IMPRESA

Annual Report 2018

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SINGLE MANAGEMENT REPORT 2018

In compliance with the requirements imposed by law regarding public companies, the Board of Directors of IMPRESA – Sociedade Gestora de Participações Sociais, S.A. hereby presents its SINGLE MANAGEMENT REPORT relative to the financial year of 2018. In doing so, the Board was careful to include sufficient elements and information for the shareholders and investors in general to be able to assess the activity of the GROUP IMPRESA, in a clear and objective manner within the respective horizon of intervention.

A. Consolidated Accounts

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

1. Executive Summary

The accounts of 2018 are compared, up to EBITDA, with the proforma accounts of 2017. These were prepared by excluding the income and expenses that are estimated to be attributable to the portfolio of magazines sold in 2018 (see chapter 4 below) and consider the impact of IFRS 15 and of IFRS 9, as if these had been applied in 2017.

- In 2018, IMPRESA returned to a positive net profit, having reached 3.1 M€, representing a strong improvement relative to the losses of 2017.

- Consolidated EBITDA came to 18.1 M€, representing a gain of 21.0% in relation to the proforma accounts of 2017.

- It is worth highlighting the good performance of SIC in operating terms, having reached an adjusted EBITDA of 21.3 M€, which represents an increase of 9.6% in relation to the proforma accounts of 2017.

- The total revenues of the IMPRESA Group reached 172.2 M€ in 2018, corresponding to a decrease of 2.2%, and compensated lower operating costs in 4,4%, relative to the proforma accounts of 2017.

- Net remunerated debt reached 179.2 M€ at the end of 2018, representing a year-on-year increase of 0,4% (0.8 M€), due to financing of IMPRESA building expansion project and investment in the new studios.

- SIC ended 2018 with an average share of 17.0%, maintaining its leadership in both commercial targets (A/B CD 15/54 and A/B CD 25/54) during prime time, with a share of 19.8% and 20.4%, respectively.

- At the end of summer 2018, SIC announced the hiring of Cristina Ferreira. “Programa da Cristina” debuted on 7 January, immediately recovering the leadership position in the mornings. In January 2019, SIC reached an audience share of 19.0%, having returned to its leadership position on weekdays, which it had last occupied in March 2015.

- The recovery of SIC's audiences began in October 2018, with the debut of the new programme "Julia", on weekday afternoons, and the entertainment show “Casados à Primeira Vista”, which immediately soared to the leadership position on Sunday nights, and the access to prime time, from Monday to Friday.

- In 2018, SIC Mulher reached a record audience, with a share of 1.0%. SIC Notícias once again stood out as the leading information channel, with a share of 1.9%, and among the subscription channels it reached a market share of 3.8%, identical to what was registered in 2017.

- SIC concluded a distribution agreement with Comcast, expanding the coverage of SIC International to the entire territory of the USA.

- At the end of 2018, IMPRESA launched the initiative SIC Ventures, with a view to diversifying its sources of revenue. Through SIC Ventures, SIC aims to, in exchange for advertising space, acquire minority stakes in start-ups. The first initiative was the acquisition of the site Volante SIC, and Zaask was the second start-up to be selected.

- EXPRESSO continued to be the best-selling newspaper in Portugal, with an average of more than 86 thousand copies sold, according to data from the APCT with reference to 2018.

- EXPRESSO is also the leading Portuguese publication in paid digital circulation, having sold on average more than 25 thousand copies per edition in 2018.

- In the beginning of 2019, Expresso has changed its traditional plastic bag, for a paper bag, more environment friendly, thus reinforcing its sustainability.

Table 1. Main Indicators (Values in €)	Dec/18	Pro-forma (a) Dec/17	var %	Dec/17	ch %
Total Revenues	**172 162 757**	**176 060 868**	**-2,2%**	**201 821 209**	**-14,7%**
Television	145 309 942	150 200 875	-3,3%	153 704 664	-5,5%
Publishing	24 273 158	23 664 091	2,6%	46 170 642	-47,4%
InfoPortugal & Others	2 135 721	2 319 889	-7,9%	2 319 889	-7,9%
Intersegments	443 936	-123 987	n.a	-373 986	n.a
Operating Costs	**154 052 740**	**161 093 598**	**-4,4%**	**188 005 778**	**-18,1%**
EBITDA	**18 110 017**	**14 967 269**	**21,0%**	**13 815 431**	**31,1%**
EBITDA Margin	10,5%	8,5%		6,8%	
EBITDA Television	20 001 532	17 899 068	11,7%	17 617 403	13,5%
EBITDA Publishing	1 188 370	-105 541	n.a.	-975 714	n.a.
EBITDA Infoportugal & Others	-3 079 885	-2 826 258	9,0%	-2 826 258	9,0%
EBITDA (2) (w/reestructuring)	**20 192 046**	**18 909 524**	**6,8%**	**19 176 794**	**5,3%**
Net Profit	**3 139 284**	**-**	**n.a.**	**-21 654 037**	**n.a.**
Net Debt & Leasings (M€)	**179,2**	**178,4**	**0,4%**	**178,4**	**0,4%**

Note: EBITDA = Operating Results + Amortisations and Depreciation + Provisions + Impairment in non-current assets. Net Debt = Loans (ST+MLT) - Cash and Cash Equivalents + Financial Leases. (1) Does not consider Amortisations and Depreciation, Provisions and Impairment Losses in non-current assets. (2) EBITDA adjusted for restructuring costs, with 2,1 M€ in 2018. (a) The proforma accounts of December 2017 were prepared by excluding the revenue and expenses that are estimated to be attributable to the portfolio of magazines sold in 2018 and consider the impact of the adoption of IFRS 15 and IFRS 9, as if these had been applied in 2017.

2. Analysis of the Consolidated Accounts

As of January 2018, IFRS 15 was adopted, with reference to the recording of income from contracts with customers. The application of this standard led to a decline in operating income and expenses, by the same amount, for IMPRESA, having had no impact in terms of cash flow. Furthermore, as of 1 January 2018, IFRS 9 was adopted, which had a residual effect on the operating results of 2017, presented for comparative purposes.

In January 2018, the portfolio of magazines was sold to TiN for the agreed amount of 10.2 M€, whose accounting impact was still recorded in the annual accounts of 2017. The proforma consolidated accounts relative to 2017 also reflect this change, up to the operating results item.

The sale is part of the execution of the Strategic Plan for the 2017-2019 period, and the repositioning of IMPRESA's activities to focus principally on audiovisual and digital components.

At the end of 2018, IMPRESA achieved consolidated revenues of 172.2 M€, which represented a 2.2% decline in turnover in relation to the proforma accounts of 2017, with all revenues having fallen in 2018, in consolidated terms, with exception of advertising.

Table 2. Total Revenues		Pro-forma (a)			
(Values in €)	Dec/18	Dec/17	var %	Dec/17	ch %
Total Revenues	**172 162 757**	**176 060 868**	**-2,2%**	**201 821 209**	**-14,7%**
Advertising	111 929 215	111 582 074	0,3%	119 275 588	-6,2%
Channel Subscriptions	36 857 597	39 287 723	-6,2%	43 129 491	-14,5%
Circulation	9 326 920	9 603 328	-2,9%	22 910 919	-59,3%
Others	14 049 026	15 587 743	-9,9%	16 505 212	-14,9%

In relation to the proforma accounts of 2017, operating costs at the end of 2018, without considering amortisation, depreciation and impairment losses in non-current assets, fell 4.4%. This positive result came about due to a decrease in programming costs, less IVR activity, as well as lower restructuring costs during 2018.

At the end of 2018, the consolidated EBITDA came to 18.1 M€, a gain of 21.0% in relation to the proforma accounts in the same period of the previous year, with an improvement being recorded in all areas. EBITDA adjusted for restructuring costs came to 20.2 M€, a gain of 6.8% relative to the adjusted proforma accounts in the same period of the previous year.

The volume of amortisations fell 3.6% in 2018, still not reflecting the investment undertaken in the expansion of the IMPRESA building and new studios.

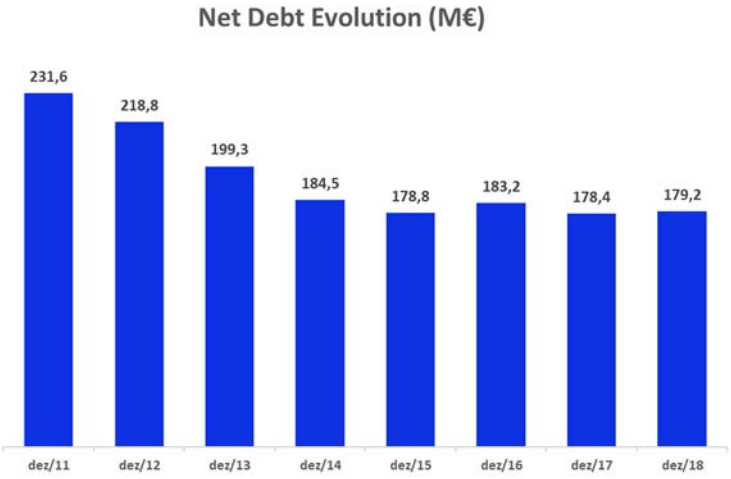
In 2018, the investment in the expansion of the IMPRESA building continued, with the construction of television studios, which will enable the Publishing and Television activities to be brought together in the same building, thus benefiting from inherent synergies and lower operating costs. At the same time, with the construction of the new studios, the entire technological infrastructure of television was renewed. This project was launched in 2016

and was concluded at the end of January 2019. On January 27 th, 2019, all SIC channels started to broadcast from the new studios, in the IMPRESA building, in Paço de Arcos.

In June 2018, IMPRESA carried out a financing transaction supported by the IMPRESA building, in Paço de Arcos, involving a 10-year period, in which the amount involved in the operation came to 24.2 M€. In November 2018, IMPRESA reimbursed the outstanding bond loan of 30 M€.

In relation to the financial results, the downward trend seen over the last few years was maintained, with an improvement relative to the previous year. Negative financial results of 5.5 M€ were recorded, which represents a reduction of 18.4% when compared to 2017. Improvements across all lines of activity were registered, namely:

- Financial costs - in spite of the maintenance of the level of debt - fell 10.9%, driven by the fall of the average interest rate over the course of 2018.
- Exchange rate gains were recorded in 2018, in contrast to the losses registered in 2017, an improvement which represented about 0.5 M€.
- Improvement in the results of associated companies, namely VASP, which returned to a positive net income in 2018, and which also includes a positive contribution from LUSA.



In terms of the statement of financial position, net debt including financial leases stood at 179.2 M€ at the end of 2018, i.e. a slight year-on-year increase of 0.8 M€ compared to December 2017. This increase was due to the financing of the project involving the expansion of the IMPRESA building, and to the new studios, having partly benefited from the cash inflow arising from the sale of the magazine portfolio in 2018. The proceeds of the sale will be received by June 2020.

In the end of 2018, IMPRESA, in consolidated balance sheet, will have 31.6% of financial autonomy ratio.

After a negative net income of 21.6 M€ in 2017, which was particularly affected by the recording of impairments and high restructuring costs, net income in 2018 was positive, having reached 3.1 M€.

Table 3. Profit & Loss (Values in €)	Dec/18	Dec/17	var %	Dec/17	ch %
Total Revenues	**172 313 302**	**176 060 868**	**-2,1%**	**201 821 209**	**-14,6%**
Television	145 460 364	150 200 875	-3,2%	153 704 664	-5,4%
Publishing	24 273 158	23 664 091	2,6%	46 170 642	-47,4%
InfoPortugal	2 135 721	2 319 889	-7,9%	2 319 889	-7,9%
Intersegments & Outras	444 059	-123 987	n.a.	-373 986	n.a.
Operating Costs (1)	**154 312 362**	**161 093 598**	**-4,2%**	**188 005 778**	**-17,9%**
Total EBITDA	**18 000 940**	**14 967 269**	**20,3%**	**13 815 431**	**30,3%**
EBITDA margin	**10,4%**	**8,5%**		**6,8%**	
Television	20 001 954	17 899 068	11,7%	17 617 403	13,5%
Publishing	1 078 746	-105 541	n.a.	-975 714	n.a.
Infoportugal & Others	-3 079 760	-2 826 258	9,0%	-2 826 258	9,0%
Total EBITDA (w/ reest) (2)	**20 182 969**	**18 909 524**	**6,7%**	**19 176 794**	**5,2%**
EBITDA margin	**11,7%**	**10,7%**	**0,0%**	**9,5%**	
Depreciation	3 521 332	3 651 544	-3,6%	3 651 544	-3,6%
EBIT	**14 479 608**	**11 315 725**	**28,0%**	**10 163 886**	**42,5%**
EBIT Margin	**8,4%**	**6,4%**		**5,0%**	
Financial Results (-)	5 489 985	6 729 500	-18,4%	6 729 500	-18,4%
Res. bef.Taxes & Minorities	**8 989 623**	**4 586 225**	**96,0%**	**3 434 386**	**161,8%**
Provisions	2 669 030	386 625	590,3%	-	n.a
Taxes (IRC)(-)	3 179 660	1 889 101	68,3%	1 888 804	68,3%
Net Profits (w/impairements)	**3 140 933**	**2 310 499**	**35,9%**	**1 545 582**	**103,2%**
Impairements (4)	**-**	**23 199 619**	**n.a.**	**23 199 619**	**n.a.**
Net Profit	**3 140 933**	**-20 889 120**	**n.a.**	**-21 654 037**	**n.a.**

Note: EBITDA = Operating Results + Amortisations and Depreciation + Provisions + Impairment in non-current assets. (1) Does not consider Amortisations and Depreciation, Provisions and Impairment Losses in non-current assets. (2) EBITDA adjusted for restructuring costs. In 2018, a total of 2.1 M€ in compensations was recorded, while in 2017 the value came to 3.9 M€, in terms of proforma accounts. (a) The proforma accounts of December 2017 were prepared by excluding the revenue and expenses that are estimated to be attributable to the portfolio of magazines sold in 2018 and consider the impact of the adoption of IFRS 15 and IFRS 9, as if these had been applied in 2017.

At the end of 2018, IMPRESA launched the initiative SIC Ventures, with a view to diversifying its sources of revenue. Through SIC Ventures, SIC aims to, in exchange for advertising space, acquire minority stakes in start-ups. Following through this initiative, IMPRESA, at the end of 2018, acquire the car web site kbb.pt, in a media-for-equity deal worth 0.36 M€, which has been denominated Volante SIC. Zaask was the second start-up to be selected, with the acquisition of a stake in the company planned for the start of 2019.

3. Television - SIC

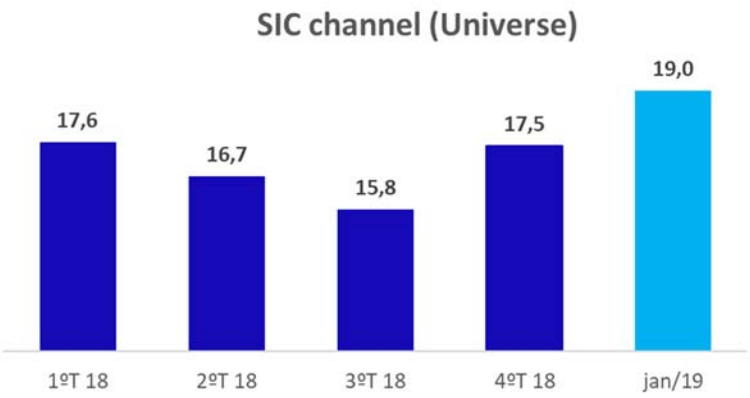
Table 4. Television Indicators		Pro-forma (a)			
	Dec/18	Dec/17	var %	Dec/17	ch %
Total Revenues	**145 309 942**	**150 200 875**	**-3,3%**	**153 704 664**	**-5,5%**
Advertising	97 448 776	98 167 745	-0,7%	98 167 745	-0,7%
Channel Subscriptions	36 857 597	39 287 723	-6,2%	43 129 491	-14,5%
Multimedia	6 474 786	8 412 580	-23,0%	8 074 602	-19,8%
Others	4 528 783	4 332 827	4,5%	4 332 827	4,5%
Operating Costs (1)	**125 308 410**	**132 301 806**	**-5,3%**	**136 087 261**	**-7,9%**
EBITDA	**20 001 532**	**17 899 068**	**11,7%**	**17 617 403**	**13,5%**
EBITDA (%)	**13,8%**	**11,9%**		**11,5%**	
EBITDA adjusted (2)	**21 333 480**	**19 467 185**	**9,6%**	**19 185 519**	**11,2%**
EBITDA (%)	**14,7%**	**13,0%**		**12,5%**	

Note: EBITDA = Operating Results + Amortisations and Depreciation + Provisions + Impairment Losses in non-current assets. (1) Does not consider Amortisations and Depreciation + Provisions + Impairment Losses in non-current assets. (2) EBITDA adjusted for restructuring costs. SIC incorporated 1.3 M€ of restructuring costs in 2018, and 1.5 M€ in 2017. (a)The proforma accounts of 2017, in the television segment, reflect the impact of the adoption of IFRS 15 and of IFRS 9, as if they had been applied in 2017.

In 2018, SIC achieved total revenues of 145.3 M€, which represented a year-on-year decrease of 3.3%, relative to the proforma accounts of 2017. The proforma accounts reflect the impact of the adoption of IFRS 15, as if it had occurred in 2017, having affected channel subscription revenues.

In 2018, advertising revenues reached 97.5 M€, representing a slight decrease of 0.7% in comparison to 2017.Overall, the television advertising market, which includes channels broadcasting in open signal and subscription channels, rose by 0.4% in 2018. In comparison to 2017, advertising revenues were negatively affected by the celebrations of the 25 years of SIC in 2017, whose sponsorship values were unable to be offset in 2018. However, SIC reinforced its market share during 2018, having reached 45.0% of television advertising investment in Portugal.

The gain in market share of advertising investment was possible due to the good performance of the SIC channels in terms of audiences, particularly in the last quarter of 2018, which permitted recovering from the decreases registered in the 2nd and 3rd quarters of 2018.



SIC ended 2018 with an average share of 17.0%, in comparison with 17.6% in 2017, maintaining its leadership position in both commercial targets (A/B CD 15/54 and A/B CD 25/54) for daytime and prime time, amongst generalist channels, with a share of 16.7% and 17.3%, and 19.8% and 20.4%, respectively.

In January 2019, the debut of "Programa da Cristina" on weekday mornings boosted audiences, with SIC leading audiences in the morning and daytime slots, on weekdays and in the universe, since the debut of the new programming grid on 7 January, having reached a share of 19.0% in January 2019.

The good performance of some programmes, namely the debuts as of September 2018, such as the programme “Casados à Primeira Vista”, “Jornal da Noite” and the soap opera “Paixão”, as well as the debut in the 2nd quarter of the soap opera “Vidas Opostas”, leader in both commercial targets since its debut, contributed to the results of the previous year.

- “Casados à Primeira Vista” which debuted at the start of October, quickly reached the leadership position in access to prime time, on weekdays, having achieved an average audience of 22.9% in the universe. Sunday night specials also registered leadership positions with 26.3%.
- “Alma e Coração”, which has replaced the soap opera “Paixão”, which ended in September 2017, had an average audience share of 21.7%, a poorer performance than previous soap operas in this time slot.
- “Vidas Opostas”, in the second prime time slot, which was launched in May 2018 with an average audience share of 21.7%, or nearly 1.0 million viewers.
- “Julia”, with a new programming format for the afternoons, marked the launch of the new programming grid in September 2018. The return of Júlia Pinheiro to this time slot achieved a share of 15.6% in the universe, having contributed to the return of SIC to the leadership position in the afternoon time slot.
- “Terra Nossa” marked the return of César Mourão to SIC, and to the prime time of SIC's evenings, which achieved a share of 21.4% in the universe.
- The last few months of 2018 were marked by another return, the comedy specials “Levante-te e Ri”, with an average audience of 29.2%, which were among the most successful contents over the course of 2018.

It is also worth highlighting the good performance of the Brazilian soap "Segundo Sol", in prime time, and of the information programmes, with "Jornal da Noite" achieving an average audience share of 19.1%, leaders in both commercial targets.

SIC's subscription channels reached a market share of 3.8% in 2018, 0.1 pp higher year-on-year, after reaching a record value in the 3rd quarter of 2018, with a global audience of 4.1%, due to the good performance of the SIC Mulher and SIC K channels.

SIC Notícias stood out once again as the information channel most preferred by the Portuguese, with a share of 1.9% in 2018. Regarding the other thematic channels, the following are noteworthy: SIC Mulher, with a share of 1.0% - a record for the channel; the increase of SIC K (to 0.3%; the maintenance of SIC Radical (with 0.4%) and of SIC Caras (0.3%).

Subscription revenues generated by SIC's 8 channels distributed over cable and satellite, in Portugal and abroad, fell 6.2% (relative to the proforma accounts) in 2018 to 36.8 M€. This decrease over the course of the year was essentially due to the devaluation of the US dollar, which in turn penalised foreign contracts, registering a sharper decline in the last few months of the year. This last factor stemmed from the entry into force of new distribution contracts: with NOS, MultiChoice and ZAP.

In 2018, SIC continued to expand its international coverage, having concluded in the 1st half of 2018 a distribution agreement with Comcast, expanding the coverage of SIC Internacional to the entire territory of the USA, reaching states such as California, Texas, Virginia or Pennsylvania. At the same time, there was a reinforcement of the coverage of the presence of SIC Internacional and SIC Notícias in Switzerland. Within the scope of contract renewals, the agreement with Multichoice to distribute the children's channel TXILLO (ex-Dstv Kids) was renewed.

Some instability in Multimedia revenues was registered during 2018, mainly due to the discontinuation of some programmes over the course of 2017 and 2018, namely “A Vida nas Cartas”, as of September 2017, and “Juntos à Tarde”, as of the start of March 2018. As a result, IVR revenues fell 23.0% to 6.5 M€ in 2018. It should be mentioned that IVR revenues reversed the downward trend seen over the last few quarters, having registered an increase of 6.0% in the 4th quarter of 2018.
The introduction of new IVR numbers, allowing calls to be made at a unit value of 1 euro, contributed to this reversal. These new numbers, which were introduced on some programmes during the last few months of 2018, will be extended to all programmes with IVR in 2019.

Other revenues rose 4.5% to 4.5 M€ in 2018. The rise was due to higher non-recurring income along with growing content sales. The recovery in contents sales, which exceeded 1.1 M€ once again in 2018. The entrance in the Middle East Market was marked by the sale of the soap operas “Amor Maior” and “Rainha das Flores” to MBC, and "Rainha das Flores" to Germany, with the latter in a re-edited format for the international market.

The year of 2018 was also marked by a reduction in the operating costs, excluding amortisations, depreciation and impairment losses in non-current assets, of television. There was a decrease of approximately 7 M€, which represented a decrease of 5.3% in relation to the proforma accounts of 2017. This decrease was due to the fall in programming costs - in spite of the investment in the World Cup games, and less IVR activity. In 2018, restructuring costs were still recorded, which came to 1.3 M€, about 0.25 M€ less than in 2017.

The reduction of costs permitted the expansion of EBITDA, in spite of the fall in total revenues. In 2018, adjusted EBITDA reached 21.3 M€, registering an increase of 9.6% in relation to 2017.

It should be mentioned that, on 27 January 27th, 2019, SIC began broadcasting from the new studios of the IMPRESA building, in Paço de Arcos, thus completing its investment plan in new facilities and studio renewals, enabling all of the IMPRESA Group's activity to be concentrated in only one building, in Lisbon. This reorganisation of the Group will result in operational savings during 2019 and 2020.

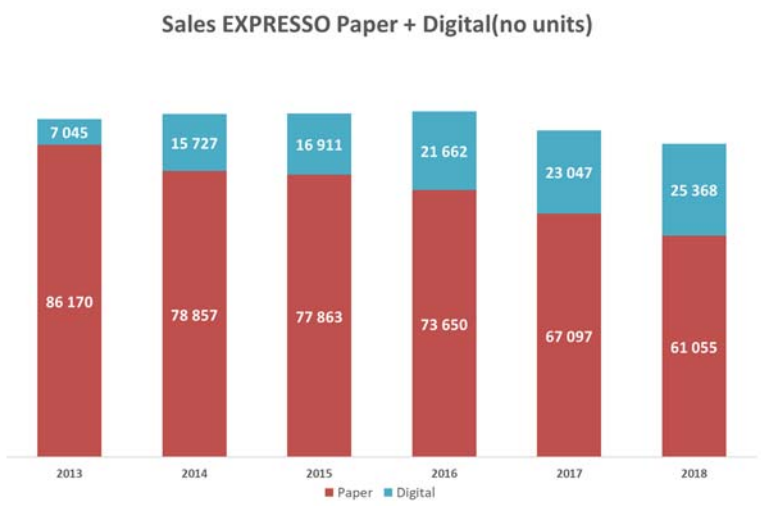
4. IMPRESA Publishing

Table 5. Publishing Indicators		Pro-forma (a)			
	Dec/18	Dec/17	var %	Dec/17	ch %
Total Revenues	**24 273 158**	**23 664 091**	**2,6%**	**46 170 642**	**-47,4%**
Circulation	9 326 920	9 603 328	-2,9%	22 910 919	-59,3%
Advertising	14 452 584	13 128 178	10,1%	20 821 692	-30,6%
Others	493 655	932 585	-47,1%	2 438 031	-79,8%
Operating Costs (1)	**23 084 788**	**23 769 632**	**-2,9%**	**47 146 356**	**-51,0%**
EBITDA	**1 188 370**	**-105 541**	**n.a**	**-975 714**	**n.a**
EBITDA (%)	**4,9%**	**-0,4%**		**-2,1%**	
EBITDA adjusted (2)	**1 362 188**	**2 000 587**	**-31,9%**	**2 549 523**	**-46,6%**
EBITDA (%)	**5,6%**	**8,5%**		**5,5%**	

Note: EBITDA = Operating Results + Amortisations and Depreciation + Provisions + Impairment Losses in non-current assets. (1) Does not consider Amortisations and Depreciation, Provisions and Impairment Losses in non-current assets. (2) EBITDA adjusted for restructuring costs. In 2018, Publishing incorporated 173.8 thousand euros of restructuring costs, in comparison with 2.1 M€ in 2017 (a) The proforma accounts of 2017 were prepared by excluding the revenue and expenses that are estimated to be attributable to the portfolio of magazines sold in 2018.

The year of 2018 began with the sale of the portfolio of twelve publications and respective brands, such that the Publishing segment now includes the following publications/activities: Expresso, Blitz (which now only has a digital presence, with special paper editions), New Media Solutions (which includes Customer Publishing), Boa Cama Boa Mesa (previously in InfoPortugal) and the commercial management of digital properties not owned by IMPRESA, including, since 2018, the websites Noticias ao Minuto and Zero Zero, in addition to Linkedin, in Portugal. The operating results presented herein are compared with the proforma accounts relative to 2017.

