**95,541**	**218,507**

17.3. Disclosure of information on joint ventures

OLI, SRL.

CARRYING AMOUNT AND OPERATIONS IN INTERESTS IN JOINT VENTURES IN THE PERIOD

Description	31/12/2015	31/12/2014
Initial net carrying amount (4 = 1- 2 + 3)		
Operations in the period: (5 = 5.1 + 5.2 + 5.3 - 5.4 + 5.5 + 5.6 - 5.7 - 5.8 - 5.9 + 5.10 + 5.11)	20	15
Investor's share in the investee's profits	20	15
Final net carrying amount (6=4+5)	20	15

17.4. Disclosure of information on capital

CARRYING AMOUNT AND OPERATIONS IN THE PERIOD EUR

Description	31/12/2015	31/12/2014
Equity		
Capital	10,000,000	10,000,000
Other equity instruments	4,653	4,653
Legal reserves	2,320,221	2,286,081
Other reserves	8,228,960	7,599,629
Retained earnings	-3,591,997	-4,546,592
Revaluation surpluses	6,587,092	7,627,062
Other changes in equity	140,057	136,303
Exchange rate differences	8,892	
Net profit for the year	3,734,504	2,726,372
Non-controlling interests	377,781	-737,257
Total	**27,810,162**	**25,096,252**

17.5. Disclosure of information on deferrals

CARRYING AMOUNT EUR

Description	Total	
	2015	2014
Deferrals		
Assets		
Expenses to be recognised – interest	46,110	33,086
Expenses to be recognised – insurance	40,683	8,637
Expenses to be recognised – moulds owned by customer	140,618	-212,350
Expenses to be recognised – protection items	1,199	
Expenses to be recognised – marketing items	37,275	
Expenses to be recognised – gift items	2,768	
Expenses to be recognised – services in transit	7,381	163,521
Expenses to be recognised – other	84,846	19,507
Total	**360,881**	**12,401**
Liabilities		
Income to be recognised – moulds	174,451	11,742
Income to be recognised – other	19,802	196,065
Total	**194,253**	**207,807**

17.6. Disclosure of information on the State and Other Public Entities

STATE AND OTHER PUBLIC ENTITIES EUR

Description	Total	
	2015	2014
State and other public entities		
Assets		
Income tax	603,425	457,812
Income tax withholding	2,171	213
Value Added Tax	528,255	404,235
Other taxes	651	0
Social Security contributions	0	0
Local government levies	0	0
Other levies	0	0
Total	**1,134,502**	**862,260**
Liabilities		
Income tax	135,330	269,150
Income tax withholding	201,338	169,594
Value Added Tax	136,693	146,859
Other taxes	4,022	30
Social Security contributions	289,828	268,272
Local government levies		
Other levies	3	
Total	**767,214**	**853,905**

18. Disclosure of information on External Supplies and Services:

EXTERNAL SUPPLIES AND SERVICES

Description	Total	
	31/12/2015	31/12/2014
Subcontracts	**1,401,150**	**500,110**
Specialised work	1,117,176	931,056
Advertising and propaganda	593,168	493,415
Safety and security	89,855	97,995
Fees	76,831	119,551
Fees	611,318	491,122
Maintenance and repairs	1,002,724	892,775
Other	232,503	315,313
Total specialised services	**3,723,576**	**3,341,228**
Fast-wearing tools and utensils	376,112	214,107
Technical books and documentation	1,749	1,115
Office supplies	24,099	12,948
Gift items	46,136	64,785
Other	17,309	10,109
Total materials	**465,405**	**303,064**
Electricity	1,024,243	975,269
Fuels	76,049	84,793
Water	24,239	24,239
Other	26,084	24,150
Total energy and fluids	**1,150,615**	**1,108,451**
Travel and accommodation	694,983	593,662
Transport of goods	2,481,767	2,303,773
Total transportation, travels and	**3,176,750**	**2,897,436**
Leases and rentals	60,899	28,367
Communication	94,022	93,179
Insurance	208,551	201,086
Royalties	7,663	11,927
Legal expenses	41,561	15,514
Representation expenses	363,745	338,682
Cleaning, hygiene and comfort	65,455	75,591
Other Services	185,931	210,503
Total miscellaneous services	**1,027,827**	**974,850**
Total external supplies and services	**10,945,323**	**9,125,139**

19.Disclosure of information on Staff Costs:

STAFF COSTS EUR

Description	Total	
	31/12/2015	31/12/2014
Staff expenses	**12,685,158**	**11,509,408**
Remuneration of governing bodies	959,254	889,027
Of which: Profit Sharing	284,162	246.607
Staff remuneration	8,364,393	7,615,482
Post-employment benefits	15,335	0
Compensations	6,590	1.530
Charges on remunerations	2,091,974	1,958,103
Insurance against work accidents and occupational diseases	103,071	87,629
Employee benefit costs	116,412	106,298
Other staff costs	1,028,129	851,339
Of which:	0	0
Temporary work	942,291	750,484
Training costs	50,005	55,520

20. Other expenses and losses

OTHER EXPENSES AND LOSSES EUR

Description	Total	
	2015	2014
Taxes	137,674	110,929
Cash payment discounts granted	350,970	283,180
Bad debt	122,440	127,871
Inventory losses	155,538	24,618
Expenses and losses in non-financial investments	389,174	32,394
Other		
Corrections regarding previous financial years	24,511	24.952
Donations	33,087	39,630
Contributions	12,954	10,120
Gifts and samples in inventory	161,200	100,815
Insufficient tax estimates	3,141	1,264
Moulds owned and customer contributions	51,601	40,096
Unfavourable exchange rate differences	59,430	46,929
Commissions and other bank expenses	25.317	18.002
Other	67,175	72,957
Total other expenses and losses	**1,594,212**	**933,756**

21. Interest and similar expenses

INTEREST AND SIMILAR EXPENSES EUR

Items	Total	
	2015	2014
Interests borne	478,088	755,284
Total interest and similar expenses	**478,088**	**755,284**

22. Legally required disclosures

Articles 66(A) and 508(F) of the Companies Code and Ordinance 208/2007 of 16 February, which establishes IES (simplified business information) requires the disclosure of the following information:

22.1. Information on guarantees provided

Guarantees provided	Beneficiary	Amount
Bank guarantees		
Caixa Geral de Depositos	APCMC	16,000
Banco BPI	HAPAG LOYD	61,500
Banco Santander Totta	IAPMEI	353,090

22.2. Information on sales by market

SALES AND SERVICES SUPPLIED BY ACTIVITY AND BY GEOGRAPHIC MARKETS

Descriptio n	2015				2014			
	Real Estate	Commerce	Industry	Total	Real Estate	Commerce	Industry	Total
Portugal Other	206,000	3,209,241	10,751,450	14,166,692		2,406,729	8,344 632	10,751,362
		1,742,797	37,478,555	39,221,352		1,085,037	36,647,561	37,732,598
Total	**206,000**	**4,952,038**	**48,230,006**	**53,388,045**		**3,491,766**	**44,992,193**	**48,483,960**

22.3. Information on fees billed

Article 508(F) of the Companies Code requires disclosure of the services provided by the Statutory Auditor

FEES BILLED BY STATUTORY AUDITORS

Description	2015	2014
Statutory audit	18,850	22,200
Other Services		4,450
Totals	**18,850**	**26,650**

The Statutory Auditor

The Board of Directors

X. Audit Board Report and Opinion – Consolidated Accounts

AUDIT BOARD REPORT AND OPINION ON THE CONSOLIDATED ACCOUNTS

Dear Shareholders:

In accordance with the law, the company's articles of incorporation and the mandate granted to us, we hereby submit to your assessment our Report and Opinion on the Management Report prepared by the Board of Directors of **Oliveira & Irmão, S.A.**, for the financial year ended 31 December 2015.

Report

1. In fulfilment of the mandate granted to us, and in the performance of our legal and statutory duties, we have found that the preparation of the consolidated financial statements followed all applicable accounting principles and consolidation rules.
2. In the performance of our duties we have specifically verified the following:

   2.1. that the individual financial statements included in the consolidation were properly examined, and that all clarifications deemed necessary have been obtained;

   2.2. that the consolidation operations were adequately handled;

   2.3. that the accounting policies adopted were appropriate and duly explained in the Notes and result in an accurate evaluation of the Group's assets and earnings;

   2.4. that the Management Report on the consolidated accounts, prepared in accordance with the Companies Code and all other applicable legislation, is sufficiently clear and highlights the most significant aspects.

3. The Audit Board closely monitored the works of *Jorge Silva, Neto, Ribeiro & Pinho, Sroc, Lda*, as well as the Statutory Audit on the Consolidated Accounts the firm produced, which considers that the consolidated financial statements present, in an accurate and appropriate manner, in all material aspects, the financial position of **Oliveira & Irmão, S.A** 31 December 2015, and the consolidated results of its operations, consolidated changes in equity and consolidated cash flows for the financial year ended on that date, in accordance with accounting principles generally accepted in Portugal.