In 2018, total revenues increased 2.6% relative to the proforma accounts of 2017, to 24.3 M€. This rise was mainly due advertising revenues growth.



In 2018, circulation revenues fell 2.9% to 9.3 M€, affected by the closure of the paper edition of Blitz magazine, at the end of 2017. In 2018, the paid circulation numbers of the Expresso newspaper fell by about 3.8%, with most of the decline in the number of copies sold being partly offset by the increase in digital sales. Digital sales and subscriptions exceeded 25,500 copies at the end of 2018, having increased about 11% in the previous year. The increase of the contribution of digital revenues, which in 2018 represented 14.7% of total circulation revenues, is noteworthy. The increase in the cover price of Expresso to 3.80 € during the 2nd quarter of 2018 is also noteworthy.

Advertising revenues reached 14.4 M€ in 2018, which represents an increase of 10.1% when compared to the proforma figures of the same period of 2017. It is important to point out the strong contribution of the digital segment, which increased about 28.6% in 2018, to these good results.

The sales of brand extension products rose with the contribution of the guides Boa Cama Boa Mesa and books of the Expresso collection.

Other revenues reached 0.5 M€, a gain in 2018, impacted by non-recurring events.

The operating costs declined by 2.9%. The end of 2018 was penalised by restructuring costs of about 173 thousand euros, but substantially less than what was recorded in 2017.

Consequently, in accumulated terms in 2018, the combined performance of operating revenues and costs, excluding amortisations, depreciation, provisions and impairment losses in non-current assets, resulted in an EBITDA of 1.2 M€, in comparison with the negative value recorded in 2017. Without restructuring costs, EBITDA reached 1.4 M€, representing a decrease of 31.9% relative to the adjusted EBITDA of the proforma accounts of 2017.

5. IMPRESA Other

Table 6. IMPRESA Others Indicators		Pro-forma (a)			
	Dec/18	Dec/17	var %	Dec/17	ch %
Total Revenues	**2 579 657**	**2 195 902**	**17,5%**	**1 945 903**	**32,6%**
InfoPortugal	2 135 721	2 319 889	-7,9%	2 319 889	-7,9%
Intersegments & Others	443 936	-123 987	n.a	-373 986	n.a
Operating Costs (1)	**5 659 542**	**5 022 160**	**12,7%**	**4 772 161**	**18,6%**
EBITDA	**-3 079 885**	**-2 826 258**	**9,0%**	**-2 826 258**	**9,0%**
EBITDA adjusted (2)	**-2 503 622**	**-2 558 248**	**-2,1%**	**-2 558 249**	**-2,1%**

Note: EBITDA = Operating Results + Amortisations and Depreciation + Provisions + Impairment Losses in non-current assets. (1) Does not consider Amortisations and Depreciation, Provisions and Impairment Losses in non-current assets. (2) EBITDA adjusted for restructuring costs. (a) The proforma accounts of 2017, in the Others segment, reflect the impact of the adoption of IFRS 15 and IFRS 9, as if these had been applied in 2017. In 2018, 614.7 thousand euros of restructuring costs were recorded, while in 2017 restructuring costs reached 268 thousand euros.

This segment includes the management and financial costs of the IMPRESA holding company and also includes the operating activities of Infoportugal, a company dedicated to information technologies and content production, namely aerial photography, cartography and geo-referenced contents, and the operation of the photography website and of the Olhares Academy. Relative to 2017, the activity related to Boa Cama Boa Mesa was transferred to the Publishing segment.

In 2018, the total revenues of InfoPortugal fell 7.9% in relation to the previous year, having reached 2.1 M€. The transfer of the Boa Cama Boa Mesa project from the InfoPortugal universe to the Publishing universe justifies this reduction. Despite the fall in turnover, EBITDA grew 25%, reaching a margin of 17.6%.

During 2018, the editorial area registered a good performance, with the growth of the EPG (Electronic Programming Guide) service for the main national operators and some international customers, and at the end of the year important points of interest supply contracts, also for international customers, were concluded. The Aerial Photography and Cartography area registered a fall in turnover, penalised by the malfunction of InfoPortugal's plane.

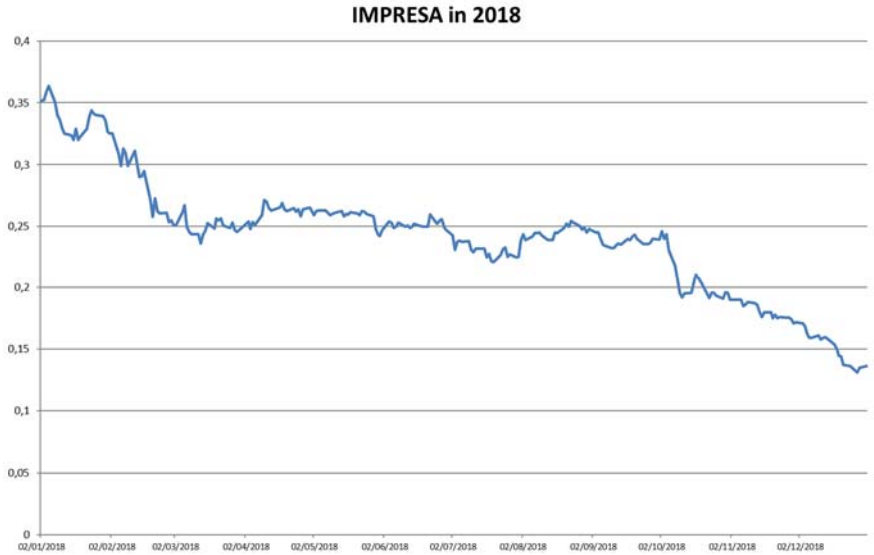
In the meantime, an important project was awarded, involving the production of cartography for the Intermunicipal Community of Alto Alentejo, which began at the end of 2018 and will continue into next year. The R&D area more than doubled its turnover in 2018, the focus on the development of technology based on Augmented Reality, Artificial Intelligence and Computer Vision will enable significant advancements to be made in the cartography and geographic information systems area, as well as in the services provided by InfoPortugal.

Finally, for the second consecutive year, the “World’s Leading Tourism Authority Website” award was attributed by “World Travel Awards” to the website www.visitportugal.com developed by InfoPortugal, for Turismo de Portugal.

In terms of consolidated results, the EBITDA of this segment was negative by 3.1 M€ in 2018, presenting a decline of 9.0% in comparison with the same period of 2017, penalised by restructuring costs.

6. IMPRESA in the Stock Market

The year of 2018 was a particular bad year for the Portuguese stock market, despite a strong start of the year, following the recovery of the dynamism of the Portuguese economy. However, several threats were developed throughout the year – Brexit, Italian crisis, commercial conflict between US - China, which dispel the initial perspectives. The PSI 20 close the 2018 year, with a decrease of 12,2%, slightly better than EuroStoxx 50, which decreased 13,1%.



Conversely, the media sector in Europe, registered less negative performance, with the DJ EuroStoxx Media losings only 4,2% in 2018. However, in the group of the European television stations, the share falls were much more pronounced, with the decreases averaging around the 35% in 2018, and the Iberian operators coming down near the 50%.

IMPRESA shares did not escape this trend, with a fall of 60,1%, in 2018, after having an appreciation of 80,0%, in 2017. At the same time, with the fall, the transaction volumes recorded a strong contraction, with the transaction's averages decreasing around 73% to 200 mil thousand shares/day in 2018, from an average of 745 thousand shares/day in 2017.

7. Prospects

The IMPRESA Group returned to a positive net income in 2018. The completion of the investment in the new studios in Paço de Arcos, and the consequent concentration of all the Group's activities in one building, and more competitive programming grid, which will permit the IMPRESA Group to increase its profitability and continue to reduce its interest-bearing liabilities.

B. Individual Accounts

1. Analysis of Individual Accounts

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

During 2018, in individual terms, the operating results were negative by 22.671 thousand euros, due to an impairment loss at IMPRESA Publishing, compared with the negative results of 12.289 thousand euros, reached in 2017.

The financial results were positive by 4.457 thousand euros, which compares with the positive value of 6.307 thousand euros achieved in 2017, as a consequence of lower interest charges and lower gains at the subsidiaries.

Overall, the net profit for 2018 was negative, to the value of 17.180 thousand euros, compared to the 4.797 thousand euros reached in 2017.

2. Proposed appropriation of net profit

It is proposed that the net loss for the year of 17.180.586 euros should be transferred to retained earnings.

C. Activity of the Non-Executive Directors

Non-executive directors, in compliance with the duties entrusted to them by law, participated in the meetings of the Board of Directors, namely in meetings where the quarterly, half-year and annual accounts for the financial year of 2018 were appraised and approved, and in the general meetings of shareholders. These directors did not encounter any constraints in the performance of their duties.

Under the terms of the law and IMPRESA Audit Committee regulations, the activity of the non-executive members of the Audit Committee are described in a separate report, which is an integral part of the IMPRESA 2018 Annual Report.

D. Acknowledgements

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

The Board of Directors would also like to thank the Statutory Auditor, Deloitte & Associados, SROC and the following banks for the collaboration provided during the financial year of 2018: Banco BPI, Caixa Geral de Depósitos, Caixa Banco de Investimento, Novo Banco, Millennium BCP, Banco Santander Totta, Caixa de Crédito Agricola, Montepio Geral, Banco EuroBIC, BNP Paribas, Bankinter e Haitong Bank.

Lisbon, February 28th, 2019

The Board of Directors

Francisco José Pereira Pinto de Balsemão

Francisco Maria Supico Pinto Balsemão

Francisco Pedro Presas Pinto de Balsemão

Alexandre de Azeredo Vaz Pinto

António Soares Pinto Barbosa

Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia

José Manuel Archer Galvão Telles

João Nuno Lopes de Castro

Individual Accounts

Annual Report 2018

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

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

STATEMENTS OF FINANCIAL POSITION AS OF 31 DECEMBER 2018 AND 2017

(Amounts expressed in Euros)

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

ASSETS	Notes	31 December 2018	31 December 2017
NON-CURRENT ASSETS			
Investments in group and associated companies	10	280 907 854	288 195 786
Other non-current assets	20.1	227 601	261 833
Total non-current assets		281 135 455	288 457 619
CURRENT ASSETS			
Other current assets	11	4 624 291	11 527 778
Cash and cash equivalents	12	122 725	211 951
Total current assets		4 747 016	11 739 729
TOTAL ASSETS		285 882 471	300 197 348
EQUITY AND LIABILITIES			
EQUITY:			
Capital	13	84 000 000	84 000 000
Share premium	14	36 179 271	36 179 271
Legal reserve	15	2 001 797	2 001 797
Other reserves	15	15 806 179	15 830 896
Retained Results	15	(4 797 627)	-
Net (loss)/profit for the year		(17 180 586)	(4 797 627)
TOTAL EQUITY		116 009 034	133 214 337
LIABILITIES:			
NON-CURRENT LIABILITIES			
Bank borrowings	16	56 076 197	68 349 627
Borrowings from group companies	17	74 063 385	-
Provisions		-	29 400
Deferred tax liabilities	8	51 210	58 913
Total non-current liabilities		130 190 792	68 437 940
CURRENT LIABILITIES:			
Bank borrowings	16	36 610 399	70 487 875
Borrowings from group companies	17	-	25 230 671
Trade and other payables	18	143 539	278 125
Current tax liabilities	8	1 134 667	1 694 568
Other current liabilities	11	1 794 040	853 832
Total current liabilities		39 682 645	98 545 071
TOTAL LIABILITIES		169 873 437	166 983 011
TOTAL EQUITY AND LIABILITIES		285 882 471	300 197 348

The accompanying notes form an integral part of the statements of financial position as of 31 December 2018

THE ACCOUNTANT

THE BOARD OF DIRECTORS

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

STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEARS ENDED 31 DECEMBER 2018 AND 2017

(Amounts expressed in Euros)

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

	Notes	31 December 2018	31 December 2017
OPERATING REVENUE:			
Other operating revenue	3	41 952	20 110
		41 952	20 110
OPERATING COSTS:			
Supplies and services	4	(585 994)	(648 613)
Personnel costs	5	(2 861 369)	(2 424 677)
Provisions and impairment losses	10	(18 788 000)	(8 750 957)
Other operating costs	6	(478 050)	(485 355)
Total operating costs		(22 713 413)	(12 309 602)
Operating loss		(22 671 461)	(12 289 492)
NET FINANCIAL ITEMS:			
Net financial costs	7	(4 226 358)	(4 724 896)
Net gain on group companies and associates	7	8 684 179	11 032 268
		4 457 821	6 307 372
Profit before taxes		(18 213 640)	(5 982 120)
Income tax for the year	8	1 033 054	1 184 493
Net (loss)/profit for the year		(17 180 586)	(4 797 627)
Other comprehensive income:			
Items that will not be reclassified to the statement of profit and loss			
Actuarial gain/(loss)	8 and 20	(24 717)	31 881
Comprehensive income for the year		(17 205 303)	(4 765 746)
Earnings per share:			
Basic	9	(0,1023)	(0,0286)
Diluted	9	(0,1023)	(0,0286)
Comprehensive income per share:			
Basic	9	(0,1024)	(0,0284)
Diluted	9	(0,1024)	(0,0284)

The accompanying notes form an integral part of the statements of profit and loss and other comprehensive income for the year ended 31 December 2018

THE ACCOUNTANT

THE BOARD OF DIRECTORS

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED 31 DECEMBER 2018 AND 2017

(Amounts stated in Euros)

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

	Capital	Share premium	Legal reserve	Other reserves	Retained Results	Net (loss)/profit for the year	Total equity
Balance at 1 January 2017	84 000 000	36 179 271	1 782 188	11 626 434	-	4 392 190	137 980 083
Pension plan - actuarial gain/(loss) (Note 20.1)	-	-	-	41 138	-	-	41 138
Pension plan - deferred tax liability (Note 8)	-	-	-	(9 257)	-	-	(9 257)
Other comprehensive income	-	-	-	31 881	-	-	31 881
Other changes:							
Appropriation of net result for the year ended 31 December 2016 (Note 15)	-	-	219 609	4 172 581	-	(4 392 190)	-
Net profit for the year ended 31 December 2017	-	-	-	-	-	(4 797 627)	(4 797 627)
Balance at 31 December 2017	84 000 000	36 179 271	2 001 797	15 830 896	-	(4 797 627)	133 214 337
Pension plan - actuarial gain/(loss) (Note 20.1)	-	-	-	(31 893)	-	-	(31 893)
Pension plan - deferred tax liability (Note 8)	-	-	-	7 176	-	-	7 176
Other comprehensive income	-	-	-	(24 717)	-	-	(24 717)
Other changes:							
Application of net result for the year ended 31 December 2017 (Note 15)	-	-	-		(4 797 627)	4 797 627	-
Net loss for the year ended 31 December 2018	-	-	-	-	-	(17 180 586)	(17 180 586)
Balance at 31 December 2018	84 000 000	36 179 271	2 001 797	15 806 179	(4 797 627)	(17 180 586)	116 009 034

The accompanying notes form an integral part of the statements of changes in equity for the year ended 31 December 2018

THE ACCOUNTANT

THE BOARD OF DIRECTORS

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

CASH FLOW STATEMENTS FOR THE YEARS ENDED

31 DECEMBER 2018 AND 2017

(Amounts stated in Euros)

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

	Notes	31 December 2018	31 December 2017
OPERATING ACTIVITIES:			
Cash paid to suppliers		(725 080)	(1 438 854)
Cash paid to employees		(2 448 215)	(2 450 511)
Cash used in operations		(3 173 295)	(3 889 365)
Recovery/(payments) of income tax		153 632	2 137 654
Other cash received/(paid) relating to operating activities		(191 859)	(146 540)
Net cash used in operating activities (1)		(3 211 522)	(1 898 251)
INVESTING ACTIVITIES			
Cash received relating to:			
Dividends	7	8 684 179	11 032 268
Loans granted to group companies	11	7 395 000	-
Supplementary capital contributions granted	10	-	6 000 000
		16 079 179	17 032 268
Cash paid relating to:			
Loans to group companies	10	(11 500 000)	-
		(11 500 000)	-
Net cash from investing activities (2)		4 579 179	17 032 268
FINANCING ACTIVITIES:			
Cash received relating to:			
Bank borrowings	16	500 000	1 050 000
Borrowings from group companies		48 832 714	10 250 732
		49 332 714	11 300 732
Cash paid relating to:			
Bank borrowings	16	(46 796 106)	(21 783 607)
Interest and similar costs		(3 974 308)	(4 572 857)
		(50 770 414)	(26 356 464)
Net cash (used)/from financing activities (3)		(1 437 700)	(15 055 732)
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		(70 043)	78 285
Cash and cash equivalents at the beginning of the year	12	(4 771 550)	(4 849 835)
Cash and cash equivalents at the end of the year	12	(4 841 593)	(4 771 550)

The accompanying notes form an integral part of the cash flow statements
for the year ended 31 December 2018.

THE ACCOUNTANT

THE BOARD OF DIRECTORS

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

NOTES TO THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2018

(Amounts stated in Euros)

(Translation of notes originally issued in Portuguese – Note 24)

1. INTRODUCTORY NOTE

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

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

The accompanying financial statements were authorized for publication by the Board of Directors of Impresa on February 28, 2019.

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

2. MAIN ACCOUNTING POLICIES

2.1 Bases of presentation

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

The Board of Directors made an evaluation of the Company’s ability to continue as going concern, as disclosed in the notes of the consolidated financial statements of December 31, 2018 considering all the relevant information, facts and circumstances, of financial, commercial or other nature, including subsequent events to the date of the financial statements, available about the future. As a result of this analysis, considering the financial lines available, the borrowing capacity of its subsidiaries and the finance operations under negotiation, the Board of Directors concluded that the Company has the adequate financial resources to maintain its activities, there being no intentions to cease operations in the short term; therefore, it considered adequate the use of the going concern assumption in the preparation of the financial statements.

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

Therefore, in compliance with IAS 1, Impresa declares that these financial statements and related notes comply with the requirements of IAS/IFRS as endorsed by the European Union, in force for the years beginning on 1 January 2018.

2.2 Adoption of new or revised IAS/IFRS

The accounting policies used in the year ended 31 December 2018 are consistent with those used for the preparation of the financial statements of Impresa for the year ended 31 December 2017 and explained in the corresponding notes.

The following standards, interpretations, amendments and revisions endorsed by the European Union are of mandatory application for the first time in the year ended 31 December 2018:

Standard / Interpretation	Applicable in the European Union in the years starting on or after	Brief description
IFRS 9 – Financial Instruments	01-jan-18	This standard is part of the revision of IAS 39 and establishes the new requirements for the classification and measurement of financial assets and liabilities, for the methodology for the calculation of impairment and for the application of hedge accounting rules.
IFRS 15 – Revenue from Contracts with customers	01-jan-18	This standard introduces a structure for recognizing revenue based on principles and a model to be applied to all contracts entered into with clients, substituting IAS 18 – Revenue, IAS 11 – Construction contracts; IFRIC 13 – Customer loyalty programs; IFRIC 15 – Agreements for the constructing of real estate; IFRIC 18 – Transfer of assets from costumers and SIC 31 – Revenue – Barter transactions involving advertising services.
IFRS 15 – Revenue from Contracts with customers, clarifications	01-jan-18	These amendments introduce several clarifications in order to eliminate the possibility of divergent interpretations of various issues.
Amendments to IFRS 4 : Applying IFRS 9 'Financial Instruments' with IFRS 4 'Insurance Contracts'	01-jan-18	This amendment provides approaches permitted when applying IFRS 4 with IFRS 9. The IFRS 4 Insurance Contracts will be superseded by IFRS 17.
Amendments to IFRS 2 : Classification and measurement of share based payment transactions	01-jan-18	The amendments introduce several clarifications related to (i) The accounting of transactions of payments based with shares that are setteled in cahs; (ii) the accounting of modifications in transactions of payments based in shares (from setlled in cash to settled with equity instruments); (iii)the classification of share-based payment transactions with net settlement features.
Improvements to international financial statement standards (2014-2016 cycle)	01-01-2018	These improvements involve the clarification of some aspects related to IFRS 1 - First time adoption of international financial reporting standards: eliminates some short term exemptions; IFRS 12 - Disclosure of interests in other entities: clarifies the scope of the standards to its application to interests classified as held for sale or held for distribution under IFRS 5; IAS 28 - Investments in Associates and Jointly Controlled Entities: introduces clarifications over the fair value measurement of investments in associated or joint ventures held by venture capital companies or investment funds.
IFRIC 22 - Transactions in foreign currency and advances	01-jan-18	This interpretation establishes the date for initial recognition of the advance or deferred income as the date of the transaction for the effects of determining the currency translation rate for revenue recognition.
Amendments to IAS 40 - Investment Properties	01-jan-18	These amendments clarify that the change of classification from or to investment property should only be made when there a re evidences of a change in the use of the asset.

There were no significant effects on the Company's financial statements for the year ended December 31, 2018, arising from the adoption of the standards, interpretations, amendments and improvements referred to above.

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

Standard / Interpretation		Brief description
IFRS 16 – Leases	01-jan-19	This standard introduces the principles for the recognition and measurement of leases, substituting IAS 17 – Leases. The standard defines a single model for recording lease contracts, which results in the recognition by the lessee of assets and liabilities for all lease contracts, except for those for periods of less than twelve months or for leases of assets of reduced value. Lessors will continue to classify leases between operating and finance leases, IFRS 16 not requiring substantial changes for such entities in relation to IAS 17.
Amendment to IFRS 9 - Prepayment with negative compensation features	01-jan-19	This amendment allows that financial assets with contractual conditions that define, in anticipated reimbursement, the payment on a considerable amount by the creditor, may be measured at amortized cost, or at fair value through reserves (depending on the business model) provided that: (i) on the date of initial recognition of the asset, the fair value of the anticipated repayment fair value is insignificant and (ii) the possibility of negative compensation within the anticipated repayment is the only reason for the asset in question not to be considered an instrument only including payments of principal and interest.
IFRIC 23 - Uncertainty over Income Tax Treatments	01-jan-19	The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments.

The Company did not apply any of these standards in the financial statements for the year ended December 31, 2018. As a result of the application of these standards, impacts are only expected from the adoption of IFRS 16, as follows:

IFRS 16 – Leases

The initial adoption date of IFRS 16 for the Company will be January 1, 2019.

The Company expects to opt for the modified retrospective transition model of IFRS 16, provided for in paragraphs IFRS 16: C3 (b), C7 and C8.

Consequently, the Group intends to use the practical expedient of not to reassess whether a contract is, or contains, a lease, having made an overall assessment of the new definition and evaluated all the contracts made or modified before 1 January 2019. The Company shall not restate comparative financial information, recording at the transition date the liability related to future payments, and an asset under equal rights of use.

The Board of Directors estimates that the entry into force of IFRS 16 in the year ending on January 1, 2019, may have the following effects on the Company's financial statements in the year ending December 31, 2019:

Operating leases

Under IAS 17, future liabilities with operating leases are disclosed in the accompanying notes as commitments assumed not included in the statement of financial position. IFRS 16 will change the way the Company accounts leases previously classified as operating, and will record future liabilities and rights in the statement of financial position.

In the initial application of IFRS 16, the Company shall:

• recognise lease liabilities and assets under right-of-use asset in the statement of financial position, measured at present value of the future payments of each lease;

• recognize financial expenses on lease liabilities and depreciation of right-of-use assets in the income statement by nature;

• Separate amounts paid between principal and interest (presented as financing activities) in the statement of cash flows.

For short-term leases (term of 12 months or less) and low value leases (as described in paragraphs B3-B8 of IFRS 16), the Company will choose to recognize a lease expense on a straight-line basis as permitted by IFRS 16.

The lessee shall apply IAS 36 - Impairment of Assets to determine whether the asset under right-of-use is impaired and to account for any identified impairment loss.

At December 31, 2018, the Company has non-cancellable lease commitments of approximately 100.043 Euros (Note 20.2), which under IFRS 16 qualify as short term leases.

The preliminary assessment carried out by the Board of Directors indicates that, all of the lease agreements entered into by the Company that cannot be canceled on December 31, 2018 are short term leases, thus, the entry into force of IFRS 16 will not have significant impacts.

Leases

In the initial application, the Company will present the assets acquired under financial lease contracts, currently registered under tangible fixed assets, in the caption rights-of-use asset and the respective lease liability, currently recorded under loans obtained, in a separate caption in the statement of financial position for lease liabilities.

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

Standard / Interpretation	Applicable in the European Union in the years starting on or after	Brief description
Amendments to IAS 19 - Plan amendments, curtailments or settlements	01-jan-19	If a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the remeasurement are determined using the assumptions used for the remeasurement. • In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement of the plan.
Amendments to Conceptual Framework	01-jan-20	Amendments to several standards (IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22 and SIC 32) on march 2018 revised Conceptual Framework. The revised Conceptual Framework provides updated definitions and recognition criteria for assets and liabilities and clarifies some concepts, such as, measurement, derecognition, presentation and disclosure.
The definition of materiality (Amendments to IAS 1 and IAS 8)	01-jan-20	These amendments clarify the definition of material in IAS 1. The definition of materialin IAS 8 follows the defintion in IAS 1. The amendment also changes the definition of material in other standards to ensure consistency. Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

These standards have not yet been endorsed by the European Union and so have not been applied by the Company in the year ended 31 December 2018.

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

2.3 Investments in group and associated companies

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

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

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

repayment, equity of the companies is not less than the sum of their capital and non-distributable reserves.

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

2.4 Financial instruments

2.4.1 Other current assets

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

2.4.2 Cash and cash equivalents

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

2.4.3 Borrowings

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

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

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

2.4.4 Borrowings from Group companies

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

2.4.5 Trade and other payables and other current liabilities

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

2.5 Provisions and contingent liabilities

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

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

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

2.6 Pension liability

The Company has assumed the commitment to grant its employees and remunerated Board Members hired up to 5 July 1993, pension supplements for retirement due to age and incapacity. The pensions

consist of a percentage which increases with the number of years of service to the company, applied to the salary table, or a fixed percentage applied to the base salary in force in 2002.

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

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

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

2.7 Income tax

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

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

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

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

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

2.8 Accruals basis

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

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

2.9 Classification of the statement of financial position

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

2.10 Subsequent events

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

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

2.11 Impairment of assets

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

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

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

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

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

2.12 Changes in accounting policies and estimates

In 2018 there were no changes in accounting policies in relation to those used in preparing the financial statements for the year ended 31 December 2017, nor were material errors relating to prior years recognized.

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

3. SERVICES RENDERED AND OTHER OPERATING INCOME

Other operating income for the years ended 31 December 2018 and 2017 is made up as follows:

	2018	2017
Other operating income:		
Others	41.952	20.110
	41.952	20.110

4. SUPPLIES AND SERVICES

This caption for the years ended 31 December 2018 and 2017 is made up as follows:

	2018	2017
Specialized works	308.113	284.401
Rents (a)	202.383	249.068
Maintenance and repairs	1.566	4.739
Others	73.932	110.405
	585.994	648.613

(a) This caption for the years ended at 31 December 2018 and 2017 includes 81.000 Euros and 89.784 Euros charged each year by related entities (Note 21).

5. PERSONNEL COSTS

Personnel costs for the years ended 31 December 2018 and 2017 are as follows:

	2018	2017
Personnel remuneration	1.185.411	1.393.909
Remuneration of the corporate boards (Note 21)	636.711	552.482
Charges on remuneration	429.771	452.186
Indemnities	585.000	-
Others	24.476	26.100
	2.861.369	2.424.677

The Company had an average of 20 and 21 employees during the years ended 31 December 2018 and 2017, respectively.

6. OTHER OPERATING COSTS

Other operating costs for the years ended 31 December 2018 and 2017 are made up as follows:

	2018	2017
Taxes	397.607	376.331
Subscriptions	79.843	109.022
Other operating costs	600	2
	478.050	485.355

7. NET FINANCIAL GAINS

Net financial gains for the years ended 31 December 2018 and 2017 are made up as follows:

	2018	2017
Financial costs:		
Interest (a)	(3.369.344)	(4.300.345)
Other financial costs	(857.014)	(424.551)
	(4.226.358)	(4.724.896)
Net gain on group and associated companies:		
Dividends (b)	8.684.179	11.032.268
	4.457.821	6.307.372

(a) At 31 December 2018 and 2017 this caption includes 1.967.726 Euros and 2.384.244 Euros, respectively, charged by related entities (Note 21).

(b) This caption at 31 December 2018 and 2017 corresponds to dividends received from the following companies (Note 21):

	2018	2017
SIC - Sociedade Independente de Comunicação, S.A. ("SIC")	8.684.179	10.852.268
Vasp – Distribuidora de Publicações, S.A. (“Vasp”)	-	180.000
	8.684.179	11.032.268

8. DIFFERENCES BETWEEN THE ACCOUNTING AND TAX RESULTS

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

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

In addition, taxable income exceeding 1.500.000 Euros is subject to State surcharge at the following rates:

- 3% on taxable profit from 1.500.000 Euros to 7.500.000 Euros;
- 5% for taxable profit from 7.500.000 Euros to 35.000.000 Euros;
- 9% on taxable profit exceeding 35.000.000 Euros.

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

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

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

In accordance with current legislation tax returns are subject to review and correction by the tax authorities during a period of four years (five years for social security), except where there have been tax losses, tax benefits have been given or tax inspections, claims or contestations have been made, in which case, depending on the circumstances, the period can be extended or suspended. Therefore, the Company's tax returns for the years 2015 to 2018 are still subject to review.

The Board of Directors understands that any corrections resulting from revisions/inspections by the tax authorities of these tax returns will not have a significant effect on the financial statements as of 31 December 2018 and 2017.

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

At 31 December 2018 and 2017 Impresa and its subsidiaries did not have any tax losses carried forward.

Current tax liabilities at 31 December 2018 and 2017 are made up as follows:

	2018	2017
Current tax liabilities		
Payments on account and special payments on account generated under the RETGS	(2.008.716)	(1.078.917)
Corporate income tax generated under the RETGS (i)	3.084.874	2.713.621
Estimated corporate income tax	58.509	59.864
	1.134.667	1.694.568

(i) This amount was made up as follows at 31 December 2018 and 2017:

	2018	2017
Accounts payable generated under the RETGS (Note 11)	(240.108)	-
Accounts receivable generated under the RETGS (Note 11)	4.452.821	3.902.538
	4.212.713	3.902.538
Tax losses carried forward of the Company used under the RETGS	(1.127.839)	(1.188.917)
	3.084.874	2.713.621

a) Temporary differences – Changes in deferred tax assets

31 December 2018:

	Tax losses carried forward
Balance at 31 December 2017	-
Increases	1.127.839
Recovery	(1.127.839)
Balance at 31 December 2018	-

31 December 2017:

	Tax losses carried forward
Balance at 31 December 2016	-
Increases	1.188.917
Recovery	(1.188.917)
Balance at 31 December 2017	-

Deferred tax assets resulting from tax losses carried forward, generated during the years ended 31 December 2018 and 2017 were fully used up in the years then ended as a result of the taxable profit calculated by the companies included in the consolidated tax return (RETGS).

b) Temporary differences – Changes in deferred tax liabilities

31 December 2018:

	Pension plan
Balance at 31 December 2017	58.913
Increase/(decrease) with effect on other comprehensive income	(7.176)
Increase/(decrease) with effect on profit or loss	(527)
Balance at 31 December 2018	51.210

31 December 2017:

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

c) Reconciliation of the tax rate

	2018	2017
Net Result before income tax	(18.213.640)	(5.982.120)
Nominal tax rate	21%	21%
Estimated income tax	(3.824.864)	(1.256.245)
Permanent differences (i)	2.696.498	66.212
Adjustment to taxable profit (ii)	58.509	59.864
Insuficiency of estimated income tax	36.803	-
Excess of estimated income tax of previous year	-	(54.325)
Income tax for the year	(1.033.054)	(1.184.493)
Current tax	58.509	59.863
Excess of estimated income tax of previous year	-	(54.325)
Deferred tax generated in the year	(1.128.365)	(1.190.032)
Insuficiency of estimated income tax of previous year	36.803	-
	(1.033.054)	(1.184.493)

(i) At 31 December 2018 and 2017, this caption is detailed as follows:

	2018	2017
Dividends received (Note 7)	(8.684.179)	(11.032.268)
Impaiment losses for investments in group companies (Note 10)	18.788.000	8.750.957
Other non-deductible costs under RETGS	2.229.754	2.514.107
Others, net	506.891	82.500
	12.840.466	315.296
	21%	21%
	2.696.498	66.212

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

d) Tax processes in progress

As a result of a tax inspection carried out of Impresa Serviços e Multimédia, S.A. ("ISM") (merged in 2015 into Impresa) and its related tax procedures, in 2011, 2012, 2014 and 2015, Impresa was notified of additional corporation income tax assessments for the years 2008, 2009, 2010, 2011 and 2012, under which the Tax Administration did not accept the tax deductibility of interest on part of the loan from BPI to finance the acquisition of non-remunerated shareholders' loans of BPI (prior shareholder) to Solo (entity merged into ISM in prior years). The reasons alleged by the Tax Administration for this non-acceptance is that the normal and current activities of ISM do not include the granting of loans to subsidiaries (it is not a holding company) and such charges are supposedly not related to loans obtained for its direct operations. The corrections to taxable income amount to 3.415.295 Euros for 2008, 2.105.621 Euros for 2009, 2.161.788 Euros for 2010, 2.334.795 Euros for 2011 and 943.005 Euros for 2012.

During the year ended 31 December 2016, the Tax Authorities annulled the corporate income tax additional assessment related to 2012, in the amount of 943.005 Euros, for which a bank guarantee had been presented, amounting to 325.041 Euros, which was cancelled in April 2016.

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

At 31 December 2018 the additional tax assessments referred to above had been legally contested, Impresa having provided bank guarantees of 2.991.811 Euros relating to the years 2010 and 2011 (Note 19). Bank guarantees were not given for the appeals for the years 2008 and 2009 as the tax consolidation for these years presented tax losses carried forward (used in the year 2010) that offset the above additional tax assessments.

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

9. EARNINGS PER SHARE

Earnings per share for the years ended 31 December 2018 and 2017 were calculated as follows:

	2018	2017
Net Result for the year	(17.180.586)	(4.797.627)
Number of shares (Note 13)	168.000.000	168.000.000
Earnings/Losses for the year per share	(0,1023)	(0,0286)
Comprehensive income for the year	(17.205.303)	(4.765.746)
Number of shares (Note 13)	168.000.000	168.000.000
Comprehensive income for the year per share	(0,1024)	(0,0284)

As there are no situations that involve dilution, diluted earnings per share are the same as basic earnings per share for the years ended December 31, 2018 and 2017.

10. INVESTMENTS IN GROUP AND ASSOCIATED COMPANIES

The movements in investments in group and associated companies and in the related accumulated impairment losses in the years ended 31 December 2018 and 2017 were as follows:

31 December 2018:

	Investments	Supplementary capital contributions	Total
Investments:			
Balance at 31 December 2017	266.945.786	21.250.000	288.195.786
Increase in impairment losses (a)	(18.788.000)	-	(18.788.000)
Increases (b)	68	11.500.000	11.500.068
Balance at 31 December 2018	248.157.854	32.750.000	280.907.854

31 December 2017:

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

(a) The increase in impairment losses at 31 December 2018, results from the difference between the recoverable amount of this asset, taking into account the value of evaluation of Impresa Publishing, based on the value of the cash generating unit Publishing (as disclosure in the notes to the consolidated financial statements) and the carrying amount of this investment.

(b) The increase in caption “Supplementary Capital Contributions” refers to supplementary capital contributions conceded to Impresa Publishing in the amount of 11.500.000 Euros.

(c) In the last quarter of 2017, the Group decided to sell a set of news titles that made up a portfolio of magazines, which was held by Impresa Publishing, and started a plan to carry out this operation. Following the implementation of this plan, in view of the ongoing negotiations, it was determined that the estimated value of the sale of that portfolio would amount to approximately 10.200.000 Euros. Therefore, for the purposes of calculating the recoverable value of the stake held by Impresa in Impresa Publishing, the recoverable amount of this asset was determined taking into account the value of evaluation of Impresa Publishing, based on the value of the cash generating unit Publishing, considering only the publications that would remain in the sphere of Impresa Publishing, as defined in the notes to the consolidated financial statements, plus the expected recoverable value arising from the sale of the portfolio of the magazines. As a result of the aforementioned, the Company recognized in 2017 an impairment loss of approximately, 8.751.000 Euros, corresponding to the difference between the amount determined in the aforementioned terms and the carrying amount of this investment.

(d) The decrease in caption "Supplementary Capital Contributions" refers to reimbursement of supplementary capital contributions granted in previous years to Impresa Publishing in the amount of 6.000.000 Euros.

At 31 December 2018 and 2017, the Company had the following investments in group and associated companies (accounting information of the participations taken from their financial statements)

31 December 2018:

Company	Head office	Net assets	Equity	Total revenue	Net profit/ (loss) for the year	Percentage participation	Book value	Impairment losses	Permanent loans	Total investment
Impresa Publishing (a)	Lisboa	29.143.695	1.205.255	24.272.519	(3.672.457)	100%	35.611.372	(37.688.372)	29.000.000	26.923.000
IOSS (a)	Oeiras	40.339.096	8.158.974	6.492.751	(318.743)	100%	5.947.555	-	3.750.000	9.697.555
SIC	Oeiras	137.638.230	24.150.853	143.378.001	11.647.093	100%	239.408.738	-	-	239.408.738
Infoportugal	Matosinhos	1.392.675	522.019	2.135.721	211.745	100%	2.842.503	-	-	2.842.503
Vasp	Cacém	40.218.110	9.071.219	222.475.796	409.870	33,33%	1.144.666	-	-	1.144.666
Lusa	Lisboa	13.099.971	4.484.400	15.986.983	1.141.508	22,35%	890.732	-	-	890.732
Nexponor	Porto	n.d	n.d	n.d	n.d	0,001%	660	-	-	660
Others	n.d	n.d	n.d	n.d	n.d	n.d	30.000	(30.000)	-	-
							285.876.226	(37.718.372)	32.750.000	280.907.854

31 December 2017:

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

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

11. OTHER CURRENT ASSETS AND LIABILITIES

Other current assets at 31 December 2018 and 2017 are made up as follows:

	2018	2017
Customers		
Vasp (Note 21)	1.213	1.213
Other current account customers	18.536	18.536
	19.749	19.749
Other current assets		
Group companies - RETGS (Notes 8 and 21):		
SIC	4.191.039	3.688.372
Impresa Publishing	-	81.177
GMTS	193.142	22.073
IOSS	-	60.125
InfoPortugal	68.640	50.791
	4.452.821	3.902.538
Group companies (Note 21):		
IOSS	-	7.395.000
Others	151.721	210.491
	4.624.291	11.527.778

Accounts receivable from Group companies at 31 December 2018 and 2017 in the amounts of 4.452.821 Euros and 3.902.538 Euros, respectively, correspond to estimated taxes, withholdings at source and payments on account of these subsidiaries recorded under the tax consolidation (Note 8).

The caption “Other current liabilities” at 31 December 2018 and 2017 is made up as follows:

	2018	2017
Group companies - RETGS (Notes 8 and 21):		
Impresa Publishing	193.284	-
IOSS	46.823	-
	240.107	-
Accrued costs:		
Personnel vacation pay and subsidy	303.352	347.036
Indeminities	450.000	-
Interest	539.774	254.733
Others	72.133	53.098
	1.365.259	654.867
State and other public entities		
Personal income tax	86.854	91.946
Social security contributions	81.425	85.103
	168.279	177.049
Other liabilities		
Other creditors	20.395	21.916
	1.794.040	853.832

At 31 December 2018. Accrued interest include 489.939 Euros related to the loan obtained from SIC (Note 21).

12. CASH AND CASH EQUIVALENTS

The caption "Cash and cash equivalents" included in the cash flow statements as of 31 December 2018 and 2017 reflected in the statement of financial position as of those dates are as follows:

	2018	2017
Cash	1.798	1.489
Bank deposits	120.927	210.462
	122.725	211.951
Bank overdrafts (Note 16)	(4.964.318)	(4.983.501)
	(4.841.593)	(4.771.550)

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

13. CAPITAL

At 31 December 2018 and 2017 capital was fully subscribed for and paid up and amounted to 84.000.000 Euros, made up of 168.000.000 shares of fifty cents each, held as follows, in accordance with the qualified participations reported to the Stock Exchange Commission (CMVM):

	2018		2017	
	Percentage held	Amount	Percentage held	Amount
Impreger - Sociedade Gestora de participações Sociais, S.A. ("Impreger")	50,31%	42.257.294	50,31%	42.257.294
Madre - SGPS, S.A.	4,47%	3.750.622	4,63%	3.887.483
Santander Asset Management	4,18%	3.507.282	4,18%	3.507.282
Grupo BPI	3,69%	3.100.000	3,69%	3.100.000
Newshold - SGPS, S.A.	2,40%	2.019.382	2,40%	2.019.382
Azvalor Asset Management	3,05%	2.562.793	2,80%	2.354.481
Norges Bank	2,78%	2.336.667	2,78%	2.336.667
Other	29,13%	24.465.960	29,21%	24.537.412
	100,00%	84.000.000	100,00%	84.000.000

14. SHARE PREMIUM

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

15. RESERVES

The caption "Legal reserve" at 31 December 2018 and 2017 corresponds to the Company's legal reserve recorded in accordance with commercial legislation, which provides that at least 5% of annual net profit must be appropriated to a legal reserve until the reserve equals the minimum requirement of 20% of share capital. The reserve is not available for distribution except upon liquidation of the Company, but may be used to absorb losses, once all the other reserves and retained earnings have been exhausted, or to increase capital.

The movements in reserves in 2018 and 2017 were as follows:

31 December 2018:

	Legal reserve	Other reserves	Retained Results
Balance at 1 January 2018	2.001.797	15.830.896	-
Decreases (a)	-	-	(4.797.627)
Pension plan - actuarial gains/losses (Note 8 and 20.1)	-	(24.717)	
Balance at 31 de December 2018	2.001.797	15.806.179	(4.797.627)

(a) The decrease results from the decision of the Shareholders' General Meeting held on 19 April 2018 to appropriate net loss for the year ended 31 December 2017, in the amount of 4.797.627 Euros, to retained results.

31 December 2017:

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

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

Legal reserve	219.609
Retained results	4.172.581
	4.392.190

16. BANK BORROWINGS

Bank borrowings at 31 December 2018 and 2017 are made up as follows:

	31 December 2018				31 December 2017			
	Book value		Nominal value		Book value		Nominal value	
Lending entities	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current
Banco BPI, S.A. (a)	55.581.637	9.939.866	55.826.229	9.983.607	65.522.391	9.939.999	65.809.837	9.983.606
Banco Popular, S.A. (b)	494.560	989.119	500.000	1.000.000	1.483.491	988.994	1.500.000	1.000.000
Caixa Central de Crédito Agrícola Mútuo, C.R.L. (c)	-	1.344.843	-	1.350.000	1.343.745	1.343.744	1.350.000	1.350.000
Banco BIC Português, S.A. (d)	-	4.172.253	-	4.187.500	-	6.165.723	-	6.200.000
Bond loan (e)	-	-	-	-	-	29.915.914	-	30.000.000
Guaranteed current account (f)	-	15.200.000	-	15.200.000	-	17.150.000	-	17.150.000
Bank overdrafts (g) (Note 12)	-	4.964.318	-	4.964.318	-	4.983.501	-	4.983.501
	56.076.197	36.610.399	56.326.229	36.685.425	68.349.627	70.487.875	68.659.837	70.667.107

At 31 December 2018, the movement occurred in the balance of debt in credit institutions, separated by movements with associated cash flows and without cash flow, was as follows:

Lending entities	31 December 2017 Book Value	Cashflow of the year Receivables	Cashflow of the year (Payments)	Movements without cashflow Amortized cost	31 December 2018 Book Value
Banco BPI, S.A. (a)	75.462.390	-	(9.983.606)	42.719	65.521.503
Banco Popular, S.A. (b)	2.472.485	500.000	(1.500.000)	11.194	1.483.679
Caixa Central de Crédito Agrícola Mútuo, C.R.L. (c)	2.687.489	-	(1.350.000)	7.354	1.344.843
Banco BIC Português, S.A. (d)	6.165.723	-	(2.012.500)	19.030	4.172.253
Bond loan (e)	29.915.914	-	(30.000.000)	84.086	-
Guaranteed current account (f)	17.150.000	-	(1.950.000)	-	15.200.000
	133.854.001	500.000	(46.796.106)	164.383	87.722.278
Bank overdrafts (g) (Note 12)	4.983.501	-	(19.183)	-	4.964.318
	138.837.502	500.000	(46.815.289)	164.383	92.686.596

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

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

(a) Loan from Banco BPI, S.A. to ISM for the acquisition of all the capital of Solo (merged into ISM) that held an 18,35% share in SIC and a 30,65% stake in SIC. On 1 January 2015, ISM was merged into Impresa having transferred all the inherent liability to that entity. At 31 December 2018 the loan bore interest payable half yearly in arrears at the six month Euribor rate plus 2,5% and is repayable in 38 successive half year instalments, the first having been due on 30 June 2006. The nominal amount of the balance due of the loan is repayable as follows:

2019	9.983.607
2020	9.983.607
2021	9.983.607
2022	9.983.607
2023	9.983.607
2024	9.983.607
2025	5.908.194
	55.826.229
	65.809.837

In guarantee of full compliance with the loan the Group signed a blank promissory note and pledged all the shares of SIC. Additionally were assigned to SIC in pawn 100% of the shares capital of SIC.

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

In accordance with the terms of the loan Impresa must maintain at least 51% of the shares of SIC. In addition, Impreger must not reduce its participation in Impresa to below 50,1%.

(b) Loan contract signed by Impresa with Banco Popular, S.A. (currently Banco Santander) in June 2015 to be repaid in 10 successive half year instalments up to 16 June 2020. At 31 December 2018 the loan bore interest payable half yearly in arrears at the six month Euribor rate plus 2,25%. The nominal amount of the loan is repayable as follows:

2019	1.000.000
2020	500.000
	500.000
	1.500.000

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

(c) Loan contracted by Impresa with Caixa Central de Crédito Agrícola Mútuo C.R.L. in September 2015, repayable in 8 half yearly instalments up to 15 September 2019. At 31 December 2018, the loan bore interest payable half yearly in arrears at the six month Euribor rate plus 2,6%. The nominal amount of the loan is repayable in 2019.

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

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

(d) On 18 September 2015, Impresa signed a loan contract with Banco BIC Português, S.A. to be repaid in six half yearly instalments, the first five of 1.200.000 Euros and the last on 18 September 2018 of 5.000.000 Euros. At 31 December 2018, the loan bore interest payable half yearly in arrears at the Euribor six month rate plus 1,875%.

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

As a result of the contracting of this loan, the Company assumed compliance with certain covenants.

In accordance with the terms of the loan, Impreger must not reduce its participation in Impresa to below 50,1%.

(e) On 12 November 2014 the Company issued bonds totaling 30.000.000 Euros, corresponding to 600 bonds of 50.000 Euros each, repayable on 12 November 2018. The bonds bear interest at the Euribor 6 month rate plus a spread of 4%.

In accordance with these bond loan, the Company assumed certain commitments, not ceasing to hold all the share capital of SIC and Impresa Publishing and Impreger must not cease to hold a majority (50,1%) of the Company's capital.

At November 12, 2018 these bonds were totally paid.

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

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

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

Lending entities	2018	2017
Banco BPI, S.A.	2,50%	2,50%
Banco Santander, S.A.	2,25%	2,25%
Caixa Central de Crédito Agrícola Mútuo, C.R.L. (c)	2,60%	2,60%
Banco BIC Português, S.A. (d)	1,88%	1,50%
Caixa Geral de Depósitos, S.A. (e)	-	2,85%
Novo Banco, S.A. E Banco Espirito Santo de Investimento, S.A.	4,00%	4,00%

If the interest rates had been 0,5% higher or lower in 2018 and 2017, net loss for these years would have increased or decreased by approximately 579.000 Euros and 745.000 Euros, respectively.

The Board of Directors believes that there are no cases of non-compliance with the requirements of the above mentioned borrowings, both as regards maintenance of the main participations in subsidiary companies, the limitation of investments or the distribution of dividends and the applicable financial covenants, which are detailed in Note 28 to the consolidated financial statements.

17. BORROWINGS FROM GROUP COMPANIES

At 31 December 2018 and 2017 the Company had the following loans from its subsidiaries:

	2018	2017
Group companies (Note 21)		
SIC	51.323.385	25.230.671
IP	12.150.000	-
IOSS	10.590.000	-
	74.063.385	25.230.671

At 31 December 2018, loans from group companies were classified as non-current, due to the agreements between the parties.

18. TRADE AND OTHER PAYABLES

Trade and other payables at 31 December 2018 and 2017 are made up as follows:

	2018	2017
SIC (Note 21) (a)	82.964	201.954
Other current account payables	60.575	76.171
	143.539	278.125

(a) As of 31 December 2017, this account payable includes interests incurred for the year ended in 2017 in the amount of 188.017 Euros.

19. CONTINGENT LIABILITIES AND GUARANTEES GIVEN

At 31 December 2018 and 2017 the Company had requested the issuance of bank guarantees totaling 2.991.811 Euros in favor of the Tax Department in guarantee of tax execution processes resulting from the correction of corporation taxable income for the years 2010 and 2011 (Note 8).

20. COMMITMENTS ASSUMED

20.1 Pensions

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

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

In accordance with an actuarial study made by the entity managing the fund, the present value of the above mentioned past service liability for current and retired employees as of 31 December 2018 and 2017 was estimated at 678.966 Euros and 720.465 Euros, respectively, and the amount of the fund on those dates was 906.567 Euros and 982,298 Euros, respectively.

The changes in the past service liability of its current and retired employees and the amount of the Company's pension fund assets at 31 December 2018 and 2017 were as follows:

	2018	2017
Present value of the liability for defined benefits at the beginning of the year:	720.465	772.998
Benefits paid	(41.686)	(41.686)
Current service cost	8.230	8.901
Interest cost	15.742	13.163
Actuarial gain and loss	(23.785)	(32.911)
Present value of the liability for defined benefits	678.966	720.465
Plan assets at the beginning of the year	982.298	998.645
Benefits paid	(41.686)	(41.686)
Interest of the plan	21.633	17.112
Financial gain/loss	(55.678)	8.227
Plan assets at the end of the year	906.567	982.298
Superavit	227.601	261.833

Financial gains and losses resulting from differences between the assumptions used in determining expected income from the assets and the amounts effectively realized and the actuarial gains and losses between the assumptions used in determining the liability were recognized as income and costs directly in equity as other comprehensive income. Actuarial gains in 2018 result essentially from the change in the discount rate. The remaining income and costs were recognized in the statement of profit and loss.

	2018	2017
Amounts recognized in the statement of profit or loss:		
Current service cost	(8.230)	(8.901)
Interest cost	(15.742)	(13.163)
Fund interest	21.633	17.112
	(2.339)	(4.952)
Amounts recognized as other comprehensive income:		
Actuarial (gain)/loss	(23.785)	(32.911)
Financial gain/loss	55.678	(8.227)
	31.893	(41.138)

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

20.2 Operating leases

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

	2018	2017
Within one year	100.043	107.639
Between one and five years	-	104.426
	200.975	212.065

In 2018 and 2017 the Company recognized in the statements of profit and loss and other comprehensive income the amounts of approximately 121.000 Euros and 127.000 Euros, respectively, relating to operating lease contracts.

21. RELATED PARTIES

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

Considering the Company's governance structure and the decision making process, it only considers as "key management personnel", the Board of Directors, as the main operating decisions are made by the Managing Director and the Board of Directors. In the years ended 31 December 2018 and 2017, transactions with the Board of Directors corresponded essentially to remuneration paid for performing their functions in the Impresa Group.

The balances at 31 December 2018 and 2017 and transactions during the years then ended with related parties were as follows:

	2018	2017
Transactions:		
Rent cost (Impreger) (Note 4)	81.000	89.784
Personnel costs (Note 5)	636.711	452.927
Interest and similar costs (Note 7)	1.967.726	2.384.244
Dividends received (Note 7)	8.684.179	11.032.268
Balances:		
Cash and cash equivalents (a)	32.209	134.098
Receivables (Note 11)	4.454.034	11.298.751
Current liabilities	730.046	
Borrowings (Note 17)	74.063.385	25.230.671
Payables (Note18)	82.964	201.954
Bank borrowings	70.809.836	80.793.443

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

In the years ended 31 December 2018 and 2017, pension supplements of 184.739 Euros were paid ,each year, by the pension fund to the President of the Board of Directors.

In the years ended 31 December 2018 and 2017, no long term benefits for termination of labour contracts or payments in shares were attributed to members of the Board of Directors.