Opinion

In light of the content of the Report, bearing in mind that the accounting, the Individual Financial Statements and the Management Report, together with the Statutory Audit, which was issued without reservation and with emphasis, satisfy all legal and statutory provisions, and translate the financial position and results achieved by the Group in the financial year and, there being no knowledge of any infringement of the law or articles of incorporation, we are of the opinion that the Annual General Meeting approves the Management Report, as well as the consolidated financial statements presented by the Board of Directors in relation to financial year 2015.

Aveiro, 6 May 2016
The Audit Board

[Illegible signature]
Eng. José Luís Azevedo Cacho *- Chairman*
[Illegible signature]
Eng. João Paulo Araújo Oliveira *- Member*
[Illegible signature]
Jorge Silva, Neto, Ribeiro & Pinto, Sroc, Lda., represented by
António Rodrigues Neto *- Member*

XI. Statutory Audit – Consolidated accounts

Jorge Silva, Neto, Ribeiro & Pinho, Sroc, Lda.
Audit Firm

AUDIT REPORT ON THE CONSOLIDATED ACCOUNTS

Introduction

1. We have examined the financial statements of **Oliveira & Irmão, S.A.,**, which comprise the Balance Sheet on 31 December 2015 (showing a total of €66,097,517 and a total equity of €27,810,162, including a net profit of €3,734,504), the Consolidated Profit-and-Loss Account by nature, the Statement of Consolidated Changes in Equity and the Consolidated Cash Flow Statement for the year ended on said date, as well as the corresponding Notes.

Responsibilities

2. The Board of Directors is responsible for preparing the financial statements in a way that they present the true and appropriate financial position of the group of companies included in the scope of consolidation, company, the consolidated result of its operations, consolidated changes in equity and consolidated cash flows. The Board must also adopt adequate accounting policies and criteria and maintain an appropriate internal control system.

3. It is our responsibility to express a professional and independent opinion, based on our audit of said financial statements.

Scope

4. Our audit was performed in accordance with the Review/Audit Technical Standards and Guidelines issued by the *Ordem dos Revisores Oficiais de Contas* (Portuguese Institute of Statutory Auditors), which require that the inspection is planned and executed in a way that results in an acceptable degree of assurance as to whether the financial statements are free from any materially relevant distortions. To this end, the examination includes:

- The verification that the financial statements of the companies included in the scope of consolidation were previously examined and, for material cases of lack of examination, a sample-based checking of evidence concerning the amounts and disclosures included in the financial statements and the assessment of estimates, based on the judgements and criteria defined by the Board of Directors, used in the preparation thereof;
- the verification of the consolidation operations and application of the equity method;
- appreciation of whether the accounting policies adopted and their dissemination are appropriate under these particular circumstances;
- verification of the applicability of the going-concern principle; and
- appreciation of whether, in global terms, the presentation of the consolidated financial statements can be considered appropriate.

5. Our examination also included checking whether the financial information in the management report was in agreement with the financial statements.

6. We believe that our examination provides an acceptable basis on which to express our opinion.

[Initial]

[Initial]

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Jorge Silva, Neto, Ribeiro & Pinho, Sroc, Lda.

Audit Firm

Opinion

7. We are of the opinion that the aforementioned consolidated financial statements present, in an appropriate and accurate manner, and in all materially relevant aspects, the financial position of **Oliveira & Irmão, S.A.** on 31 December 2015 and the consolidated results of its operations, consolidated changes in equity and consolidated cash flows in the year ending on that date, in compliance with accounting principles generally accepted in Portugal.

Emphasis

8. Notwithstanding the opinion stated in paragraph 7, above, we draw attention to the following situation:

    8.1. The company recently acquired two investment properties. As pointed out in section 3 of the Notes, the Board of Directors decided not to promote the calculation of their fair value, given the short period elapsed since their acquisition and the date to which the financial statements pertain and considering the stagnation of the real estate market, if any difference exists between the carrying amount and the fair value of the investment properties in question, it will not be relevant.

Report on other legal requirements

9. It is also our opinion that the information included in the Management Report is consistent with the consolidated financial statements for the year.

Aveiro, 6 May 2016

[Illegible signature]

Jorge Silva, Neto, Ribeiro & Pinto, Sroc, Lda., represented by

António Rodrigues Neto

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