22. RISK MANAGEMENT

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

23. OTHER INFORMATION

As of 31 December 2018 and 2017, the amount of annual remuneration paid by the Company to the external auditor and other entities or individuals belonging to the same network were as follows:

	2018	2017
Auditing Services	61.500	61.500
Other assurance services	2.700	2.700
Other services	27.500	27.500
	91.700	91.700

24. NOTE ADDED FOR TRANSLATION

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

THE ACCOUNTANT

THE BOARD OF DIRECTORS

STATUTORY AUDIT CERTIFICATION / AUDIT REPORT

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Impresa – Sociedade Gestora de Participações Sociais, S.A. ("the Entity"), which comprise the statement of financial position as at 31 December 2018 (that presents a total of Euro 285,882,471 and equity of Euro 116,009,034, including a net loss of Euro 17,180,586, the statement of profit and loss and comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the accompanying notes to the financial statements, including a summary of the significant accounting policies.

In our opinion, the accompanying financial statements present true and fairly, in all material respects, the financial position of Impresa – Sociedade Gestora de Participações Sociais, S.A. as at 31 December 2018 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for opinion

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

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

Key audit matters

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

Description of the most significant risks of material misstatement identified	Summary of the auditor's responses to the assessed risks of material misstatement
Impairment of investments in group companies (referred to in Notes 2.3, 2.11 and 10 to the financial statements) The statement of financial position as of 31 December 2018 includes investments in group companies and associates in the amount of Euro 280,907,854, recorded at cost or deemed cost, resulting from the acquisition of financial participations in previous years, essentially in entities that control the television and publishing businesses. The realization of these investments depends on the future cash-flows to be generated by the corresponding subsidiaries, thus, there is the risk that these may not be sufficient to realize the amount invested. As referred to in Note 10 to the statements, the Group performs impairment analysis annually, or whenever there are indicators of impairment, using for this purpose an external entity to the group that prepares evaluations. The impairment analyzes are carried out using the discounted cash-flows method, based on five years projections for each business, considering a perpetuity from the fifth year onwards, which include several assumption which are detailed in Note 17 to the consolidated financial statements. Considering the amount of this caption, as well as the significant number of the judgements and estimates involved in the impairment tests, the impairment analysis of investments in subsidiaries and associates is a key audit matter.	Our main procedures to mitigate this risk included: – Tests to internal controls deemed relevant related to the impairment analyses; – Obtaining the impairment analyses carried out by the Management resorting to an external entity and review of the studies carried out by this entity regarding the completeness and consistency with the remaining financial information: (i) analysis of the reasonableness of the assumptions used, considering the economic environment and the current market, as well as the expected future performance of the corresponding cash generating units, (ii) comparison of the cash-flows projected in the analyses, including the main assumptions considered, with the historical performance of the cash generating units and corresponding budgets approved by the management, and (iii) verification of their arithmetical accuracy. – Involving our internal experts to evaluate the main assumptions used, namely the discount rates and the perpetuity growth rate.

Other matters

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

Responsibilities of Management and Supervisory Body for the financial statements

Management is responsible for:

- the preparation of financial statements that present true and fairly, in all material respects, the financial position, the financial performance and the cash flows of the Entity in accordance with International Financial Reporting Standards as adopted by the European Union;
- the preparation of a management report, including the corporate governance report, under the applicable legal and regulatory terms;
- the implementation and maintenance of an appropriate internal control system that allows the preparation of financial statements that are free from material misstatements due to fraud or error;
- the adoption of accounting principles and criteria appropriate in the circumstances; and
- the evaluation of the Entity's ability to continue as a going concern, disclosing, whenever applicable, the matters that may cast significant doubt on the continuity of the Entity's operations.

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

Auditor's responsibilities for the audit of the financial statements

Our responsibility consists in obtaining a reasonable assurance on whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Entity to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- we communicate with those charged with governance, including the Supervisory Body, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;
- from the matters communicated with those charged with governance, including the Supervisory Body, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter;
- we provide the Supervisory Body with a statement that we have complied with relevant ethical requirements regarding independence, and we communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

On the management report

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

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

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

On the corporate governance report

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

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

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

- Deloitte & Associados, SROC S.A. as a member of the Deloitte network, has been the Statutory Auditor of the Entity over 16 years. We have been appointed/elected in the shareholders' general assembly that took place on 29 April 2015 for the mandate in progress which ends in 31 December 2018.

- The Supervisory Body confirmed to us that is unaware of the occurrence of any fraud or suspected fraud with a material effect in the financial statements. As part of the planning and execution of our audit in accordance with ISAs, we kept professional scepticism and designed audit procedures to respond to the risk of material misstatements in the financial statements due to fraud. As a result of our work, we have not identified any material misstatement in the financial statements due to fraud.
- We confirm that the audit opinion issued is consistent with the additional report that we prepared and delivered to the Entity's Supervisory Body as at 18 March 2019.
- We declare that we have not provided any prohibited services as described in article 77, number 8, of the Ordem dos Revisores Oficiais de Contas statutes (Legal Regime of the Portuguese Statutory Auditors) and we have remained independent from the Entity in conducting the audit.

Lisbon, 18 March 2019

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

Consolidated Accounts

Annual Report 2018

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

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

FOR THE YEARS ENDED 31 DECEMBER 2018 AND 2017

(Amounts stated in Euros)

(Translation of consolidated statements of financial position originally issued in Portuguese - Note 39)

ASSETS	Notes	31 December 2018	31 December 2017 (Restated)	1 January 2017 (Restated)
NON-CURRENT ASSETS:				
Goodwill	17	268 622 821	268 622 821	300 892 821
Intangible assets	18	159 523	313 863	435 821
Tangible fixed assets	19	42 157 742	29 882 242	28 234 916
Investments	20	4 040 066	3 614 521	3 667 894
Investment properties	21	1 478 489	1 478 489	5 912 440
Program broadcasting rights	22	2 586 358	4 959 298	4 568 154
Other non-current assets	24	5 086 515	5 567 277	4 941 825
Deferred tax assets	15	1 790 735	1 605 884	818 427
Total non-current assets		325 922 249	316 044 395	349 472 298
CURRENT ASSETS:				
Program broadcasting rights	22	15 264 200	12 778 402	15 636 356
Inventories	22	504 724	355 302	1 422 658
Trade and other receivables	23	32 370 747	36 258 860	37 254 064
Other current assets	24	9 813 192	5 195 593	6 329 572
Cash and cash equivalents	25	9 639 108	3 824 133	3 491 256
Total current assets		67 591 971	58 412 290	64 133 906
Current assets classified as held for sale	26	3 200 000	13 845 466	-
TOTAL ASSETS		396 714 220	388 302 151	413 606 204
EQUITY AND LIABILITIES				
EQUITY:				
Share capital	27	84 000 000	84 000 000	84 000 000
Share premium	27	36 179 272	36 179 272	36 179 272
Legal reserve	27	2 001 797	2 001 797	1 782 188
Retained earnings and other reserves		60 378	21 774 666	19 142 598
Consolidated net profit/(loss) for the year		3 139 284	(21 590 996)	2 759 895
TOTAL EQUITY		125 380 731	122 364 739	143 863 953
LIABILITIES:				
NON-CURRENT LIABILITIES:				
Bank borrowings	28	98 931 373	83 506 647	134 986 990
Provisions	29.2	7 078 308	4 502 402	3 757 354
Deferred tax liabilities	15	255 082	339 650	315 456
Trade and other payables	30	2 026 823	-	-
Total non-current liabilities		108 291 586	88 348 699	139 059 800
CURRENT LIABILITIES:				
Bank borrowings	28	89 879 559	98 742 384	51 709 758
Trade and other payables	30	32 880 943	32 035 967	29 876 474
Current tax liabilities	15	1 004 271	1 324 841	253 801
Other current liabilities	31	39 277 130	43 554 780	48 842 418
Total current liabilities		163 041 903	175 657 972	130 682 451
Liabilities related to assets classified as held for sale	26	-	1 930 741	-
TOTAL LIABILITIES		271 333 489	265 937 412	269 742 251
TOTAL EQUITY AND LIABLITIES		396 714 220	388 302 151	413 606 204

The accompanying notes form an integral part of on the consolidated statement of financial position as of 31 December 2018.

THE ACCOUNTANT

THE BOARD OF DIRECTORS

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

CONSOLIDATED STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEARS ENDED 31 DECEMBER 2018 AND 2017

(Amounts stated in Euros)
(Translation of consolidated statements of profit and loss and comprehensive income originally issued in Portuguese - Note 39)

	Notes	2018	2017 (Restated)
OPERATING REVENUE			
Services rendered	9	160 304 765	173 162 319
Sales	9	9 841 484	24 012 138
Other operating revenue	10	2 016 508	1 142 296
Total operating revenue		172 162 757	198 316 753
OPERATING EXPENSES			
Cost of programs broadcast and goods sold	11	(73 756 113)	(80 691 513)
Supplies and services	12	(35 838 956)	(46 965 634)
Personnel costs	13	(43 057 546)	(53 073 972)
Amortization and depreciation	18 and 19	(3 521 332)	(3 651 545)
Provisions and impairment losses	29	(2 778 232)	(23 886 666)
Other operating expenses	10	(1 400 124)	(3 020 115)
Total operating expenses		(160 352 303)	(211 289 445)
Operating profit		11 810 454	(12 972 692)
NET FINANCIAL EXPENSES			
Gain / (loss) on associated companies	14	430 544	126 627
Interest and other financial costs	14	(6 387 286)	(7 171 619)
Other financial income	14	465 233	315 492
Net financial expenses		(5 491 509)	(6 729 500)
Profit before taxes		6 318 945	(19 702 192)
Income tax expense	15	(3 179 661)	(1 888 804)
Consolidated net profit/(loss) for the year		3 139 284	(21 590 996)
Other comprehensive income			
Items that will not be reclassified to the statement of profit and loss			
Actuarial gain/(loss)	15 and 33.1	(128 903)	91 781
Comprehensive income for the year		3 010 381	(21 499 215)
Earnings per share:			
Basic	16	0,0187	(0,1285)
Diluted	16	0,0187	(0,1285)
Comprehensive income per share:			
Basic	16	0,0179	(0,1280)
Diluted	16	0,0179	(0,1280)

The accompanying notes form an integral part of the consolidated statement of profit and loss and other comprehensive income for the year ended 31 December 2018.

THE ACCOUNTANT

THE BOARD OF DIRECTORS

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED 31 DECEMBER 2018 AND 2017

(Amounts stated in Euros)
(Translation of consolidated statements of changes in equity originally issued in Portuguese - Note 39)

		Share Capital	Share premium	Legal Reserve	Retained earnings and other reserves	Consolidated net profit / (loss) for the year	Total
Balance at 1 January 2017		84 000 000	36 179 272	1 782 188	19 520 330	2 759 895	144 241 685
Restatement adjustments		-	-	-	(377 732)	-	(377 732)
Balance at 1 January 2017 (Restated)	2	84 000 000	36 179 272	1 782 188	19 142 598	2 759 895	143 863 953
Pension plan - actuarial gain/(loss)	33.1	-	-	-	118 429	-	118 429
Pension plan - deferred tax liability	15	-	-	-	(26 648)	-	(26 648)
Other comprehensive income		-	-	-	91 781	-	91 781
Appropriation of consolidated net profit for the year ended 31 December 2016	27	-	-	219 609	2 540 286	(2 759 895)	-
Consolidated net loss for the year ended 31 December 2017 (restated)		-	-	-	-	(21 590 996)	(21 590 996)
Balance at 31 December 2017 (Restated)		84 000 000	36 179 272	2 001 797	21 774 666	(21 590 996)	122 364 739
Pension plan - actuarial gain/(loss)	33.1	-	-	-	(166 327)	-	(166 327)
Pension plan - deferred tax liability	15	-	-	-	37 424	-	37 424
Other comprehensive income		-	-	-	(128 903)	-	(128 903)
Other variations in equity		-	-	-	5 611	-	5 611
Appropriation of consolidated net loss for the year for the year ended 31 December 2017 (restated)	27	-	-	-	(21 590 996)	21 590 996	-
Consolidated net profit for the year ended 31 December 2018		-	-	-	-	3 139 284	3 139 284
Balance at 31 December 2018		84 000 000	36 179 272	2 001 797	60 378	3 139 284	125 380 731

The accompanying notes for an integral part of the consolidated statement of changes in equity
for the year ended 31 December 2018

THE ACCOUNTANT

THE BOARD OF DIRECTORS

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

CONSOLIDATED CASH FLOW STATEMENTS FOR THE YEARS ENDED

FOR THE YEARS ENDED 31 DECEMBER 2018 AND 2017

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

	Notes	2018	2017
OPERATING ACTIVITIES			
Cash receipts from customers		172 702 844	198 462 666
Cash paid to suppliers		(110 323 919)	(128 466 646)
Cash paid to employees		(44 002 126)	(53 881 822)
Cash generated from operations		18 376 799	16 114 198
Payments relating to income taxes		(3 091 086)	(1 546 108)
Other cash paid relating to operating activities		(690 944)	(455 113)
Net cash from operating activities (1)		14 594 769	14 112 977
INVESTING ACTIVITIES			
Cash received relating to:			
Interests		329 175	308 640
Subsidies		523 295	256 285
Alienation of financial investments	20	10 000	-
Current assets classified as held for sale	26	2 400 000	-
Dividends and capital reductions of associates	20	-	180 000
Tangible fixed assets		-	13 333
Investment Property	21	-	640 000
Refund of the excess funding of the Pension Fund	33	-	211 000
		3 262 470	1 609 258
Cash paid relating to:			
Tangible fixed assets		(6 092 725)	(4 029 899)
Intangible assets		(45 147)	(137 002)
		(6 137 872)	(4 166 901)
Net cash used in investing activities (2)		(2 875 402)	(2 557 643)
FINANCING ACTIVITIES			
Cash received relating to:			
Bank borrowings	27	53 368 322	22 596 572
		53 368 322	22 596 572
Cash paid relating to:			
Bank borrowings	27	(53 177 680)	(26 945 173)
Interests and similar costs		(6 807 720)	(6 391 588)
		(59 985 400)	(33 336 761)
Net cash used in investing activities (3)		(6 617 078)	(10 740 189)
Net (decrease)/increase in cash and cash equivalents (4) = (1) + (2) + (3)		5 102 289	815 145
Captive fixed-term deposit	25	-	(640 000)
Cash and cash equivalents at the beginning of the year	25	(1 799 368)	(1 974 513)
Cash and cash equivalents at the end of the year	25	3 302 921	(1 799 368)

The accompanying notes form an integral part of the consolidated cash flow statement for the year ended 31 December 2018.

THE ACCOUNTANT

THE BOARD OF DIRECTORS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2018

(Amounts stated in Euros)

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

1. INTRODUCTORY NOTE

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

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

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

The Board of Directors of Impresa approved these financial statements for publication on February 28, 2019.

During the second half of 2017, the Group decided to sell a range of press titles (portfolio of magazines) as part of a process of repositioning its activity with a primary focus on the audio-visual and digital sectors.
The press tittles, which together constituted the Group's portfolio of magazines, were included in the Publishing segment, sharing various revenues and expenses with the other publications of the segment, and therefore did not constitute a cash-generating unit or an autonomous segment. Therefore, the Group concluded that the conditions considered in IFRS 5 for presentation as a discontinued operation were not met; so, all the notes related to profit and loss items as of December 2017, include the income and expenses generated by those publications, which is the reason for an overall decrease in the amounts stated in the consolidated statements of profit and loss and other comprehensive income as of December 31, 2018 compared to the previous year.

The sale of the above mentioned portfolio of magazines, including a set of related assets and liabilities, was concluded on January 2, 2018, with the signing of the respective sale agreement, whereby Impresa Publishing sold the press titles Activa, Caras, Caras Decoração, Courrier Internacional, Exame, Exame Informática, Jornal de Letras, Tele Novelas, TV Mais, Visão, Visão História and Visão Junior, to the company Trust in News, Unipessoal, Lda.. The sale was made at the nominal amount of 10,200,000 Euros, receivable during two and a half years, pursuant to the Strategic Plan for 2017 2019 and the repositioning of the Groups activity focusing primarily on the audiovisual and digital. (Note 26).

2. MAIN ACCOUNTING POLICIES

(i) Bases of presentation

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

The Board of Directors made an evaluation of the Group's ability to continue as going concern, considering all the relevant information, facts and circumstances, of financial, commercial or other nature, including subsequent events to the date of the financial statements, available about the future. As result of this analysis, the Board of Directors, considering the perspectives of cash-flow generation, the credit limits available for use, the renewable amount of credit lines and the on-going negotionation of new loans, which it expects to conclude successfully in the short term, concluded that the Group has the adequate financial resources to maintain its activities, there being no intentions to cease operations in the short term; therefore, it considered adequate the use of the going concern assumption in the preparation of the consolidated financial statements (Note 36.d).

2.2 Accounting policies

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

Therefore, in compliance with IAS 1, Impresa declares that these consolidated financial statements and related notes comply with the requirements of IAS/IFRS as endorsed by the European Union, in force for years beginning on 1 January 2018.

Adoption of new or revised IAS/IFRS

Except for the adoption of IFRS 9 and IFRS 15, which led to the restatement of the comparative financial statements, the accounting policies used in the year ended 31 December 2018 are consistent with those used for the preparation of the consolidated financial statements of Impresa for the year ended 31 December 2017 and explained in the respective notes.

The following standards, interpretations, amendments and revisions endorsed by the European Union are of mandatory application for the first time in the year ended 31 December 2018:

Standard / Interpretation	Applicable in the European Union in the years starting on or after	Brief description
IFRS 9 – Financial Instruments	01-jan-18	This standard is part of the revision of IAS 39 and establishes the new requirements for the classification and measurement of financial assets and liabilities, for the methodology for the calculation of impairment and for the application of hedge accounting rules.
IFRS 15 – Revenue from Contracts with customers	01-jan-18	This standard introduces a structure for recognizing revenue based on principles and a model to be applied to all contracts entered into with clients, substituting IAS 18 – Revenue, IAS 11 – Construction contracts; IFRIC 13 – Customer loyalty programs; IFRIC 15 – Agreements for the constructing of real estate; IFRIC 18 – Transfer of assets from costumers and SIC 31 – Revenue – Barter transactions involving advertising services.
IFRS 15 – Revenue from Contracts with customers, clarifications	01-jan-18	These amendments introduce several clarifications in order to eliminate the possibility of divergent interpretations of various issues.
Amendments to IFRS 4 : Applying IFRS 9 'Financial Instruments' with IFRS 4 'Insurance Contracts'	01-jan-18	This amendment provides approaches permitted when applying IFRS 4 with IFRS 9. The IFRS 4 Insurance Contracts will be superseded by IFRS 17.
Amendments to IFRS 2 : Classification and measurement of share based payment transactions	01-jan-18	The amendments introduce several clarifications related to (i) The accounting of transactions of payments based with shares that are setteled in cahs; (ii) the accounting of modifications in transactions of payments based in shares (from setlled in cash to settled with equity instruments); (iii)the classification of share-based payment transactions with net settlement features.
Improvements to international financial statement standards (2014-2016 cycle)	01-01-2018	These improvements involve the clarification of some aspects related to IFRS 1 - First time adoption of international financial reporting standards: eliminates some short term exemptions; IFRS 12 - Disclosure of interests in other entities: clarifies the scope of the standards to its application to interests classified as held for sale or held for distribution under IFRS 5; IAS 28 - Investments in Associates and Jointly Controlled Entities: introduces clarifications over the fair value measurement of investments in associated or joint ventures held by venture capital companies or investment funds.
IFRIC 22 - Transactions in foreign currency and advances	01-jan-18	This interpretation establishes the date for initial recognition of the advance or deferred income as the date of the transaction for the effects of determining the currency translation rate for revenue recognition.
Amendments to IAS 40 - Investment Properties	01-jan-18	These amendments clarify that the change of classification from or to investment property should only be made when there a re evidences of a change in the use of the asset.

On January 1, 2018 the entry into force of IFRS 9 and IFRS 15 had the following effects on the Group's financial statements at that date:

(i) IFRS 9 – Financial Instruments

Based on an analysis of the Group's financial assets and liabilities the Group's Board of Directors assessed the impact of the adoption of IFRS 9 on the consolidated financial statements as follows:

Classification and measurement

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

Impairments

Financial assets measured at amortized cost, as presented in Note 36, will be subject to impairment under IFRS 9 and determined in accordance with the expected credit loss model.

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

Thus, the Board of Directors believes that the application of the credit loss model resulted in the early recognition of credit losses for the corresponding assets which in January 1, 2017 and December 31, 2017 amounted to, approximately, 378.000 Euros and 315.000 Euros respectively.

(ii) IFRS 15 – Revenue from Contracts with customers

Regarding to the Group's revenues, the Board of Directors made the following assessments for each of these businesses:

- Broadcasting of advertisements, publication of advertisements and value-added services relating to contests and telephone-based initiatives: Following the adoption of IFRS 15, in particular with regard to the identification of the customer, in transactions related to value added services related to contests and initiatives with telephone participation, a set of costs was identified that were being recognized as a deduction from the income from the services rendered, which began to be recognized as costs. Accordingly, in the condensed consolidated statement for the year ended December 31, 2017, 337.311 Euros were reclassified from "Services rendered" to "Supplies and services".

- Television broadcast rights: As a result of the adoption of IFRS 15, with respect to the identification of transactions prices, related to the transmission signal rights, a set of costs were identified that were being recognized as such, which are part of the price of the respective transaction. Accordingly, in the consolidated statement for the year ended December 31, 2017, 3.841.767 Euros were reclassified from "Supplies and services" to "Services Rendered".

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

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

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

The Board of Directors decided to adopt the full retrospective method of transition to IFRS 15 in the preparation of the consolidated financial statements for the year ending December 31, 2018, restating its financial statements as of January 1, 2017 and December 31, 2017, as follows:

	1 January 2017	31 December 2017
Equity	144.241.685	122.679.430
Adjustments in Retained Earnings	(377.732)	(377.732)
Adjustments in Net Results	-	63.041
	(377.732)	(314.691)
Equity (Restated)	143.863.953	122.364.739

The effects on the consolidated statement of financial position in January 1, 2017, resulting from the application of the above-mentioned standards, are detailed as follows:

	1 January 2017	Application of IFRS 9	1 January 2017 (restated)
Current assets			
Trade and other receivables	37.631.796	(377.732)	37.254.064
Total assets	413.983.936	(377.732)	413.606.204
Equity			
Retained earnings and other reserves	19.520.330	(377.732)	19.142.598
Total Equity	144.241.685	(377.732)	143.863.953
Total Liabilities	269.742.251	-	269.742.251
Total Equity and Liabilities	413.983.936	(377.732)	413.606.204

The effects on the consolidated statement of financial position in December 31, 2017, resulting from the application of the above-mentioned standards, are detailed as follows:

	31 December 2017	Application of IFRS 9	31 December 2017 (restated)
Current assets			
Trade and other receivables	36.573.551	(314.691)	36.258.860
Total assets	388.616.842	(314.691)	388.302.151
Equity			
Retained earnings and other reserves	22.152.398	(377.732)	21.774.666
Consolidated net profit/loss for the year	(21.654.037)	63.041	(21.590.996)
Total Equity	122.679.430	(314.691)	122.364.739
Total Liabilities	265.937.412	-	265.937.412
Total Equity and Liabilities	388.616.842	(314.691)	388.302.151

As result of the above adjustments, the consolidated statement of profit and loss and other comprehensive income for the period ended December 31, 2017 was restated as follows:

	31 December 2017	Application of IFRS 9	Application of IFRS 15	31 December 2017 (restated)
Operational Profits				
Services Rendered	176.666.775	-	(3.504.456)	173.162.319
Operational Costs				
Supplies and services	(50.470.090)	-	3.504.456	(46.965.634)
Provisions and impairment losses	(23.949.707)	63.041	-	(23.886.666)
Operational Results	(13.035.733)	63.041	3.504.456	(12.972.692)
Consolidated net profit/loss for the year	(21.654.037)	63.041	-	(21.590.996)

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

Standard / Interpretation		Brief description
IFRS 16 – Leases	01-jan-19	This standard introduces the principles for the recognition and measurement of leases, substituting IAS 17 – Leases. The standard defines a single model for recording lease contracts, which results in the recognition by the lessee of assets and liabilities for all lease contracts, except for those for periods of less than twelve months or for leases of assets of reduced value. Lessors will continue to classify leases between operating and finance leases, IFRS 16 not requiring substantial changes for such entities in relation to IAS 17.
Amendment to IFRS 9 - Prepayment with negative compensation features	01-jan-19	This amendment allows that financial assets with contractual conditions that define, in anticipated reimbursement, the payment on a considerable amount by the creditor, may be measured at amortized cost, or at fair value through reserves (depending on the business model) provided that: (i) on the date of initial recognition of the asset, the fair value of the anticipated repayment fair value is insignificant and (ii) the possibility of negative compensation within the anticipated repayment is the only reason for the asset in question not to be considered an instrument only including payments of principal and interest.
IFRIC 23 - Uncertainty over Income Tax Treatments	01-jan-19	The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments.

These standards were not adopted by the Group in 2018, since their application is not mandatory. As a result of the application of these standards, impacts are only expected from the adoption of IFRS 16, as follows:

IFRS 16 – Leases

The initial adoption date of IFRS 16 for the Group will be January 1, 2019.

The Group expects to opt for the modified retrospective transition model of IFRS 16, provided for in paragraphs IFRS 16: C3 (b), C7 and C8.

Consequently, the Group intends to use the practical expedient of not to reassess whether a contract is, or contains, a lease, having made an overall assessment of the new definition and evaluated all the contracts made or modified before 1 January 2019. The Group shall not restate comparative financial information, recording at the transition date the liability related to future payments, and an asset under equal rights of use.

The Board of Directors estimates that the entry into force of IFRS 16 in the year ending on January 1, 2019, may have the following effects on the Group's financial statements in the year ending December 31, 2019:

Operating leases

Under IAS 17, future liabilities with operating leases are disclosed in the accompanying notes as commitments assumed not included in the statement of financial position. IFRS 16 will change the way the Group accounts leases previously classified as operating, and will record future liabilities and rights in the consolidated statement of financial position.

In the initial application of IFRS 16, the Group shall:

• recognise lease liabilities and assets under right-of-use asset in the consolidated statement of financial position, measured at present value of the future payments of each lease;

• recognize financial expenses on lease liabilities and depreciation of right-of-use assets in the consolidated income statement by nature;

• Separate amounts paid between principal and interest (presented as financing activities) in the consolidated statement of cash flows.

Short-term leases (term of 12 months or less) and low value leases (as described in paragraphs B3-B8 of IFRS 16), the Group will choose to recognize a lease expense on a straight-line basis as permitted by IFRS 16.

The lessee shall apply IAS 36 - Impairment of Assets to determine whether the asset under right-of-use is impaired and to account for any identified impairment loss.

At December 31, 2018, the Group has non-cancellable lease commitments of approximately 2.715.716 Euros (Note 33).

The preliminary assessment carried out by the Board of Directors indicates that, of the lease agreements entered into by the Group that cannot be canceled on December 31, 2018, the Group will recognize a right-to-use asset of, approximately, 1.700.000 Euros and the corresponding lease liability of equal amount. The valuation made by the Board of Directors estimates that the application of IFRS 16 would have an impact, as of December 31, 2018, of approximately 750.000 Euros resulting in a reduction of External Supplies and Services in this amount, and an increase in depreciation in, approximately 706.000 Euros and of the financial expenses in approximately 146.000 Euros. The impact of adopting IFRS 16 will increase operating cash flows by approximately 750.000 Euros and affect negatively cash flows of financing in the same amount. Under IAS 17, all lease payments for operating leases are presented as part of the operating cash flows.

Leases

In the initial application, the Group will present the assets acquired under financial lease contracts, currently registered under tangible fixed assets, in the caption rights-of-use asset and the respective lease liability, currently recorded under loans obtained, in a separate caption in the consolidated statement of financial position for lease liabilities.

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

Standard / Interpretation	Brief description
Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)	These amendments has been added to clarify that an entity applies IFRS 9 including its impairment requirements, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.
Amendments to IAS 19 - Plan amendments, curtailments or settlements	If a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the remeasurement are determined using the assumptions used for the remeasurement. • In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement of the plan.
Amendments to Conceptual Framework	Amendments to several standards (IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22 and SIC 32) on march 2018 revised Conceptual Framework. The revised Conceptual Framework provides updated definitions and recognition criteria for assets and liabilities and clarifies some concepts, such as, measurement, derecognition, presentation and disclosure.
Definition of a Business (Amendments to IFRS 3)	Corresponds to amendments in the Definition of a Business, intending to clarify the identification of business acquisition or acquistion of a group of assets. The revised definition clarifies also the definition of business output as the supply of goods or services to clients. The amendment includes examples for the identification of a business acquisition.
The definition of materiality (Amendments to IAS 1 and IAS 8)	material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements,. the definition of materialin IAS 8 follows the defintion in IAS 1. The amendment also changes the definition of material in other standards to ensures consistency.

These standards have not yet been endorsed by the European Union and so have not been applied by the Group in the year ended 31 December 2018. From the above referred standards, the Group understands that their adoption will not lead to significant changes in its consolidated financial statements.

2.3 Consolidation principles

The consolidation methods used by the Group were as follows:

a) Controlled companies

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

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

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

Changes in the Group's participation in companies already controlled, which do not result in loss of control are recorded in equity. Consequently, the Group's interest and non-controlling shareholders' interest in these companies are adjusted so as to reflect the changes in the control of the subsidiaries. Differences between the non-controlling interests acquired or sold and the fair value of the purchase or sale, respectively, are recognized in equity.

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

b) Associated companies

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

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

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

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

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

Annually, the Group makes an assessment of impairment indicators of investments in associated companies, and when these are corroborated, the Group makes impairment analyses to determine the recoverable amount, impairment losses being recognised as expenses. When impairment losses previously recognised cease to exist, they are reversed up to the limit of the impairment loss recognised.

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

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

2.4 Goodwill

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

As a result of the exception established in IFRS 1, the Group did not apply retrospectively the provisions of IFRS 3 to acquisitions prior to 1 January 2004, and so goodwill arising on acquisitions prior to the transition

to IFRS (1 January 2004) was maintained at the net book value as of that date determined in accordance with generally accepted accounting principles in Portugal.

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

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

2.5 Non-current assets held for sale

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

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

2.6 Intangible assets

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

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

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

2.7 Tangible fixed assets

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

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

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

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

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

	Years
Buildings and other constructions	4 – 50
Machinery and equipment	3 – 10
Transport equipment	4 - 8

Administrative equipment	3 – 10
Other tangible fixed assets	4 – 8

2.8 Finance and operating leases

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

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

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

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

2.9 Investments properties

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

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

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

2.10 Financial instruments

2.10.1 Trade and other receivables

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

Expected credit losses on these financial assets are estimated using a matrix of losses prepared based on the historic experience of impairment in accounts receivable of the Group by type of transactions, adjusted by specific conditions of the debtors, general economic conditions and an evaluation of both the current conditions and the prediction of conditions at the reporting date, including the time value of money, whenever appropriate.

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

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

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

2.10.2 Cash and cash equivalents

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

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

2.10.3 Payables

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

2.10.4 Bank borrowings

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

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

2.11 Inventories and program broadcasting rights

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

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

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

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

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

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

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

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

2.12 Provisions and contingent liabilities

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

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

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

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

2.13 Pension liability

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

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

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

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

2.14 Income tax

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

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

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

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

2.15 Subsidies

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

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

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

2.16 Revenue

Revenue from sales (relating mainly from the sale of newspapers, magazines, books and other publications) is recognised in the consolidated statement of profit and loss and other comprehensive income when the

control over the goods and services is transferred to the buyer and the corresponding income can be reasonably quantified. Returns are recorded as a reduction of sales for the period to which they relate, are estimated in accordance with historic information, and are included in rhe revenues from the transaciont, as well as in the amounts invoiced to clients. Sales are recognized net of taxes, discounts and other costs relating to their realization.

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

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

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

Income relating to the ceding of transmission rights of programs or of the rights of the respective formats to third parties is recognized in the consolidated statement of profit and loss and other comprehensive income when the control is transferred and the income can be reliably estimated and is probable. Revenue from this transaction is affected by several costs that belong to the same performance obligation.

In summary:

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

2.17 Accruals basis

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

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

2.18 Impairment of assets, excluding goodwill

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

The recoverable amount is estimated for each asset individually or, when this is not possible, for the cash flow generating unit to which the asset belongs.in
The recoverable amount is the higher of net selling price and value of use. Net selling price is the amount that could be obtained from the sale of the asset in a transaction between knowledgeable independent entities, less the costs directly attributable to the sale. Value in use is the present value of the estimated future cash flows discounted based on discount rates that reflect the present value of the capital and the specific risk of the assets.

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

2.19 Foreign currency balances and transactions

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

2.20 Classification in the statement of financial position

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

2.21 Subsequent events

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

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

3. CHANGES IN ACCOUNTING POLICIES AND ESTIMATES

In the year ended 31 December 2018, there were no changes in accounting policies in relation to those used in the consolidated financial statements for the year ended 31 December 2017, with exception for the adoption of IFRS 9 and IFRS 15, whose impact led to the restatement of the comparative financial statements.

The more significant accounting estimates reflected in the consolidated financial statements as of 31 December 2018 and 2017 include:

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

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

4. COMPANIES INCLUDED IN THE CONSOLIDATION

The companies included in the consolidation by the full consolidation method, their head offices and the proportion of capital effectively held in them at 31 December 2018 and 2017 are as follows:

Company	Head office	Main activity	Percentage effectively held	
			2018	2017
Impresa - Sociedade Gestora de Participações Sociais, S.A. (parent company)	Lisbon	Holding company	Parent	Parent
Impresa Publishing, S.A. ("Impresa Publishing")	Paço de Arcos	Publishing	100,00%	100,00%
SIC - Sociedade Independente de Comunicação, S.A. ("SIC")	Carnaxide	Television	100,00%	100,00%
GMTS - Global Media Technology Solutions - Serviços Técnicos e Produção Multimédia, Sociedade Unipessoal, Lda. ("GMTS")	Carnaxide	Rendering of services	100,00%	100,00%
InfoPortugal - Sistemas de Informação e Conteúdos, S.A. ("InfoPortugal")	Matosinhos	Multimedia production	100,00%	100,00%
Impresa Service & Office Share - Gestão de Imóveis e Serviços, S.A. ("IOSS")	Paço de Arcos	Management of real estate and services	100,00%	100,00%

5. ASSOCIATED COMPANIES

Investments in associated companies are recorded in accordance with the equity method. Their head offices and the proportion of capital effectively held in them by the Group at 31 December 2018 and 2017 are as follows:

Company	Head office	Percentage effectively held	
		2018	2017
Vasp – Distribuidora de Publicações, S.A. (“Vasp”) (a)	Cacém	33,33%	33,33%
Lusa – Agência de Notícias de Portugal, S.A. (“Lusa”) (a)	Lisbon	22,35%	22,35%
Visapress - Gestão de Conteúdos dos Media, C.R.L. ("Visapress")	Lisbon	7,69%	21,43%

(a) These participations are held directly by Impresa.

6. OTHER COMPANIES

The investments in other companies and the proportion of capital held in them by the Group at 31 December 2018 and 2017 are as follows:

Company	Percentage effectively held	
	2018	2017
NP - Notícias de Portugal, C.R.L. (“NP”) (a)	10,71%	10,71%
Nexponor (b)	0,001%	0,001%

(a) Participation held by Impresa Publishing and SIC.

(b) Participation acquired by Impresa SGPS in April 2013.

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

7. CHANGES IN THE GROUP

During the year ended December 31, 2018 and 2017 there were no changes in the Group's consolidation perimeter.

8. SEGMENT REPORTING

The segments identified by the Group are based on identification of the segments in accordance with the financial information reported internally to the Board of Directors that supports it in the assessment of the performance of the businesses and the decisions making as to the allocation of resources to be used. The

segments identified by the Group for segment reporting purposes are therefore consistent with the form in which the Board of Directors analyses its business.

Therefore, the Group identified the following reporting segments:

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

Publishing – The Group publishes newspapers, books and other publications, including the weekly newspaper “Expresso”.

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

In the Publishing segment, sales to VASP Group contributed 4.7% and 8.9%, respectively, of the Group’s revenue reflected in the consolidated statement of profit and loss and other comprehensive income for the years ended 31 December 2018 and 2017, corresponding to 8.056.062 Euros and 17.659.015 Euros, respectively (Note 34). VASP is an intermediary between the publishers and the distribution network to the final customer, in which Impresa has a 33.33% participation (Note 5). In addition, advertising revenue results essentially from purchases from Group companies by five media centrals that operate as intermediaries between the advertiser and the social communication entities.

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

a) Reporting by main segment – Business segment:

At 31 December 2018:

	Television	Publishing	Other	Total segments	Eliminations	Consolidated total
Operating revenue						
Services rendered - external costumers	143.902.299	14.082.328	2.320.138	160.304.765	-	160.304.765
Services rendered - intersegment	33.276	41.322	5.912.395	5.986.993	(5.986.993)	-
Sales - external costumers	-	9.841.484	-	9.841.484	-	9.841.484
Other operating revenue - external costumers	1.284.392	308.024	424.092	2.016.508	-	2.016.508
Other operating revenue - intersegment	89.975	-	-	89.975	(89.975)	-
Total operating revenue	145.309.942	24.273.158	8.656.625	178.239.725	(6.076.968)	172.162.757
Operating costs						
Cost of programs broadcast and goods sold	(71.434.308)	(2.321.805)	-	(73.756.113)	-	(73.756.113)
External supplies and services	(26.270.817)	(11.132.235)	(4.512.872)	(41.915.924)	6.076.968	(35.838.956)
Personnel costs	(26.875.147)	(9.503.500)	(6.678.899)	(43.057.546)	-	(43.057.546)
Depreciation and amortization of tangible and intangible fixed assets	(2.760.878)	(108.805)	(651.649)	(3.521.332)	-	(3.521.332)
Provisions and Impairment losses (Note 29)	(95.883)	(2.610.000)	(72.349)	(2.778.232)	-	(2.778.232)
Other operating costs	(728.138)	(127.248)	(544.738)	(1.400.124)	-	(1.400.124)
Total operating costs	(128.165.171)	(25.803.593)	(12.460.507)	(166.429.271)	6.076.968	(160.352.303)
Operating profit/(loss)	17.144.771	(1.530.435)	(3.803.882)	11.810.454	-	11.810.454
Financial items:						
Gain and loss on associated companies	-	-	430.544	430.544	-	430.544
Other financial items	(1.113.496)	(387.623)	(4.420.934)	(5.922.053)	-	(5.922.053)
	(1.113.496)	(387.623)	(3.990.390)	(5.491.509)	-	(5.491.509)
Operating profit/(loss) before taxes	16.031.275	(1.918.058)	(7.794.272)	6.318.945	-	6.318.945

At 31 December 2017 (Restated):

	Television	Publishing	Other	Total segments	Eliminations	Consolidated total
Operating revenue						
Services rendered - external costumers	148.938.659	21.915.128	2.308.532	173.162.319	-	173.162.319
Services rendered - intersegment	304.281	53.149	6.400.400	6.757.830	(6.757.830)	-
Sales - external costumers	-	24.012.138	-	24.012.138	-	24.012.138
Other operating revenue - external costumers	864.407	190.227	87.662	1.142.296	-	1.142.296
Other operating revenue - intersegment	92.861	-	-	92.861	(92.861)	-
Total operating revenue	150.200.208	46.170.642	8.796.594	205.167.444	(6.850.691)	198.316.753
Operating costs						
Cost of programs broadcast and goods sold	(75.484.492)	(5.207.021)	-	(80.691.513)	-	(80.691.513)
External supplies and services	(28.119.509)	(21.277.785)	(4.419.031)	(53.816.325)	6.850.691	(46.965.634)
Personnel costs	(26.154.439)	(20.306.153)	(6.613.380)	(53.073.972)	-	(53.073.972)
Depreciation and amortization of tangible and intangible fixed assets	(2.863.627)	(122.588)	(665.330)	(3.651.545)	-	(3.651.545)
Provisions and Impairment losses (Note 29)	(1.718.967)	(22.115.143)	(52.556)	(23.886.666)	-	(23.886.666)
Other operating costs	(2.242.277)	(187.397)	(590.441)	(3.020.115)	-	(3.020.115)
Total operating costs	(136.583.311)	(69.216.087)	(12.340.738)	218.140.136	6.850.691	(211.289.445)
Operating profit/(loss)	13.616.897	(23.045.445)	(3.544.144)	(12.972.692)	-	(12.972.692)
Financial items:						
Gain and loss on associated companies	-	-	126.627	126.627	-	126.627
Other financial items	(1.598.527)	(424.907)	(4.832.693)	(6.856.127)	-	(6.856.127)
	(1.598.527)	(424.907)	(4.706.066)	(6.729.500)	-	(6.729.500)
Operating profit/(loss) before taxes	12.018.370	(23.470.352)	(8.250.210)	(19.702.192)	-	(19.702.192)

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

At 31 December 2018:

	Television	Publishing	Other	Total of segments	Eliminations	Consolidated total
Goodwill	17.499.139	-	251.123.682	268.622.821	-	268.622.821
Investments	6.235	7.470	4.026.361	4.040.066	-	4.040.066
Assets classified as held for sale	3.200.000	-	-	3.200.000	-	3.200.000
Other assets	126.942.707	31.083.907	32.857.333	190.883.947	70.032.614	120.851.333
Total assets	147.648.081	31.091.377	288.007.376	466.746.834	70.032.614	396.714.220
Bank borrowings	56.176.720	11.856.658	120.777.554	188.810.932	-	188.810.932
Other liabilities	67.320.508	16.081.782	69.152.881	152.555.171	(70.032.614)	82.522.557
Total liabilities	123.497.228	27.938.440	189.930.435	341.366.103	(70.032.614)	271.333.489
Other information:						
Increases in tangible fixed assets (Note 19)	8.995.033	374.632	6.752.835	16.122.500	-	16.122.500
Depreciation and amortization for the year	2.760.879	108.804	651.649	3.521.332	-	3.521.332
Impairment losses except goodwill (Note 29)	268.050	28.920		296.970	-	296.970
Reversal of impairment losses, except goodwill (Note 29)	791.333	-	55.834	847.167	-	847.167
Use of impairment losses, except goodwill (Note 29)	-	13.805	-	13.805	-	13.805
Average number of personnel	565	203	127	895	-	895

At 31 December 2017 (Restated):

	Television	Publishing	Other	Total of segments	Eliminations	Consolidated total
Goodwill	17.499.139	-	251.123.682	268.622.821	-	268.622.821
Investments	6.235	12.470	3.595.816	3.614.521	-	3.614.521
Assets classified as held for sale	3.200.000	10.645.466	-	13.845.466	-	13.845.466
Other assets	90.115.086	14.776.280	25.059.466	129.950.832	(27.731.490)	102.219.342
Total assets	110.820.460	25.434.216	279.778.964	416.033.640	(27.731.490)	388.302.150
Bank borrowings	26.841.784	14.234.792	141.172.455	182.249.031	-	182.249.031
Liabilities related to assets classified as held for sale	-	1.930.741	-	1.930.741	-	1.930.741
Other liabilities	62.790.739	15.786.787	30.911.604	109.489.130	(27.731.490)	81.757.640
Total liabilities	89.632.523	31.952.320	172.084.059	293.668.902	(27.731.490)	265.937.412
Other information:						
Increases in tangible fixed assets (Note 19)	980.051	175.649	3.897.544	5.053.244	-	5.053.244
Depreciation and amortization for the year	2.735.503	91.742	824.300	3.651.545	-	3.651.545
Impairment losses except goodwill (Note 29)	2.993.852	-	31.676	3.025.528	-	3.025.528
Impairment losses of goodwill (Note 17)	-	21.965.668	-	21.965.668	-	21.965.668
Reversal of impairment losses (Note 29)	261.376	28.157	-	289.533	-	289.533
Utilization of impairment losses (Note 29)	724.556	79.966	4.300	808.822	-	808.822
Average number of personnel	563	374	132	1.069	-	1.069

The column "Others" corresponds essentially to assets and liabilities recorded by Impresa whose activities consist essentially of managing investments, and so the corresponding assets include goodwill relating to the television, publishing and others segments in the amounts of 228.524.334 Euros, 20.130.334 Euros and 2.469.014 Euros, respectively, as well as the corresponding liabilities, namely bank loans used to acquire the investments.

b) Reporting by secondary segments – Geographic markets:

Operating revenue by geographic market for the years ended 31 December 2018 and 2017 were as follows:

	Portugal		Other markets		Consolidated total	
	2018	2017 (Restated)	2018	2017 (Restated)	2018	2017 (Restated)
Services rendered	154.317.772	166.446.472	5.986.993	6.715.847	160.304.765	173.162.319
Sales	9.841.484	24.012.138	-	-	9.841.484	24.012.138
Other operating income	2.016.508	1.142.296	-	-	2.016.508	1.142.296
Total operating income	166.175.764	191.600.906	5.986.993	6.715.847	172.162.757	198.316.753

At 31 December 2018 and 2017, there were no acquisitions of non-current assets relating to the segment "Other markets". In addition, more than 99% of the Group's assets and liabilities at 31 December 2018 and 2017 relate to the Portugal geographic segment.

9. SERVICES RENDERED AND SALES BY ACTIVITY

Services rendered and sales for the years ended 31 December 2018 and 2017 were as follows:

	2018	2017 (Restated)
Services rendered:		
Television		
Advertising	97.448.776	98.167.745
Subscription to channels	36.857.597	39.625.035
Multimedia	6.474.786	8.412.580
Others	3.121.140	2.733.299
	143.902.299	148.938.659
Publishing:		
Advertising	12.616.068	20.821.692
Others	1.466.260	1.093.436
	14.082.328	21.915.128
Others:		
Digital mapping	1.676.256	2.253.770
Others	643.882	54.762
	2.320.138	2.308.532
Total services rendered	160.304.765	173.162.319
Sales:		
Publications	9.326.920	22.910.919
Others - publishing	514.564	1.101.219
Total sales	9.841.484	24.012.138
Total services rendered and sales	170.146.249	197.174.457

10. OTHER OPERATING REVENUES AND COSTS

Other operating revenues for the years ended 31 December 2018 and 2017 were as follows:

	2018	2017
Supplimentary income and other operating gains (a)	516.040	596.478
Subsidies	653.301	256.285
Reversal of impairment losses (Note 29.1)	847.167	289.533
	2.016.508	1.142.296

(a) In 2018 and 2017, this caption corresponded essentially to income received from sponsorships.

For the years ended 31 December 2018 and 2017, the caption “Other operating costs” was as follows:

	2018	2017
Impairment losses on receivables (Note 29.1)	296.970	1.791.577
Taxes	921.902	909.351
Subscriptions	132.218	183.730
Other operating costs	49.034	135.457
	1.400.124	3.020.115

11. COST OF PROGRAMS BROADCAST AND GOODS SOLD

The cost of programs broadcast and goods sold in the years ended 31 December 2018 and 2017 was as follows:

	2018	2017
Programs broadcast	71.434.308	75.484.492
Raw materials consumed	2.043.808	4.746.553
Merchandise sold	277.997	460.468
	73.756.113	80.691.513

12. SUPPLIES AND SERVICES

This caption for the years ended 31 December 2018 and 2017 was made up as follows:

	2018	2017 (Restated)
Specialized works	8.105.264	9.257.499
Subcontracts	5.514.705	9.081.547
Maintenance and repair	4.508.635	4.113.046
Prizes to be given	3.432.088	4.253.680
Comunication	2.983.597	5.696.483
Rents and leases	2.742.662	3.006.896
Fees	2.612.060	3.551.585
Advertising	1.747.921	2.721.312
Other	4.192.023	5.013.586
	35.838.955	46.695.634

The variation in the captions “Subcontracts” and “Specialized work” occurred in the year ended 31 December 2018, compared to 2017 results essentially from the sale of the portfolio of magazines.

The variation in the captions “Prizes to be given” and “Communication”, occurred in the year ended 31 December 2018, compared to 2017, results from the reduction of the activity related to contests and initiatives with phone participation and corresponding prizes.

13. PERSONNEL COSTS

Personnel costs for the years ended 31 December 2018 and 2017 are made up as follows:

	2018	2017
Salaries	32.470.326	38.235.287
Charges on remuneration and other personnel costs	9.103.238	9.879.629
Indemnities	1.483.982	4.959.056
	43.057.546	53.073.972

The variation occurred during the years ended 31 December 2018 compared to 2017, results from the restructuration carried in 2017 and with the sale of the magazines portfolio.

The average number of employees of the companies included in the consolidation in 2018 and 2017 was 895 and 1.069 respectively.

14. NET FINANCIAL EXPENSES

Net financial expenses for the years ended 31 December 2018 and 2017 are made up as follows:

	2018	2017
Loss and gain on associated companies: (a)		
Loss on associated companies	-	(51.571)
Gain on associated companies	430.544	178.198
	430.544	126.627
Interest and other financial costs:		
Interest	(5.206.394)	(5.649.309)
Exchange losses	-	(593.250)
Other financial costs (b)	(1.180.892)	(929.060)
	(6.387.286)	(7.171.619)
Other financial income:		
Interest	329.175	118.423
Exchange gain	135.418	189.934
Financial discount received	640	5.059
Other financial income	-	2.076
	465.233	315.492
Net financial expenses	(5.491.509)	(6.729.500)

(a) This caption is made up as follows:

	2018	2017
Vasp (Note 20)	181.514	(51.571)
Lusa (Note 20)	249.030	178.198
	430.544	126.627

(b) This caption corresponds essentially to commissions and bank charges.

15. DIFFERENCES BETWEEN ACCOUNTING AND TAX RESULTS

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

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

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

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

Net financial costs for 2018 are deductible for determining the Group's annual taxable income up to the greater of the following limits:

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

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

The Impresa Group's Board of Directors believes that possible corrections to the tax returns resulting from revisions/inspections by the Tax Administration will not have a significant effect on the consolidated financial statements as of 31 December 2018 and 2017.

Current tax assets and liabilities at 31 December 2018 and 2017 are made up as follows:

	2018	2017
Current tax liabilities		
Estimated tax	3.301.094	2.740.282
Additional payments on account	(441.738)	(419.252)
Payments on account	(1.477.323)	(641.268)
Special payments on account	(89.656)	(18.397)
Withholding income tax	(288.106)	(336.524)
	1.004.271	1.324.841

The Group records deferred taxes resulting from temporary differences between the accounting and tax bases of its assets and liabilities. The following deferred tax assets were recognized at 31 December 2018 and 2017:

(a) Temporary differences – Changes in deferred tax assets

31 December 2018:

	Deferred tax assets			
	Impairment losses on receivables	Provisions for other risks and charges	Impairment losses on investments properties	Total
Balance at 31 December 2017	530.894	669.784	405.206	1.605.884
Increase/(decrease)	265.951	(81.099)	-	184.851
Balance at 31 December 2018	796.845	588.685	405.206	1.790.735

31 December 2017:

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

(b) Temporary differences – Changes in deferred tax liabilities

31 December 2018:

	Pension plan
Balance at 31 December 2017	339.650
Increase/(decrease) affecting other comprehensive income	(37.424)
Increase/(decrease) affecting profit and loss	(47.144)
Balance at 31 December 2018	255.082

31 December 2017:

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

In accordance with current legislation, tax losses can be carried forward during a period of 5 years after their occurrence for deduction from taxable income generated in that period, limited to 70% of the Group's taxable income in each year, applicable also to tax losses incurred in prior years. At 31 December 2018 and 2017, the Group did not had tax losses carried forward.

c) Reconciliation of the tax rate

Income tax for the years ended 31 December 2018 and 2017 was as follows:

	2018	2017 (Restated)
Pre-tax result	6.318.945	(19.702.192)
Nominal tax rate	21%	21%
	1.326.978	(4.137.460)
Permanent differences (i)	614.740	5.089.322
Adjustments to corporate income tax	252.641	289.267
Municipal and State Surcharge	874.740	709.242
(Excess) / insufficiency of corporate income tax estimate	110.562	(61.567)
Corporate income tax	3.179.661	1.888.804
Current tax	3.301.094	2.740.282
Deferred tax for the year	(231.995)	(789.911)
(Excess) / insufficiency estimate for prior period income tax	110.562	(61.567)
	3.179.661	1.888.804

(i) This amount at 31 December 2018 and 2017 is made up as follows:

	2018	2017 (Restated)
Effect of the application of the equity method (Note 20)	(430.544)	(126.627)
Impairment losses on goodwill (Note 17)	-	21.965.668
Interests non-deductible or in excess of legal limits	2.229.754	2.514.107
Other	1.128.124	(118.280)
	2.927.334	24.234.868
Tax rate	21%	21%
	614.740	5.089.322

16. EARNINGS PER SHARE

Basic and diluted earnings per share for the years ended 31 December 2018 and 2017 were computed based on the following information:

	2018	2017 (restated)
Number of shares		
Weighted average number of shares for purposes of computing basic earnings per share (Note 27)	168.000.000	168.000.000
Earnings		
Earnings for purposes of computing basic earnings per share (net profit for the year)	3.139.284	(21.590.996)
Earnings for purposes of computing comprehensive earnings per share (comprehensive income for the year)	3.010.381	(21.499.215)
Earnings per share:		
Basic	0,0187	(0,1285)
Diluted	0,0187	(0,1285)
Comprehensive income for the year per share:		
Basic	0,0179	(0,1280)
Diluted	0,0179	(0,1280)

There were no diluting effects in the years ended 31 December 2018 and 2017 and so the basic and diluted earnings per share are the same.

17. GOODWILL

There were no changes in the caption goodwill in the years ended 31 December 2018, except for the utilizarion in 2018 of the impairment loss recorded in 2017, resulting from the sale of the portfolio of magazines.

In the last quarter of 2017, the Group decided to sell a range of press titles that make up the magazine's portfolio, which was included in the publishing cash generating unit, having established a plan to carry out this operation. As a result, assets and liabilities, included in the transaction as of December 31, 2018, were classified as assets and liabilities held for sale (Note 26). Following the implementation of this plan, in line with the ongoing negotiations, it was determined that the estimated value of the sale of that portfolio would be approximately 10.200.000 Euros. For the purpose of allocating goodwill to the magazine portfolio, which was included in the publishing cash generating unit, it was taken into account the value of goodwill calculated in previous years in the acquisition of the entities holding of such magazines and registered in Medipress, before its incorporation in Impresa Publishing through the merger by incorporation of the first in the second. As result of the abovementioned, the Group recognized in 2017 an impairment loss of approximately 22.000.000 Euros (Note 29), corresponding to the difference between the amounts agreed for the transaction and the goodwill portion originated in the acquisition of those entities. With the completion of this transaction in 2018, the Group utilized the said impairment loss.

Goodwill at 31 December 2018 and 2017 is made up as follows:

Company	2018	2017
Television:		
Recorded by the holding companies	228.524.334	228.524.334
Recorded by SIC	17.499.139	17.499.139
	246.023.473	246.023.473
Publishing:		
Recorded by the holding companies	20.130.334	20.130.334
	20.130.334	20.130.334
Infoportugal:		
Recorded by Impresa	2.065.500	2.065.500
Recorded by InfoPortugal	403.514	403.514
	2.469.014	2.469.014
	268.622.821	268.622.821

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

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

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

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

Approach used to determine the amounts attributed to key assumptions

As of 31 December 2018 and 2017, the Group requested a specialised external entity to test impairment of goodwill of Television and Publishing, as they are the most significant amounts and are considered to be the more complex for determination of the recoverable amount. The Group made internal tests of the impairment of goodwill of the remaining cash generating units.

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

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

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

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

The main changes made in the impairment analyses as of 31 December 2018 in relation to past experience are as follows:

- Decrease of the publicity market except to the digital segment, with impact on the decrease of the television publicity growth, and increase of the reduction in the press.
- Increase of profits with value added calls and increase of profits with content production (themed channels and content sales).
- Increase of Expresso market share.
- Decrease in Pay-Tv revenues, associated to the contracts negotiation with operators (domestic and foreign).
- Increase of Expresso prices considering a reduction in the paper circulation and profit growth in the digital format.
- Reduction of the effect of the estimated synergies in the Publishing cost structure, arising from the sale of the magazines portfolio.

Impairment tests in the year ended 31 December 2018:

As a result of the impairment tests carried out, in the year ended 31 December 2018, the Group did not identify any impairment of goodwill.

Television:

The recoverable amount of this cash generating unit was determined considering the financial projections of the Television cash generating unit for a period of five years, using a discount rate of 7.6% (7.7% at 31 December 2017) and a perpetuity growth rate of 2% (2% in 2017).

The main business assumptions considered were as follows:

- Advertising market: an annual compound growth rate throughout the period of the projections of 2%, for the market relating to generalist channels;
- Advertising and audience market share: these variables were considered constant and similar to those occurred in 2018 for the five year period of the projections;
- Programming cost: It was estimated a maintenance for 2019 of the verified costs in 2018; increasing marginally until 2022.
- Automatic renewal of the television operating licences at the end of their term, without additional costs;
- Maintenance of the current open signal transmission costs of the SIC generalist channel, as well as operating continuity of the current theme channels.
- Reduction of structure costs resulting from the synergies arising from the concentration of all the Group in the Paço de Arcos building.

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

The Company carried out the following sensitivity tests:

- a 1% decrease in advertising revenues of the cash generating unit over the period of the projection would not imply the need to record an impairment loss at 31 December 2018;

- a 0.5% increase in the assumed discount rate for the years of the projections would not imply the need to record an impairment loss at 31 December 2018;

- a 1% increase in the broadcast programs costs during the projection period would not imply the need to record an impairment loss in the year ended December 31, 2018;

- a decrease in the perpetuity growth rate to 1,5% would not imply the need to record an impairment loss at 31 December 2018.

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

Publishing:

The recoverable amount of this cash generating unit was determined considering the financial projections of the Publishing segment for a five year period, using a discount rate of 6.7% (7.1% at 31 December 2017) and a perpetuity growth rate 0.5% (0.5% in 2017).

The main assumptions considered were as follows:

- Advertising market: a negative annual compound growth rate of 3,3% for publications in paper format, and a positive compound annual growth rate above market rates for the publications in digital format;

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

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

The Company made the following sensitivity analyses:

- a 1% decrease in advertising income of the cash generating unit over the period of the projection, which includes a negative average growth of 3,3% in the advertising target market, would not imply the need to record an impairment loss at 31 December 2018;

- a 1% decrease in the assumed discount rate over the years of the projections would not imply the need to record an impairment loss at 31 December 2018;

- a increase in the discount rate 0,5% would not imply the need to record an impairment loss at 31 December 2018.

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

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

InfoPortugal:

The recoverable amount of this cash generating unit was determined considering the financial projections of the digital mapping business for a five year period using a discount rate of 8.02% (8.02% at 31 December 2018) and a perpetuity growth rate of 2% (2% in 2017).

The main assumptions considered in the projections for 2018 assume the continuing recovery of operations registered in 2017, considering a compound rate of annual maintenance of revenues over the projection period, and an annual increase of the cartography business and applications designed profits in the amount of 11.3% and 4.9%, respectively.

In addition, reasonable possible changes were not identified in the key assumptions of the valuations on which the Company based itself to determine the recoverable value that would imply the need to record additional impairment losses at 31 December 2018.

18. INTANGIBLE ASSETS

The changes in intangible assets and related accumulated amortization and impairment losses in 2018 and 2017 were as follows:

31 December 2018:

	Industrial property and other rights	Software	Total
Gross:			
Balance at 31 December 2017	2.757.054	950.187	3.707.241
Purchases	-	45.147	45.147
Balance at 31 December 2018	2.757.054	995.334	3.752.388
Accumulated amortization and impairment losses:			
Balance at 31 December 2017	(2.743.837)	(649.541)	(3.393.378)
Increases	(1.911)	(197.576)	(199.487)
Balance at 31 December 2018	(2.745.748)	(847.117)	(3.592.865)
Net balance at 31 December 2018	11.306	148.217	159.523

31 December 2017:

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

Purchases of Intangible assets during the years ended 31 December 2018 and 2017 correspond essentially to updates and software licences of the Oracle program.

19. TANGIBLE FIXED ASSETS

The changes in tangible fixed assets and corresponding accumulated depreciation and impairment losses during the years ended 31 December 2018 and 2017 were as follows:

31 December 2018:

	Land and natural resources	Buildings and other constructions	Machinery and equipment	Transport equipment	Administrative equipment	Other tangible assets	Fixed assets in progress	Total
Gross:								
Balance at 31 December 2017	2.245.593	23.477.475	107.515.474	158.639	26.183.588	333.341	4.416.983	164.331.092
Acquisitions	-	-	538.486	-	84.695	-	15.499.319	16.122.500
Sales and write-offs	-	-	(66.904)	-	(8.495)	-	(482.905)	(558.304)
Transfers	-	-	2.266	-	2.618	-	(4.884)	-
Balance at 31 December 2018	2.245.593	23.477.475	107.989.322	158.639	26.262.406	333.341	19.428.513	179.895.288
Accumulated depreciation and impairment losses								
Balance at 31 December 2017	-	(9.118.481)	(99.447.044)	(155.103)	(25.604.388)	(123.834)	-	(134.448.850)
Increase	-	(464.832)	(2.478.403)	(3.536)	(311.742)	(63.332)	-	(3.321.845)
Decreases due to sales and write-offs	-	-	28.556	-	4.593	-	-	33.149
Balance at 31 December 2018	-	(9.583.313)	(101.896.891)	(158.639)	(25.911.537)	(187.166)	-	(137.737.546)
Net balance at 31 December 2018	2.245.593	13.894.162	6.092.431	-	350.869	146.175	19.428.513	42.157.742

31 December 2017:

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

The acquisition of several broadcasting and television recording technical equipment, as well as the project of increase of the Paço de Arcos building which, as of 31 December 2018 was in progress, are the main acquisitions in 2018.

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

At 31 December 2018 and 2017 the Group had the following assets under finance leases:

	2018			2017		
	Gross	Accumulated depreciation and impairment losses	Net balance	Gross	Accumulated depreciation and impairment losses	Net balance
Buildings and other constructions	104.348	(16.304)	88.044	104.348	(3.261)	101.088
Machinery and equipment	592.789	(201.646)	391.143	592.789	(99.930)	492.859
Administrative equipment	121.960	(60.974)	60.986	121.960	(20.325)	101.636
Tangible assets in progress	8.719.128	-	8.719.128	-	-	-
	9.538.225	(278.924)	9.259.301	819.097	(123.516)	695.583

20. INVESTMENTS

The changes in investments in the years ended 31 December 2018 and 2017 were as follows:

31 December 2018:

	Investments in associated companies	Investments in other companies	Total
Balance at 31 December 2017	3.595.158	19.363	3.614.521
Application of the equity method (Note 14)	430.544	-	430.544
Alienation	-	(10.000)	(10.000)
Other movements	-	5.000	5.000
Balance at 31 December 2018	4.025.702	14.363	4.035.066

31 December 2017:

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

Investments in associated companies at 31 December 2018 and 2017 are comprised as follows:

31 December 2018:

		2018							
Company	Head office	Total assets	Total revenue	Equity	Net result	Percentage effectively held	Amount of participation	Accumulated impairment losses (Note 29.1)	Net value of the asset
Vasp	Cacém	40.218.110	222.475.796	9.071.219	409.870	33,33	3.023.438	-	3.023.438
Lusa	Lisbon	13.099.971	15.927.572	4.484.400	1.141.508	22,35	1.002.263	-	1.002.263
Visapress	Lisbon	n.a.	n.a.	n.a.	n.a.	7,69	5.000	(5.000)	-
							4.025.701	(5.000)	4.025.701

31 December 2017:

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

As a result of applying the equity method at 31 December 2018 and 2017, the following changes were recorded in the caption "Investments in associates":

	2018			2017		
Company	Gain on associated companies (Note 14)	Loss on associated companies (Note 14)	Total	Gain on associated companies (Note 14)	Loss on associated companies (Note 14)	Total
Vasp	181.514	-	181.514	-	(51.571)	(51.571)
Lusa	249.030	-	249.030	178.198	-	178.198
	430.544	-	430.544	178.198	(51.571)	126.627

Investments in other companies at 31 December 2018 and 2017 are made up as follows:

	2018				2017	
Company	Effective participation of the Group	Amount of the participation	Impairment losses (Note 29.1)	Amount net of impairment losses	Effective participation of the Group	Amount net of impairment losses
NP	10,71%	18.704	(5.000)	13.704	10,71%	18.703
Nexponor	0,001%	660	-	660	0,001%	660
Others	n.d.	30.000	(30.000)	-	n.d.	-
		49.364	(35.000)	14.364		19.363

21. INVESTMENT PROPERTIES

Investment properties held by the Group at 31 December 2018 and 2017, are as follows:

Investment property	2018	2017
Land "FNAC" (a)	1.478.489	1.478.489

(a) This amount is net of impairment losses in the amount of 1.473.474 Euros (Note 29.1).

During the years ended 31 December 2018, there were no movements in the caption "Investment properties".

During the year ended December 31, 2017, through a promissory agreement for sale and purchase, the Group entered into an agreement with a third party for the sale of a portion of the land denominated "FNAC Terrain", which, in that date was classified as held for sale. As a result of this agreement, the sale price was set at 3.200.000 Euros, of which 640.000 Euros were received as a signal, which are held captive until the deed is concluded, an impairment loss having been estimated for the entire land, based on the sales value per square meter defined in that contract. Consequently, the Board of Directors is convinced that the book value of this asset does not differ significantly from its fair value.

There is a promissory mortgage of this land to guarantee a loan from BPI.

22. PROGRAM BROADCASTING RIGHTS AND INVENTORIES

Program broadcasting rights at 31 December 2018 and 2017 are made up as follows:

	31 December 2018		31 December 2017	
	Non-current	Current	Non-current	Current
Broadcasting rights				
Gross:				
Program broadcasting rights	2.586.358	3.562.879	4.959.298	2.203.515
Advances on account of purchases	557.128	11.701.321	557.128	10.574.887
	3.143.486	15.264.200	5.516.426	12.778.402
Impairment of realizable value:				
Accumulated impairment of the realizable value (Note 29.1)	(557.128)	-	(557.128)	-
Net realizable value of the broadcasting rights	2.586.358	15.264.200	4.959.298	12.778.402

	31 December 2018		31 December 2017	
Inventories:				
Raw, subsidiary and consumable material	-	416.784	-	313.982
Work in progress	-	87.940	-	41.320
Net realizable value of inventories	-	504.724	-	355.302
Net realizable value of inventories and broadcasting rights	2.586.358	15.768.924	4.959.298	13.133.704

The caption "Advances on account of purchases" at 31 December 2018 and 2017 includes payments made by SIC to program suppliers under contracts entered into with these entities, relating to program broadcasting rights, which at that date were not available for broadcasting, corresponding essentially to soaps and sports rights.

At 31 December 2018 and 2017 the Group had no inventories pledged in guarantee of liabilities.

23. TRADE AND OTHER RECEIVABLES

This caption at 31 December 2018 and 2017 was made up as follows:

	31 December 2018			31 December 2017 (Restated)		
	Gross	Accumulated impairment Losses (Note 29.1)	Net	Gross	Accumulated impairment Losses (Note 29.1)	Net
Customers	41.557.360	(10.694.710)	30.862.650	45.561.010	(11.258.712)	34.302.298
Invoices to be issued:			-			-
Value added services	563.521	-	563.521	583.953	-	583.953
Television broadcasting rights of theme channels	566.978	-	566.978	694.861	-	694.861
Television broadcasting rights of generalist channels	167.370	-	167.370	208.535	-	208.535
Other amounts to be invoiced	210.228	-	210.228	469.213	-	469.213
	43.065.457	(10.694.710)	32.370.747	47.517.572	(11.258.712)	36.258.860

24. OTHER NON-CURRENT AND CURRENT ASSETS

At 31 December 2018 and 2017, this caption was made up as follows:

	2018	2017
Other non-current assets:		
Pension fund - Post employment benefits (Note 33.1)	1.133.697	1.300.454
Premius, S.A.	906.250	906.250
Digital telebroadcasting services (a)	561.178	623.530
Novimovest - Fundo de Investimento Imobiliário (b)	-	800.000
Others (c)	2.485.390	1.937.043
	5.086.515	5.567.277
Other current assets:		
Advances to suppliers	220.534	150.242
Other debtors		
Novimovest - Fundo de Investimento Imobiliário (b)	800.000	-
Subsidies receivable	571.978	441.972
Advances to employees	218.035	848.602
Deposit (d)	1.227.302	1.114.963
Others (c)	5.004.932	1.208.016
Prepayments:		
Licenses	196.492	445.400
Rent	100.401	84.160
Digital telebroadcasting services (b)	62.352	62.352
Financial charges	75.419	59.282
Insurance	57.066	41.372
Others	1.056.253	739.167
Taxes:		
Value added tax ("VAT") (f)	222.363	-
Other taxes	65	65
	9.813.192	5.195.593
	14.899.707	10.762.870

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

(b) Amount still receivable from the sale of the SIC building in 2004, which is dependent upon updating of the utilization licence, which the Board of Directors estimates it will be obtained in the short term.

(c) In December 31, 2018 the caption “Others” includes 6.166.090 Euros related to the amount receivable from Trust in News, S.A. (“TIN”) related to the magazine portfolio sale which is under a payment plan (Note 26), as well as accounts receivable from Isabel Monteiro, Fantasy Day - Unipessoal, Lda. and Lemon- Entertainment, Lda., relating to the sale of 90% of Dialectus - Traduções Técnicas, Legendagem e Locução, Lda share capital, and 100% of iPlay - Som e Imagem, Lda., Respectively.´

(d) As of 31 December 2018, and 2017, the amounts of 1.227.302 Euros and 1.114.963 Euros, correspond to the net amount of a dollar term deposit of 3.930.131 Euros and 6.253.648 Euros, respectively, and a loan contract of 2.702.829 Euros and 5.138.685 Euros at 31 December 2018 and 2017, recorded in this caption with a maximum amount of 10.000.000 Euros, being automatically renewable for successive six month periods. The term deposit is in guarantee of the liability resulting from the loan contract.

25. CASH AND CASH EQUIVALENTS

The caption "Cash and cash equivalents" included in the consolidated statement of cash flow as of 31 December 2018 and 2017 and reconciliation thereof to the amount of cash and cash equivalents reflected in the statement financial position as of those dates are as follows:

	2018	2017
Cash	57.314	65.264
Bank deposits	9.581.794	3.758.869
	9.639.108	3.824.133
Bank deposits captives	(640.000)	(640.000)
Bank overdrafts (Note 27)	(5.696.187)	(4.983.501)
	3.302.921	(1.799.368)

At December 31, 2018 and 2017, captive bank deposits are related to the sale process of a portion of the so-called "FNAC Terrain" (Note 21).

26. NON-CURRENT ASSETS HELD FOR SALE

In the years ended December 31 2018 and 2017, the assets classified as held for sale and associated liabilities, were as follow:

	2018	2017
Assets related to the magazine portfolio (a)		
Goodwill (b)	-	10.304.332
Operating assets allocated to the Magazine Portfolio	-	341.134
	-	10.645.466
Investments properties (c)	3.200.000	3.200.000
	3.200.000	13.845.466
Liabilities related to the magazine portfolio (a)	-	1.930.741

a) In the last quarter of 2017, the Group decided to sell the portfolio of the magazines and established a plan for the execution of this operation, concluded in January 2018. Therefore, the assets and liabilities to be sold, were classified as assets and liabilities held for sale in December 2017. As a result of the sale in 2018, these amounts were materialized in an receivable account, which at December 31, 2018 amounted 6.166.090 Euros (whose nominal value is 6.300.000 Euros) with the following plan:

2019	4.200.000
2020	2.100.000
	6.300.000

b) This caption includes an estimate of the sale value of the portfolio in the amount of 10.200.000 Euros and the remainder, to the net estimate of other assets and liabilities, associated with those, to be recovered and/or settled through the above-mentioned sale (Note 17).

c) During the year ended December 31, 2017, by entering into a promise to buy and sell, the Group entered into an agreement with a third party for the sale of a portion of the land denominated "Terreno Fnac", which, on that date was classified as held for sale. As a result, the sale price was set at 3.200.000 Euros, of which 640.000 Euros were received as a sign, which are held captive until the deed is concluded (note 25).

27. EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY

Share Capital: At 31 December 2018 and 2017 Impresa's fully subscribed and paid up share capital amounted to 84.000.000 Euros, represented by 168.000.000 shares of fifty cents each, which, in accordance with the information communicated to CMVM, are held as follows:

	2018		2017	
	Percentage held	Amount	Percentage held	Amount
Impreger - Sociedade Gestora de Participações Sociais, S.A. ("Impreger")	50,31%	42.257.294	50,31%	42.257.294
Madre - SGPS, S.A.	4,47%	3.750.622	4,63%	3.887.483
Santander Asset Management	4,18%	3.507.282	4,18%	3.507.282
BPI group	3,69%	3.100.000	3,69%	3.100.000
Newshold - SGPS, S.A.	2,40%	2.019.382	2,40%	2.019.382
Azvalor Asset Management	3,05%	2.562.793	2,80%	2.354.481
Norges Bank	2,78%	2.336.667	2,78%	2.336.667
Others	29,13%	24.465.960	29,21%	24.537.412
	100,00%	84.000.000	100,00%	84.000.000

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

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

As decided at the Shareholders' General Meeting held on 19 April 2018, negative net result for the year ended 31 December 2017 in the amount of 4.797.627, presented in the non-consolidated financial statements of Impresa, was applied as follows:

Retained earnings	4.797.627
	4.797.627

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

As decided at the Shareholders' General Meeting held on 19 April 2017, net result for the year ended 31 December 2016 in the amount of 4.392.190 Euros, presented in the non-consolidated financial statements of Impresa, was appropriated as follows:

Other reserves	4.172.580
Legal Reserve	219.610
	4.392.190

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

28. BANK BORROWINGS AND FINANCE LEASES

28.1 Bank Borrowings

As of December 31, 2018 and 2017 the balance of debts related to bank borrowings has the following composition:

		31 December 2018				31 December 2017			
		Book value		Nominal value		Book value		Nominal value	
Company	Lending entities	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current
Impresa	Banco BPI, S.A. (a)	55.581.637	9.939.866	55.826.229	9.983.607	65.522.391	9.939.999	65.809.837	9.983.606
Impresa	Banco Popular, S.A. (b)	494.560	989.119	500.000	1.000.000	1.483.491	988.994	1.500.000	1.000.000
Impresa	Caixa Central de Crédito Agrícola Mútuo, C.R.L. (c)	-	1.344.843	-	1.350.000	1.343.745	1.343.744	1.350.000	1.350.000
Impresa	Banco BIC Português, S.A. (d)	-	4.172.253	-	4.187.500	-	6.165.723	-	6.200.000
Impresa	Bond loan (e)	-	-	-	-	-	29.915.914	-	30.000.000
SIC	Banco BPI, S.A. (f)	10.577.474	2.115.495	10.625.000	2.125.000	12.692.969	2.115.495	12.750.000	2.125.000
SIC	Caixa Central de Crédito Agrícola Mútuo, C.R.L. (c)	-	75.000	-	75.000	75.000	75.000	75.000	75.000
SIC	Montepio Geral (g)	-	4.615.315	-	4.666.667				
IOSS	Novo Banco, S.A. (m)	20.008.357	1.395.267	21.507.592	1.653.892				
Impresa Publishing	Montepio Geral (h)	535.766	1.285.839	536.779	1.288.271	1.804.202	2.273.549	1.804.203	2.273.548
Impresa Publishing	Banco Comercial Português, S.A. (i)	-	2.167.913	-	2.200.000	-	4.357.041	-	4.400.000
Impresa Publishing	Caixa Central de Crédito Agrícola Mútuo, C.R.L. (c)	-	75.000	-	75.000	75.000	75.000	75.000	75.000
	Factorings (l)	5.823.748	7.983.325	5.833.400	7.987.572	-		-	-
	Guaranteed current accounts (j)	-	46.123.750	-	46.123.750	-	36.250.000	-	36.250.000
	Bank overdrafts (k) (Note 25)	-	5.696.187	-	5.696.187	-	4.983.501	-	4.983.501
	Finance Leases (Note 28.2)	5.909.830	1.900.388	5.909.831	1.900.387	509.849	258.424	509.849	258.424
		98.931.373	89.879.559	100.738.832	90.312.832	83.506.647	98.742.384	83.873.889	98.974.079

On December 31, 2018, the movement in the balance of debts to credit institutions, separated by movements with associated cash flows and without cash flow, was as follows:

					Movements without cash flows		
		1 January 2018	Year Cash Flows				31 December 2018
Company	Financing entities	Balance Value	Receipts	(Payments)	Finance leases	Amortized Cost Efect	Balance Value
Impresa	Banco BPI, S.A. (a)	75.462.390	-	(9.983.606)	-	42.719	65.521.503
Impresa	Banco Popular, S.A. (b)	2.472.485	500.000	(1.500.000)	-	11.194	1.483.679
Impresa	Caixa Central de Crédito Agrícola Mútuo, C.R.L. (c)	2.687.489	-	(1.350.000)	-	7.354	1.344.843
Impresa	Banco BIC Português, S.A. (d)	6.165.723	-	(2.012.500)	-	19.030	4.172.253
Impresa	Bond Loan (e)	29.915.914	-	(30.000.000)	-	84.086	-
SIC	Banco BPI, S.A. (f)	14.808.464		(2.125.000)	-	9.505	12.692.969
SIC	Caixa Central de Crédito Agrícola Mútuo, C.R.L. (c)	150.000	-	(75.000)	-	-	75.000
SIC	Montepio Geral (g)	-	5.000.000	(333.333)	-	(51.352)	4.615.315
IOSS	Novo Banco S.A. (m)	-	24.173.600	(1.012.116)	-	(1.757.860)	21.403.624
Impresa Publishing	Montepio Geral (h)	4.077.751	-	(2.252.701)	-	(3.445)	1.821.605
Impresa Publishing	Banco Comercial Português, S.A. (i)	4.357.041	-	(2.200.000)	-	10.872	2.167.913
Impresa Publishing	Caixa Central de Crédito Agrícola Mútuo, C.R.L. (c)	150.000		(75.000)	-	-	75.000
	Factorings (l)	-	13.820.972	-	-	(13.899)	13.807.073
	Financial Leases (Note 28.2)	768.273	-	(258.424)	7.300.369	-	7.810.218
	Guaranteed current accounts (j)	36.250.000	9.873.750	-	-	-	46.123.750
		177.265.530	53.368.322	(53.177.680)	7.300.369	(1.641.796)	183.114.745
	Bank overdrafts (k) (Note 25)	4.983.501	712.686	-		-	5.696.187
		182.249.031	54.081.008	(53.177.680)	7.300.369	(1.641.796)	188.810.932

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

					Movements without cash flows		
		1 January 2017	Year Cash Flows			Amortized Cost	31 December 2017
Company	Financing entities	Balance Value	Receipts	(Payments)	Finance leases	Efect	Balance Value
Impresa	Banco BPI, S.A. (a)	85.403.275	-	(9.983.606)	-	42.721	75.462.390
Impresa	Banco Popular, S.A. (b)	3.461.290	-	(1.000.000)	-	11.195	2.472.485
Impresa	Caixa Central de Crédito Agrícola Mútuo, C.R.L. (c)	3.582.149	-	(900.000)	-	5.340	2.687.489
Impresa	Banco BIC Português, S.A. (d)	8.517.603	-	(2.400.000)	-	48.120	6.165.723
Impresa	Caixa Geral de Depósitos, S.A. (e)	7.362.613		(7.500.000)		137.387	-
Impresa	Bond Loan (f)	29.818.481	-	-	-	97.433	29.915.914
SIC	Banco BPI, S.A. (g)	16.923.958		(2.125.000)	-	9.506	14.808.464
SIC	Caixa Central de Crédito Agrícola Mútuo, C.R.L. (c)	199.008	-	(50.000)	-	992	150.000
Impresa Publishing	Montepio Geral (h)	4.300.919	-	(223.168)	-	-	4.077.751
Impresa Publishing	Banco Comercial Português, S.A. (i)	1.427.575	5.500.000	(2.600.000)	-	29.466	4.357.041
Impresa Publishing	Caixa Central de Crédito Agrícola Mútuo, C.R.L. (c)	199.008		(50.000)	-	992	150.000
	Financial Leases (Note 28.2)	370.100	511.572	(113.399)	-	-	768.273
	Guaranteed current accounts (j)	19.665.000	16.585.000	-	-	-	36.250.000
		181.230.979	22.596.572	(26.945.173)	-	383.152	177.265.530
	Bank overdrafts (k) (Note 25)	5.465.769	-	(482.268)		-	4.983.501
		186.696.748	22.596.572	(27.427.441)	-	383.152	182.249.031

(a) Loan from Banco BPI, SA contracted by Impresa Serviços e Multimédia, S.A. ("ISM") to finance the acquisition of all the share capital of Solo (merged into ISM) that had an 18.35% participation in SIC, and a 30.65% participation in SIC. On 1 January 2015 ISM was merged into Impresa, responsibility for payment of the full amount of the loan being transferred to Impresa. At 31 December 2018, the loan bore interest payable half yearly in arrears at the Euribor six month rate plus a spread of 2.5% and is repayable in 38 successive half yearly instalments, beginning on 30 June 2006. The nominal amount of the loan is repayable as follows:

2019	9.983.607
2020	9.983.607
2021	9.983.607
2022	9.983.607
2023	9.983.607
2024	9.983.607
2025 and following	5.908.194
	55.826.229
	65.809.836

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

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

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

(b) Loan contract entered into by the Group with Banco Popular, S.A. in June 2015, (nowadays Banco Santander, S.A.), repayable in ten successive half yearly instalments up to 16 June 2020. At 31 December 2018, the loan bore interest payable half yearly in arrears at a rate corresponding to the Euribor six month rate plus a spread of 2.25%. The nominal amount of the loan is repayable as follows:

2019	1.000.000
2020	500.000
	500.000
	1.500.000

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

(c) Loan contract entered into by the Group with Caixa Central de Crédito Agrícola Mútuo C.R.L. in September 2015, repayable in eight half yearly instalments up to 15 September 2019. At 31 December 2018, the loan bore interest payable half yearly in arrears at a rate corresponding to the six month Euribor rate plus a spread of 2.6%. The nominal amount of the loan is repayable by each entity as follows:

	Impresa	SIC	Impresa Publishing	Total
2019	1.350.000	75.000	75.000	1.500.000

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

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

(d) On 18 September 2015 the Group entered into a loan contract with Banco BIC Português, S.A., repayable in six half yearly instalments, the first five being in the amount of 1,200,000 Euros and the last on 18 September 2018 of 5,000,000 Euros. On July 16, 2018, the Group and Bic signed an addenda, whereby the payment of this loan was agreed to be in two instalments, one of 312.500 euros in March 2019, and the remainder in June 2019. At 31 December 2018 the loan bore interest payable half yearly in arrears at a rate corresponding to the six-month Euribor rate plus a spread of 1.875%.
The Group signed three blank promissory notes in guarantee of full compliance with the loan.

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

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

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

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

As of December 31, 2018, the bond loan is nil, since it was fully repaid on November 12, 2019.

(f) Bank loan contracted by SIC with Banco BPI, S.A. on 26 June 2013 for the maximum amount of 17,000,000 Euros, which was fully used up in 2014. At 31 December 2018 the loan bore interest at the six-month Euribor rate plus a spread of 5% and is repayable in 16 successive half yearly instalments as from 30 June 2017. As a result of this loan the Group signed a blank promissory note, assumed several covenants and restrictions relating essentially to the acquisition and sale of assets, a promissory mortgage of the FNAC land, as well as maintenance of part of the current shareholder structure of Impresa. The reimbursement schedule of the nominal amount is as follows:

2019	2.125.000
2020	2.125.000
2021	2.125.000
2022	2.125.000
2023	2.125.000
2024	2.125.000
	10.625.000
	12.750.000

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

(g) SIC contracted a loan in August 2018 with Caixa Económica Montepio Geral to be repayable in 56 monthly instalments until 2023. In December 31, 2018 the monthly loan bore interest payable half yearly in arrears at a rate corresponding to the six-month Euribor rate plus a spread of 2,5%.

The Group signed a blank promissory note in guarantee of full compliance with the loan. The nominal amount of the loan is repayable as follows:

2019	1.000.000
2020	1.000.000
2021	1.000.000
2022	1.000.000
2023	666.667
	3.666.667
	4.666.667

In addition, as a result of this loan contract, Impresa committed to some determined covenants, whose assumptions haven't been accomplished whereby the debt is fully classified as current debt.

(h) Loan contracted by Impresa Publishing in May 2016, with Caixa Económica Montepio Geral, to be repaid in 48 monthly instalments until May 2010. At 31 December 2018, this loan bore interest at the six months euribor plus 2.5%. As a guarantee, Impresa Publishing subscribed a blank promissory. The reimbursement schedule of the nominal amount is as follows:

2019	1.288.271
2020	536.779
	536.779
	1.825.050

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

(i) Issuance of commercial paper by Impresa Publishing under a commercial paper program for 5 years with issuance terms of up to six months, ending on 18 November 2019, for a total amount of 11.000.000 Euros, which will progressively decrease to 1.100.000 by the last issuance. At 31 December 2018 and 2017 this commercial paper issuance bore interest at the Euribor rate for the period of the issuance plus a spread of 2.25% and an annual commission of 1%.

In accordance with these bonds Impresa Publishing assumed certain commitments. Impresa Publishing must not reduce its participation in Impresa to below 50.01% of its share capital.

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

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

(l) The factoring relates to financing operations obtained by SIC which bear interest calculated at normal market rates, between 1,5% and 1,95%, for similar operations. These operations are supported by the anticipation of future revenues related to specific transmission concession contracts for SIC channels.

(m) Loan contracted by IOSS relates to medium / long term financing based on the Impresa Building in Paço de Arcos for a period of 10 years with the nominal value of approximately 24.170.000 Euros through 120 monthly payments of 208,225 Euros, with a nominal rate of 3.77% and with a residual value of 20%. Considering the conditions of the agreement, the Group considers that the substance of the agreement reflects a financing guaranteed by the real estate and not a lease contract. In addition to a set of obligations to be fulfilled by the Group, includes compliance with a financial ratio. The payment plan of the nominal amount is as follows:

2019	1.653.892
2020	1.717.333
2021	1.783.207
2022	1.851.607
2023	1.922.632
2024	1.996.381
2025 and following	12.236.433
	21.507.593
	23.161.485

At 31 December 2018 and 2017, the Group had approved unused credit limits of approximately 3.207.050 Euros and 13.815.00 Euros, respectively.

In the years ended 31 December 2018 and 2017, the effective interest rates on the loans were as follows:

Company	Financing entities	2018	2017
Impresa	Banco BPI, S.A.	2,50%	2,50%
Impresa	Banco Santander, S.A.	2,25%	2,25%
Impresa	Caixa Central de Crédito Agrícola Mútuo, C.R.L.	2,60%	2,60%
Impresa	Banco BIC Português, S.A.	1,88%	1,50%
Impresa	Caixa Geral de Depósitos, S.A.	-	2,85%
Impresa	Novo Banco, S.A. and Banco Espírito Santo de Investimento, S.A.	4,00%	4,00%
SIC	Banco BPI, S.A.	5,00%	5,00%
SIC	Caixa Central de Crédito Agrícola Mútuo, C.R.L.	2,60%	2,60%
SIC	Montepio Geral	2,50%	-
IOSS	Novo Banco, S.A.	3,77%	
Impresa Publishing	Banco Comercial Português, S.A.	2,25%	2,75%
Impresa Publishing	Banco Popular, S.A.	-	2,75%
Impresa Publishing	Montepio Geral	2,50%	2,50%
Impresa Publishing	Caixa Central de Crédito Agrícola Mútuo, C.R.L.	2,60%	2,60%
Group	Guaranteed current accounts	2,50%	2,60%
SIC	Factorings	1,65%	-

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

The Board of Directors believes that there are no cases of non-compliance with the requirements of the above mentioned borrowings, both as regards maintenance of the main participations in subsidiary companies, the limitation of investments or the distribution of dividends as well as the applicable financial covenants, except for the financial ratio defined in the loan of SIC with Montepio Geral. The financial covenants to be complied with, not applicable to all the borrowings, correspond to the "Remunerated net debt/EBITDA Ratio" and the "Financial Autonomy Ratio", in which the existence of possible non-compliance, could result in the financial entities requiring early repayment of the borrowings and/or change in the lending conditions previously agreed. At 31 December 2018, waivers were obtained from the financing entities regarding compliance with the ratios that the Group did not achieve at that date, except for the loan referred to above.

28.2 Finance Leases

At 31 December 2018, the Group had liabilities under finance lease contracts totalling 7.810.218 Euros respectively, payable as follows:

	Principal	Interests	Total
2019	1.900.388	163.677	2.064.065
2020	3.153.736	125.602	3.279.338
2021	1.328.473	90.925	1.419.398
2022 & 2023	1.427.622	63.373	1.490.995
	5.909.831	279.900	6.189.731
	7.810.219	443.577	8.253.796

At 31 December 2017, the Group had liabilities under finance lease contracts totalling 768.273 Euros respectively, payable as follows:

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

29. IMPAIRMENT LOSSES, LEGAL AND TAX PROCESSES AND PROVISIONS

29.1 Impairment losses

The following changes occurred in the accumulated impairment loss captions in the years ended 31 December 2018 and 2017:

31 December 2018:

	Impairment losses on goodwill (Note 17)	Impairment losses on investments (Note 20)	Impairment losses on investments properties (Note 21)	Impairment losses on receivables (Notes 10 and 23)	Impairment losses on broadcasting rights and inventories (Note 22)
Balances at 31 December 2017 (Restated)	21.965.668	45.000	1.473.474	11.258.712	557.128
Increases	-	-		296.970	-
Utilization	(21.965.668)	-	-	(13.805)	-
Reversal/adjustment (Note 10)	-	-	-	(847.167)	-
Balances at 31 December 2018	-	45.000	1.473.474	10.694.710	557.128

31 December 2017 (Restated):

	Impairment losses on goodwill (Note 17)	Impairment losses on investments (Note 20)	Impairment losses on investments properties (Note 21)	Impairment losses on receivables (Notes 10 and 23)	Impairment losses on broadcasting rights and inventories (Note 22)
Balances at 31 December 2016	-	45.000	239.523	10.565.490	557.128
Increases	21.965.668	-	1.233.951	1.791.577	-
Utilization	-	-	-	(808.822)	-
Reversal/adjustment (Note 10)	-	-	-	(289.533)	-
Balances at 31 December 2017	21.965.668	45.000	1.473.474	11.258.712	557.128

29.2 Provisions

The provision for risks and charges at 31 December 2018 and 2017 relates essentially to legal actions in progress and is made up as follows:

	2018		2017	
Natureza	Amount claimed	Amount provided	Amount claimed	Amount provided
Tax (a)	30.705	30.705	30.000	8.000
Dismissal/Labour	1.947.437	872.094	1.519.399	996.373
Publicity fines	944.351	122.445	1.118.153	144.372
Abuse of freedom of the press	3.131.625	330.058	3.245.767	338.549
Others	21.485.241	5.723.007	21.485.241	3.015.108
	27.539.358	7.078.308	27.398.560	4.502.402

(a) Excluding the lawsuits describer in Note 29.4.

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

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

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

The Board of Directors and the Group's lawyers believe, based on an assessment of the risks of the litigation in process, that the outcome of the litigation will not result in significant liabilities not covered by provisions reflected in the consolidated financial statements as of 31 December 2018, which correspond to the best estimate of the outflow of funds resulting from these lawsuits as of that date.

The changes in provisions in the years ended 31 December 2018 and 2017 were as follows:

31 December 2018:

	Provisions for risks and charges
Balance at 31 December 2017	4.502.402
Increases	2.778.232
Utilization	(202.326)
Balance at 31 December 2018	7.078.308

31 December 2017:

	Provisions for risks and charges
Balance at 31 December 2016	3.757.360
Increases	750.088
Utilization	(5.046)
Balance at 31 December 2017	4.502.402

Increases and utilization of provisions in the years ended 31 December 2018 and 2017 corresponds to recording or direct utilization of the balance to cover the liabilities resulting essentially from the Group's legal and non-legal litigation.

The caption "Provision for impairment losses" in the consolidated statement of profit and loss and other comprehensive income for the years ended 31 December 2018 and 2017 is made up as follows:

31 December 2018:

Increase in the provision for other risks and charges	2.778.232
	2.778.232

31 December 2017:

Increase in the provision for other risks and charges	750.088
Impairment losses on investments properties (Note 21)	1.233.951
Impairment losses on goodwill (Note 17)	21.965.668
Others	(63.041)
	23.886.666

29.3 Legal processes in progress

At 31 December 2018 there were several lawsuits in progress brought against the Group by third parties, the amounts of which and final outcome at the time of preparing the financial statements were still unknown, including:

- In prior years GDA – Cooperativa de Gestão dos Direitos dos Artistas, CRL ("GDA") brought a legal action against SIC, in the Judicial Court of Oeiras, under which GDA claimed payment of annual remuneration due to artists, interpreters or performers at the rate of 1.5% of the annual amount of advertising revenues, effective as from September 2004, as well as late payment interest. SIC contested this action, a favourable decision having been issued, considering the initial petition to be unfounded due to the lack of cause of the demand and, consequently, annulled the whole process. This decision was contested, the action following in the first instance. The Court judged GDA's action as groundless and established as annual equitable remuneration, an amount per minute of the exhibitions, the amount per minute being subject to determination. At 31 December 2015 GDA presented a liquidation incidence under which it demands payment by SIC of approximately 17,700,000 Euros, this amount increased by approximately 2,357,000 Euros since the amount related to 2015 and 2016 were added to the process, thus the total claim amouting to approximately 20.017.000 Euros .

  Determination of this amount was based on a study made by a third party having as one of its assumptions the closeness of television activities to the activity of any company and its production. SIC contested GDA's demand, based on the incompetence of the court, the lack of legal capacity of GDA, which only represents national artists, interpreters and executors, having also contested the methodology presented, and in the contestation estimated its responsibility based on the effective utilisation of the services rendered by the artists, in accordance with what the sentence that it intends to liquidate determines, as well as by the calculation of a price per minute for the services close to that paid by SIC to Sociedade Portuguesa de Autores, but a reduced amount in terms of the law and practice. Therefore, an amount substantially lower than that demanded by GDA was determined, this being provided for in the financial statements as of 31 December 2018 to cover the liability, which the Board of Directors, based on the opinion of its lawyers and technicians, believes is sufficient.

29.4 Tax processes in progress

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

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

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

  During the year ended December 31, 2017, the Group obtained a favourable decision regarding a judicial challenge filed against the additional IRC settlements for the years ended December 31, 2008 and 2009 related to the deductibility of financial charges incurred, and an appeal was lodged by the Tax Authority, the Group awaiting for a decision on the appeal.

  At 31 December 2018, the above mentioned tax corrections, had been legally contested, Impresa having provided bank guarantees of 2,991,811 Euros for the years 2010, 2011 (Note 32). As regards the contestation for the years 2008 and 2009 bank guarantees were not provided as for these years the tax consolidation presented tax losses carried forward (used in the year 2010) that offset the above mentioned tax corrections.

Based on the opinion of its lawyers, the Board of Directors consider that the outlook of success of the claims and / or challenges of those acts, lodged, is reasonable, and therefore no provision was recorded for this tax contingency.

30. TRADE AND OTHER PAYABLES

At 31 December 2018 and 2017 this caption was made up as follows:

	2018	2017
Non-current:		
Trade payables	2.026.823	-
Current:		
Trade payables, current account	29.186.892	30.543.282
Suppliers of fixed assets, current account	3.694.051	1.492.685
	32.880.943	32.035.967
	34.907.766	32.035.967

The non-current amount relates to equipment acquisition contracts, for which where celebrated agreements with suppliers with monthly payments until 2023.

31. OTHER CURRENT LIABILITIES

This caption was made up as follows at 31 December 2018 and 2017:

	2018	2017
Other current liabilities:		
Advances from clients	60.288	123.416
Accrued costs:		
Commercial agreements	10.610.621	10.429.910
Personnel vacation and vacation subsidy	5.586.543	5.811.047
Cost of program production	1.953.471	2.414.933
Royalties	53.243	303.048
Accrued interest	152.275	330.973
Communication	72.199	137.914
Personnel commission payable	161.761	68.773
TSU - Green receipts	271.011	297.349
Authors' rights	500.000	400.000
Marketing and publicity	187.251	255.477
Personnel bonuses	104.713	170.920
Other accrued costs	4.336.029	4.413.455
	23.989.117	25.033.799
Deferred income:		
Pre-billing	2.200.448	3.222.637
Subscriptions to newspapers and magazines	270.921	265.856
Subsidies	928.949	426.383
Other deferred income	703.969	236.926
	4.104.287	4.151.802
State and other public entities:		
Value Added Tax	2.916.608	4.998.433
Personal income tax - withholdings at source	1.382.142	1.732.058
Social security contributions	1.459.684	1.687.682
Instituto Português de Arte Cinematográfica e Audiovisual/Cinemateca Portuguesa	1.307.173	1.287.490
Stamp tax	124.862	146.777
	7.190.469	9.852.440
Other liabilities:		
Other creditors	3.932.969	4.393.323
	39.277.130	43.554.780

32. CONTINGENT LIABILITIES AND GUARANTEES GIVEN

At 31 December 2018 and 2017 Impresa had pledged shares representing 100% of SIC's capital in guarantee of a loan from Banco BPI, S.A. to finance the acquisition of that participation (Note 27.a)).

At 31 December 2018 and 2017 the companies of the television segment had requested the issuance of the following guarantees in favour of third parties:

	2018	2017
General Secretariat of the Ministry of Internal Administration ("SGMAI")	1.158.532	3.127.518
ERC	1.995.192	1.995.192
Santander Novimovest	1.320.600	1.320.600
Lidl	640.000	640.000
Imopólis	44.701	44.701
Municipal Council of Oeiras	35.745	35.745
Lisboa Oeste Judicial Court	30.000	-
Oeiras Court	4.000	-
Union des Associations Européennes de Football	4.370.000	1.950.000
Grande Lisboa Noroeste Court	-	4.000
	9.598.769	9.117.756

The guarantees given to the General Secretariat of the Ministry of Internal Administration are to ensure fulfilment of the publicity contests, namely "Liga Europa 2018/2021", "Furo da Sorte 2018", "A Roda Mágica", "Dobradinha" and "Casa Feliz". The change of the amount of the guarantees is related to the existing contests at each moment.

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

Guarantee given to UEFA to ensure full compliance with the "UEFA Europa League 2018-2021" contract.

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

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

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

At 31 December 2018 and 2017 the companies of the "Publishing" segment had requested the issuance of the following bank guarantees in favor of third parties:

	2018	2017
Lisboa Oeste Judicial Court	30.000	-
	30.000	-

At 31 December 2018 and 2017 the companies of the "Others" segment had requested the issuance of the following bank guarantees in favor of third parties:

	2018	2017
Tax and Customs Authority (Note 29.4)	2.991.811	2.991.811
IAPMEI	157.146	379.456
Oeiras Municipality	146.960	447.844
Ass. Cova da Beira	16.862	-
Infraestruturas de Portugal	15.056	9.404
IFAP	11.335	-
Turismo de Portugal	-	20.791
Ambiolhão	-	5.652
	3.339.169	3.854.957

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

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

33. COMMITMENTS ASSUMED

33.1 Pensions

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

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

In accordance with an actuarial study made by the entity managing the fund, the present value of the past service liability of the above mentioned companies for current and retired employees as of 31 December 2018 and 2017 was estimated in 2.905.439 and 3.144.052 Euros, respectively, the amount of the fund at those dates being 4.039.136 Euros and 4.444.506 Euros, respectively.

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

	2018	2017
Discount rate	2,25%	2,25%
Salary growth rate	0,00%	0,00%
Pension growth rate	0,00%	0,00%
National minimum salary growth rate	2,00%	2,00%
Actuarial tables:		
Mortality	TV 88/90	TV 88/90
Disability	EVK 80	EVK 80
Decrease due to incapacity	100% EVK 80	100% EVK 80
Retirement age	66 years	66 years

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

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

The pension fund is exposed to the following risks:

- Fund profitability risk

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

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

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

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

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

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

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

  In the years ended 31 December 2018 and 2017 the profitability of the fund assets was -3.4% and 2.6%, respectively. Expected income from the assets, considering the defined benchmark, was 1.34% and 1% in each year, which is lower than the income rate considered for the projection.

- Exchange risk

  The portfolio is preferably represented by securities in the same currency as that of the liability, which is Euros. At 31 December 2018 and 2017 the percentage of the portfolio exposed to exchange risk was 0.34% and 1.04%, respectively.

- Liquidity risk

  At 31 December 2018 and 2017, the Pension Fund had pension liabilities in payment which, due to the evaluation of its liquidity, was considered in the composition of the portfolio. Therefore, at those dates the percentage of the portfolio invested in the monetary market was 8.9% and 2.47%, respectively, and so the cash in the portfolio was sufficient to cover the payment of expected pensions over the next year.

- Credit risk

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

  At 31 December 2018 and 2017, all the of the portfolio consisted of BBB- grade or higher rating.

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

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

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

The changes in the amount of the past service liability for current and retired employees and the amount of the assets of the Company's plan in the years ended 31 December 2018 and 2017 were as follows:

	2018	2017
Present value of the liability for defined benefits at the beginning of the period	3.144.052	3.387.598
Benefits paid	(252.928)	(256.848)
Current service cost	29.689	35.467
Interest cost	67.896	57.036
Actuarial (gains)/losses	(83.270)	(79.201)
Present value of the liability for defined benefits at the end of the period	2.905.439	3.144.052
Plan assets at the beginning of the year	4.444.506	4.791.521
Benefits paid	(252.928)	(256.848)
Interest of the plan	97.156	81.605
Financial gain/(loss)	(249.598)	39.228
Refund of the excess funding of the plan	-	(211.000)
Plan assets at the end of the year	4.039.136	4.444.506
Surplus (Note 24)	1.133.697	1.300.454

The financial gain and loss resulting from differences between the assumptions used in determining the expected income from the assets and the effective amounts and the actuarial gain and loss between the assumptions used in determining the liability, were recorded as income and costs directly in equity, as other comprehensive income. The remaining income and costs were recorded in the statement of profit and loss.

	2018	2017
Amounts recognized in the statement of profit and loss:		
Current service cost	(29.689)	(35.467)
Interest cost of the plan	(67.896)	(57.036)
Plan interest	97.156	81.605
	(429)	(10.898)
Amounts recognized as other comprehensive income:		
Actuarial gain/(loss)	83.270	79.201
Financial gain/(loss)	(249.597)	39.228
	166.327	118.429

The portfolio of assets of the pension fund at 31 December 2018 and 2017 was made up as follows:

	2018		2017	
	Amount	%	Amount	%
Bonds	1.762.802	44%	2.293.888	52%
Public debt securities	1.208.720	30%	915.752	21%
Money market	360.046	9%	109.718	2%
Shares	496.535	12%	710.478	16%
Participating units in real estate investment funds	212.780	5%	424.523	10%
Cash, receivables (payables) and other short term assets (liabilities)	(1.747)	0%	(9.853)	0%
	4.039.136	100%	4.444.506	100%

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

33.2 Commitments to acquire programs

At 31 December 2018 and 2017, the Group had contracts and agreements with third parties to acquire films, series and other programs amounting to 12.125.187 Euros and 12.125.187 Euros, respectively, not included in the statement of financial position, in accordance with the valuation criteria used (Note 2.11), as follows:

	31 December 2018					31 December 2017				
	Year the titles are available					Year the titles are available				
Nature	2019	2020	2021 and following years	Without a defined date	Total	2017	2018	2019 and following years	Without a defined date	Total
Entertainment	4.854.199	3.636.590	2.108.250	-	10.599.039	1.466.909	-	-	-	1.466.909
Films	464.288	-	-	-	464.288	971.732	-	-	-	971.732
Format	27.430	-	-	-	27.430	42.200	-	-	-	42.200
Soap-operas	4.585.342	-	-	-	4.585.342	6.687.888	-	-	-	6.687.888
Children	341.255	10.369	99.811	-	451.435	569.340	10.900	-	-	580.240
Documentaries	157.891	-	-	-	157.891	165.339	94.720	-	-	260.059
60 Series	670.451	-	56.151	-	726.602	683.807	-	-	71.574	755.381
Mini séries	-	-	-	-	-	14.540	-	-	-	14.540
Sport	1.930.161	1.533.333	-	-	3.463.494	1.219.324	-	-	-	1.219.324
Events	24.500	-	5.245	-	29.745	119.461	-	-	7.453	126.914
	13.055.517	5.180.292	2.269.457	-	20.505.266	11.940.540	105.620	-	79.027	12.125.187

	31 December 2018					31 December 2017				
	Limit year for broadcasting the titles					Limit year for broadcasting the titles				
Nature	2019	2020	2021 and following years	Without a defined date	Total	2017	2018	2019 and following years	Without a defined date	Total
Entertainment	3.724.137	4.024.940	2.849.962	-	10.599.039	817.048	276.951	372.911	-	1.466.909
Films	-	-	464.288	-	464.288	7.453	69.960	894.319	-	971.732
Format	-	-	27.430	-	27.430	-	-	42.200	-	42.200
Soap-operas	66.887	53.454	4.465.000	-	4.585.342	684.415	41.923	5.961.550	-	6.687.888
Children	34.854	202.572	214.009	-	451.435	22.449	320.983	236.808	-	580.240
Documentaries	54.921	102.970	-	-	157.891	61.054	104.285	94.720	-	260.059
60 Series	-	199.263	527.339	-	726.602	4.545	460.393	218.869	71.574	755.381
Mini séries	-	-	-	-	-	14.540	-	-	-	14.540
Sport	396.827	1.533.333	1.533.333	-	3.463.494	1.219.324	-	-	-	1.219.324
Events	-	-	29.745	-	29.745	13.474	69.995	35.993	7.453	126.914
	4.251.940	6.118.591	10.134.735	-	20.505.266	2.844.302	1.344.489	7.857.369	79.027	12.125.187

33.3. Commitments for the acquisition of tangible fixed assets

At 31 December 2018 and 2017, the commitments assumed for the acquisition of tangible fixed assets amounted to approximately 3.056.538 Euros and 1.151.093 Euros, respectively.

33.4. Operating leases

In the year ended December 31, 2004 SIC sold its head office building to an investment fund for 12.300.000 Euros and signed a lease contract to rent back the building for a period of 15 years at an annual rent of 816.500 Euros in the first year and 873.000 Euros as from the second year, subject to annual adjustment based on inflation.

In the year ended December 31, 2009 GMTS signed a contract to lease a property in which the SIC studios are located for a period of five years, paying an annual rent of approximately 236.000 Euros, subject to annual adjustment in accordance with the applicable Ministerial Order.

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

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

	2018	2017
within one year	1.504.608	1.568.833
from one to five years	1.149.883	1.528.795
more than five years	61.226	164.343
	2.715.716	3.261.971

In the years ended 31 December 2018 and 2017 the Group recognized operating lease costs of approximately 1.529.212 Euros and 1.993.957 Euros, respectively, in the consolidated statement of profit and loss and other comprehensive income.

34. RELATED PARTIES

The balances at 31 December 2018 and 2017 and transactions during the years then ended with related parties were as follows:

31 December 2018:

	Balances			
	Demand deposits	Receivables	Payables	Borrowings
Shareholders:				
BPI Group	2.203.236	1.317.611	-	87.609.836
Madre Group (SP - Televisão, Lda.)	-	74.415	7.208.374	-
Associates:				
Vasp - Distribuidora de Publicações, S.A. ("Vasp")	-	1.026.509	78.989	-
Vasp Premium - Entrega personalizada de publicações, Lda. ("Vasp Premium")	-	-	12.409	-
Vasp TMK - Soluções de Trademarketing, Lda. ("Vasp TMK")	-	-	246	-
Lusa - Agência de Notícias de Portugal, S.A. ("Lusa")	-	-	135.466	-
DPS - Digital Priting Services, Lda. ("DPS")	-	-	269	-
Others:				
Morais Leitão, Galvão Teles, Soares da Silva & Associados	-	-	208.969	-
	2.203.236	2.418.535	7.644.723	87.609.836

	Transactions				
	Services obtained	Personnel costs	Financial costs	Sales and services rendered	Financial income
Shareholders:					
Impreger	81.000	-	-	-	-
BPI Group	-	-	2.914.900	369.256	34.932
Madre Group (SP - Televisão, Lda.)	24.460.277	-	-	740.300	-
Associates:					
Vasp (Note 8)	200.084	-	-	8.056.062	-
Vasp Premium	79.380	-	-	-	-
Vasp TMK	3.900	-	-	-	-
Lusa	360.407	-	-	-	-
DPS	1.095	-	-	-	-
Others:					
Morais Leitão, Galvão Teles, Soares da Silva & Associados	452.310	-	-	-	-
Board of Directors		636.711			
	25.606.653	636.711	2.914.900	9.165.618	34.932

31 December 2017:

	Balances			
	Demand deposits	Receivables	Payables	Borrowings
Shareholders:				
BPI Group	2.400.267	1.159.654	-	95.270.854
Madre Group (SP - Televisão, Lda.)	-	44.501	6.812.528	-
Associates:				
Vasp - Distribuidora de Publicações, S.A. ("Vasp")	-	1.710.815	90.700	-
Vasp Premium - Entrega personalizada de publicações, Lda. ("Vasp Premium")	-	-	26.283	-
Vasp TMK - Soluções de Trademarketing, Lda. ("Vasp TMK")	-	-	11.107	-
Lusa - Agência de Notícias de Portugal, S.A. ("Lusa")	-	-	96.863	-
DPS - Digital Priting Services, Lda. ("DPS")	-	-	580	-
Others:				
Compta - Equipamentos e Serviços de Informática, S.A. ("Compta")	-	-	603	-
Morais Leitão, Galvão Teles, Soares da Silva & Associados	-	-	157.769	-
	2.400.267	2.914.970	7.196.433	95.270.854

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

The terms and conditions practiced in transactions between Impresa and related parties are substantially the same to those that would normally be contracted, accepted and practiced between independent entities in comparable operations. Some of Impresa's shareholders are financial institutions with which commercial agreements are established in the normal course of Impresa's operations, with similar conditions to those currently contracted with independent entities. The transactions carried out under the commercial agreements relate essentially to advertising services rendered by the Impresa Group and the granting of loans by the financial institutions. In the beginning of 2005, the Group acquired from the BPI Group and other small shareholders, 49% of SIC's share capital and obtained a loan of 152.500.000 Euros (Note 27) to finance the acquisition.

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

Considering the governance structure of the Group and the decision making process, the Group only considers as "Key management personnel's" the Board of Directors, since the main decisions related to its activity are taken by the Managing Director and the Board of Directors. During the years ended 31 December 2018 and 2017, the transactions with the Board of Directors relate essentially to the remuneration paid.

In the years ended 31 December 2018 and 2017, pension supplements of 184.739 Euros were paid each year to the Chairman of the Board of Directors by the pension fund.

35. RATES USED TO TRANSLATE FOREIGN CURRENCY BALANCES

The following rates were used to translate foreign currency assets and liabilities to Euros at 31 December 2018 and 2017:

	2018	2017
US Dollar (USD)	1,145	1,1993
Swiss Franc (CHF)	1,1269	1,1702
Pound Sterling (GBP)	0,8945	0,8872
Australian Dollar (AUD)	1,7056	1,5346
Canadian Dollar (CAD)	1,5605	1,5039
Real do Brasil (BRL)	4,444	-

36. FINANCIAL INSTRUMENTS

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

The financial instruments at 31 December 2018 and 2017 were as follows:

	2018	2017 (Restated)
Financial assets:		
Receivables	45.161.293	44.966.467
Cash and equivalents (Note 25)	3.302.921	-
Assets classified as held for sale	3.200.000	13.845.466
	51.664.214	58.811.933
Financial liabilities:		
Borrowings	183.114.745	177.265.530
Payables	71.084.880	72.763.786
Cash and equivalents (Note 25)	-	1.799.368
Liabilities related to assets classified as held for sale	-	1.930.741
	254.199.625	253.759.425

As of December 31, 2018 and 2017, as disclosed in Note 28, the Group believes that the amounts at which the loans are recorded do not differ significantly from their fair value or exceed fair value. Fair value of the borrowings depends significantly on the risk level attributed by the financing entities and conditions under which Impresa would, at 31 December 2018 and 2017, be able to obtain if it went to the market to contract loans with similar terms and amounts as those that it had at that date.

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

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

a) Interest rate risk

Interest rate risk relates essentially to interest cost on several loans subject to variable interest rates. The loans contracted are exposed to changes in the market rates of interest (Note 28).

If market interest rates in the years ended 31 December 2018 and 2017 were 0.5% higher or lower, net result for these years would have decreased or increased by approximately 1.040.000 Euros and 920.000 Euros, respectively, without considering the tax effect.

b) Exchange rate risk

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

Exchange rate risk at 31 December 2018 and 2017 relates essentially to the acquisition of television broadcasting rights from foreign producers. So as to reduce the risk to which the Company is exposed, a loan was contracted, which at 31 December 2018 and 2017 amounted to 2.702.829 Euros and 5.138.685 Euros, respectively, which was converted to a USD term deposit, which at 31 December 2018 and 2017 amounted to 3.930.131 Euros and 6.253.648 Euros, respectively (Note 24).

During the year ended 31 December 2018 and 2017, the Group did not have exchange forwards.

The foreign currency balances payable, expressed in Euros at the exchange rates in force on 31 December 2018 and 2017 were as follows:

	2018	2017
US Dollar (USD)	3.445.925	2.515.815
Swiss Franc (CHF)	21.670	27.900
Pound Sterling (GBP)	7.549	8.229
Australian Dollar (AUD)	4.320	4.320
Canadian Dollar (CAD)	422	422
	3.479.886	2.556.686

At 31 December 2018 and 2017, the Group had foreign currency receivables of 1.843.039 USD and 681.202 USD, respectively.

c) Credit risk

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

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

Impairment losses on accounts receivable are calculated considering:

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

The changes in impairment losses on accounts receivable are shown in Note 29.1.

The Board of Directors believes that the impairment losses on accounts receivable are adequately reflected in the financial statements, there being no need to increase the impairment losses on accounts receivable.

Receivables at 31 December 2018 and 2017 include amounts overdue as follows, for which impairment losses were not recognized as the Board of Directors believes that they are collectible.

Overdue balances	2018	2017
Up to 90 days	5.745.065	4.728.276
From 90 to 180 days	2.988.538	1.012.684
More than 180 days	9.565.256	1.025.894
	18.298.858	6.766.854

d) Liquidity risk

Liquidity risk exists if the funding sources such as operating cash flows, divestment, credit lines and flows from financing operations do not meet the financing needs such as cash outflow for operating and financing activities, investment, shareholder remuneration and debt repayment.

In order to reduce this risk, the Group endeavours to maintain a liquid position and average debt maturities that enable it to repay debt under reasonable conditions. At 31 December 2018 and 2017 the amount of cash and credit lines approved and not used amounted to approximately 3.207.050 Euros and 13.815.000 Euros, respectively, which in the opinion of the Board of Directors, considering the main cash flow projections for 2019, as well as set of financing operations whose negotiation is in progress and the capacity of the Group to renew its current used lines, will be sufficient to settle the Group's current liabilities and continue to operate on a going concern.

As of December 31, 2018 and 2017, remunerated loans maturing up to 1 year include 46,123,750 Euros and 36,250,000 Euros, respectively, referring to guaranteed current accounts whose contracts provide for the automatic renewal thereof. Additionally, as of December 31, 2018, remunerated loans maturing up to 1 year also include 7,983,325 Euros related to factoring contracts.

Financial indebtedness at 31 December 2018 and 2017 matures as follows:

	2018				
Financial liabilities	Up to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Remunerated:					
Borrowing (a)	82.282.985	18.520.751	15.899.845	58.600.945	175.304.526
Finance lease liability	1.900.387	3.153.736	1.328.473	1.427.623	7.810.219
Suppliers' credits guaranteed by third parties	1.987.732	-	-	-	1.987.732
	86.171.104	21.674.487	17.228.318	60.028.568	185.102.477
Not remunerated:					
Trade payables	29.186.892	1.114.821	912.002	-	31.213.715
Suppliers of fixed assets	3.694.051	-	-	-	3.694.051
Other current liabilities	34.189.383	-	-	-	34.189.383
	67.070.326	1.114.821	912.002	-	69.097.149
	153.241.430	22.789.308	18.140.320	60.028.568	254.199.626

	2017				
Financial liabilities	Up to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Remunerated:					
Borrowing (a)	93.500.459	15.811.782	13.080.650	54.104.367	176.497.257
Finance lease liability	258.424	251.031	180.738	78.080	768.273
Cash and equivalents (Note 25)	1.799.368	-	-	-	1.799.368
Suppliers' credits guaranteed by third parties	971.217	-	-	-	971.217
	96.529.468	16.062.812	13.261.388	54.182.447	180.036.116
Not remunerated:					
Trade payables	30.543.282	-	-	-	30.543.282
Suppliers of fixed assets	1.492.685	-	-	-	1.492.685
Other current liabilities	38.068.679	-	-	-	38.068.679
Liabilities related to assets classified as held for sale	1.930.741	-	-	-	1.930.741
	72.035.387	-	-	-	72.035.387
	168.564.855	16.062.812	13.261.388	54.182.447	252.071.503

(a) This caption does not include bank overdrafts.

37. SUBSEQUENT EVENTS

At February 20, 2019, the group received 2.560.000 Euros related to the land sale deed celebration that was held for sale in December 31, 2018 (Note 26), which together with the advance payment made by the acquired of 640.000 Euros makes a total of 3.200.000 Euros.

38. OTHER INFORMATION

As of 31 December 2018, and 2017, the amount of annual remuneration paid by the Group to the external auditor and other entities or individuals belonging to the same network were as follows:

	2018	2017
By Impresa (a)		
Auditing Services	61.500	61.500
Other assurance services	2.700	2.700
Other services	27.500	27.500
	91.700	91.700
By other Group entities (a)		
Auditing Services	162.400	173.300
Other assurance services	-	-
	162.400	173.300
Total	254.100	265.000

a) The consolidated and individual accounts included.

39. NOTE ADDED FOR TRANSLATION

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

THE ACCOUNTANT THE BOARD OF DIRECTORS

STATUTORY AUDIT CERTIFICATION / AUDIT REPORT

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

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of Impresa – Sociedade Gestora de Participações Sociais, S.A. (the Entity) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2018 (which shows a total of Euro 396,714,220 and total equity of Euro 125,380,731, including a consolidated net profit of Euro 3,139,284), the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash-flows for the year then ended, and the accompanying notes to the consolidated financial statements, including a summary of the significant accounting policies.

In our opinion, the accompanying consolidated financial statements present true and fairly, in all material respects, the consolidated financial position of Impresa – Sociedade Gestora de Participações Sociais, S.A. as at 31 December 2018, its consolidated financial performance and cash-flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

Basis for Opinion

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

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

Emphasis

We draw attention to the fact that due to the adoption of IFRS 9 and IFRS 15, for comparison purposes, the financial statements for the period ended December 31, 2017 were restated as disclosed in Note 2.2 to the consolidated financial statements. Our opinion is not modified in relation to this matter.

Key audit matters

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

Description of the most significant risks of material misstatement identified	Summary of the auditor's responses to the assessed risks of material misstatement
Impairment of goodwill (referred to in Notes 2.4 and 17 to the consolidated financial statements) The consolidated statement of financial position as of 31 December 2018 includes in the caption Goodwill the amount of Euro 268,622,821, generated in business combinations occurred in previous years, related, essentially, to the television and publishing cash generating units. The realization of goodwill depends on the future cash-flows to be generated by the corresponding cash generating units, thus, there is the risk that these may not be sufficient to realize the amount of the corresponding goodwill. As referred to in Note 17 to the consolidated financial statements, the Group performs impairment analysis annually, or whenever there are indicators of impairment, , using for this purpose a external entity to the Group, which prepares evaluations using the discounted cash-flows method, based on five years projections for each business, considering a perpetuity from the fifth year onwards, which include several assumptions which are detailed in Note 17 to the consolidated financial statements. Considering the amount of this caption, as well as the significant number of the judgements and estimates involved in the impairment tests, the impairment analysis of goodwill is a key audit matter.	Our main procedures to mitigate this risk included: - Tests to internal controls deemed relevant related to the impairment analyses; - Obtaining the impairment analyses carried out by the Management resorting to an external entity and review of the studies carried out by this entity regarding the completeness and consistency with the remaining financial information: (i) analysis of the reasonableness of the assumptions used, considering the economic environment and the current market, as well as the expected future performance of the corresponding cash generating units (ii) comparison of the cash-flows projected in the analyses, including the main assumptions considered, with the historical performance of the cash generating units and corresponding budgets approved by the management, and (iii) verification of their arithmetical accuracy. - Involving our internal experts to evaluate the main assumptions used namely the discount rates and the perpetuity growth rate.

Revenue recognition of advertising in television (Referred to in Notes 2.16 and 9 to the consolidated financial statements) Revenues generated by television are the main source of revenues of the Group, namely through advertising broadcasting. These revenues result, essentially, from advertising campaigns made by clients in television through a high number of transactions, the respective audiences and the conditions agreed with clients. As mentioned in Note 2.16 to the consolidated financial statements, the measurement of such revenues depend on the measurement and profile of the respective audiences, the discounts to be granted subject to the advertising investment made by the customers and the remaining conditions agreed with them. As such, there is the risk that the revenues from the referred campaigns be incorrectly recorded, namely the accurate measurement of audiences and the application of the discounts to be granted which may be negociated and the remaining conditions agreed.	Our main procedures included: - Understanding of the process for determining advertising revenues by the relevant supporting Billing systems, in which we involved our internal experts, and evaluation of the internal control procedures deemed relevant for measuring and recording advertising revenues; - Evaluation of the television advertising revenue recognition policy adopted by the Group, considering the applicable accounting standards; - Analysis of the main variations in revenues compared to prior year, considering the main indicators for the measurement of the activity; - For a sample of advertising order, recompute the revenue generated, by reference to the commercial conditions agreed, related broadcasting and/or audience reached in the corresponding time frame; - Reconciling the Billing system with the accounting records; - Comparing the amounts recorded by the Group related to discounts granted and to be granted to clients, with those resulting from the respective advertising investment and the commercial conditions approved by the Group, as well as the credit notes issued to clients related to commercial discounts; - Analysis of the reliability of the estimates made by the management, with reference to the comparison between the discounts granted during the year with the estimates recorded in previous years.

Responsibilities of Management and Supervisor Body for the consolidated financial statements

Management is responsible for:

- the preparation of consolidated financial statements that present true and fairly, in all material respects, the financial position, the financial performance and the cash flows of the Group in accordance with International Financial Reporting Standards as adopted by the European Union;
- the preparation of a management report, including the corporate governance report under the applicable legal and regulatory terms;

- designing and maintaining an appropriate internal control system to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- the adoption of accounting principles and criteria appropriate in the circumstances; and
- assessing the Group's ability to continue as a going concern, and disclosing, as applicable, the matters that may cast significant doubt about the Group's ability to continue as a going concern.

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

Auditor's responsibilities for the audit of the consolidated financial statements

Our responsibility consists in obtaining a reasonable assurance on whether the consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Entity to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain the sole responsible for our audit opinion;
- communicate with those charged with governance, including the supervisory body, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;

- determine, from the matters communicated with those charged with governance, including the supervisory body, those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter;
- provide the supervisory body with a statement that we have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

On the Management report

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

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

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

On the corporate governance report

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

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

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

- Deloitte & Associados, SROC S.A. as a member of the Deloitte network, has been the Statutory Auditor of the Group over 16 years. We have been appointed/elected in the shareholders' general assembly that took place on 29 April 2015 for the mandate in progress which ends in 31 December 2018.
- The Supervisory Body confirmed to us that is unaware of the occurrence of any fraud or suspected fraud with a material effect in the financial statements. As part of the planning and execution of our audit in accordance with ISAs, we kept professional skepticism and designed audit procedures to respond to the risk of material misstatements in the consolidated financial statements due to fraud. As a result of our work, we have not identified any material misstatement in the consolidated financial statements due to fraud.

- We confirm that the audit opinion issued is consistent with the additional report that we prepared and delivered to the Group's Supervisory Body as at 18 March 2019.
- We declare that we have not provided any prohibited services as described in article 77, number 8, of the Ordem dos Revisores Oficiais de Contas statutes (Legal Regime of the Portuguese Statutory Auditors) and we have remained independent from the Group in conducting the audit.

Lisbon, 18 March 2019

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

Audit Committee Report

Annual Report 2018

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

ACTIVITY REPORT AND OPINION
OF
THE AUDIT COMMITTEE
2018

1. Introduction

The Audit Committee elected for the 2015-2018 term consists of the following:

- Chairman - Alexandre de Azeredo Vaz Pinto
- Members - António Soares Pinto Barbosa
  - Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia

The majority of the members of the Audit Committee meet the compatibility criteria for the performance of their duties as established in article 414 A of the Companies Code. The composition of the Audit Committee complies with the requirements stipulated in article 3, combined with number 8 of article 9, of Law 148/2015, of 9th September.

The members of the Audit Committee participated in all the meetings of the Board of Directors, to which they were correctly called in due time, and on which they subsequently received the corresponding minutes, having presented, whenever relevant, the appropriate recommendations and suggestions concerning internal audit, external audit and risk control.

During 2018, the Audit Committee monitored and supervised the Company's management and the efficiency of the internal control and risk management system, having held 9 meetings in person and 2 meetings held by telematic means.

The Audit Committee received all the minutes of the meetings of the Executive Committees of the operational companies in due time.

The internal control efficiency and risk management system, in the Committee's opinion, assures the quality and integrity of the financial information provided by the Company's administration and compliance with the applicable legal, regulatory and statutory provisions.

The Company maintains an internal control and risk management system, where the Chief Executive Officer (CEO) and the Executive Committees of the operational companies, in coordination with the Audit Committee, are responsible for its implementation, assessment and compliance. During 2018, the Audit Committee

continued to supervise the quality, integrity and efficacy of the internal control and risk management system, and monitor the improvements implemented with a view to rectifying shortcomings.

The Audit Committee reviewed and approved the work plans of the Statutory Auditor and maintained periodic meetings to assess the work carried out and analyse the results.

Following the extinction of the Internal Audit Division in 2015, the Audit Committee decided to intensify its contacts with the Administrative and Financial Division and with the Chief Technology Officer (CTO), concentrate and focus on reviewing processes whose nature and/or amounts involved imply higher potential risks and open the possibility, when justified, of hiring supplementary internal audit services from specialised firms.

2. External Audit

2.1 Audit activity including the accounts

The Audit Committee represents the company, for all purposes, before the External Auditor and ensures that suitable conditions exist for the provision of these services. It is also the company's representative when dealing with the Statutory Auditor, and the first recipient of the respective reports.

The Audit Committee regularly supervised the work of the Statutory Auditor, promoting regular meetings with the Statutory Auditor and its employees. During 2018, the External Auditor and the Audit Committee held three meetings.

The progress achieved in the work leading up to the auditing of the accounts, the atmosphere of cooperation of the company's departments with the External Auditor, any weaknesses found in terms of the implemented internal control system and adopted accounting policies, and the material effects of the implemented accounting policies and procedures were discussed in the meetings, in particular.

The assessments and recommendations for improving the internal control system presented by the External Auditor were reported by the Audit Committee to the Board of Directors. Specifically, presentations were made of the relevant control activities for the most significant transactions of the Group IMPRESA.

The regular meetings held with the External Auditor enabled the Audit Committee to assure the integrity, rigour, competence and quality of the review and independence of the auditing of the accounts, as well as the reliability of the financial information that was published.

The External Auditor cooperated with the Audit Committee over the course of 2018 with regards to all of the issues raised. The External Auditor formally informed the Audit Committee that, during the year, its duties were conducted in conformity with compliance with its duties of independence.

In particular, compliance with the new legal standards and changes to the accounting policies, as well as the adequacy of the accounting policies and criteria with significant impact on the accounts of IMPRESA were discussed with the External Auditor.

Thus, among other issues, the accounting policies, criteria and procedures related to the most significant risk areas for the year of 2018 were discussed, which, according to the auditors, are the following:

- Goodwill Impairment;
- Recognition of the revenue derived from television advertising;
- Commercial discounts granted;
- Control of accounts receivable and treasury bonds;
- Estimates Calculation;
- Sale of business segment;
- Investment in the new IMPRESA building.

The following documents were analysed by the Audit Committee:

(i) Additional Report of the Supervisory Body, relative to the year ended on 31st December 2018, issued in compliance with the provisions in article 24 of the Legal Framework on Audit Supervision approved by Law 148/2015, of 9th September, and article 11 of Regulation (EU) 537/2014 of the European Parliament and Council, of 16th April 2014;

(ii) Legal Certification of the Accounts and Audit Report relative to the Consolidated Financial Statements of IMPRESA, SGPS, as at 31st December 2018.

(iii) Legal Certification of the Accounts and Audit Report relative to the Financial Statements of IMPRESA, SGPS, as at 31st December 2018.

2.2 Fees for Accounts Review and Other work undertaken by the auditor

Whenever applicable, the Audit Committee was requested to assess and issue its approval, duly recorded in minutes, relative to the hiring of the External Auditor for the provision of services not included under statutory audit services, with a view to ensuring that the independence of the auditor was not compromised. The assessment took into consideration, namely, the reasonableness of the proposed prices and the level of specific knowledge on the business sector.

In 2018, the total services rendered by the Statutory Auditor amounted to 254,100 euros, of which 223,900 euros corresponded to the legal review of accounts and 2,700 euros to reliability assurance services and 27,500 euros to limited review services.

3. Business carried out between the company and owners of qualifying holdings or entities which are related to it in any way

For the purposes of prior appraisal of any business to be conducted between the company and owners of qualifying holdings or entities which are related to it in any way, the Audit Committee defined that transactions representing more than 1% of the consolidated variable costs of the Group for the year prior to that to which the business refers, are considered to be of significant relevance.

In 2018, the Audit Committee issues opinions on two contracts and their addenda in the context of the partnership constituted for the provision of television services.

4. Specific opinion on the conditions of independence of the auditor

Throughout 2018, the Audit Committee appraised the activity of the External Auditor, regularly monitoring and assessing its independence and performance of duties, having concluded on the non-existence of situations of conflicts of interest and having considered that the review of accounts work was satisfactory.

The assessment of the External Auditor was also discussed at the meetings of the Audit Committee, with no reason having been found, so far, for its dismissal and consequent replacement.

5. Opinion on the Single Management Report, Accounts and proposed appropriation of net income

Pursuant to number 6 of article 420 of the Companies Code, applicable by reference to number 2 of article 423-F of the same Code, the Audit Committee issues a favourable opinion on the Single Management Report and Accounts relative to the financial year of 2018 and respective appropriation of net income proposed by the Board of Directors.

Furthermore, the Audit Committee discloses that, as far as it is aware, the information in the documents presenting the accounts issued by the Group was prepared in conformity with the applicable accounting rules, giving a true and appropriate view of the assets and liabilities, financial position and results, and that the management report faithfully describes the business evolution and performance, and contains a description of the main risks and uncertainties faced by the Company.

6. Opinion on the Corporate Governance Report

Pursuant to number 5 of article 420 of the Companies Code, applicable by reference to number 2 of article 423-F of the same Code, the Audit Committee also issues a favourable opinion on the Corporate Governance Report relative to 2018, which includes the elements required by article 245-A of the Securities Market Code.

Lisbon, 20th March 2019

The Audit Committee

Alexandre de Azeredo Vaz Pinto

António Soares Pinto Barbosa

Maria Luísa Anacoreta Correia

Corporate Governance

Annual Report 2018

IMPRESA – SGPS, S.A.

Publicly Held Company
Share Capital Eur 84,000,000
Rua Ribeiro Sanches, 65
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CORPORATE GOVERNANCE REPORT – 2018

PART I

INFORMATION ON SHAREHOLDER STRUCTURE, ORGANISATION AND CORPORATE GOVERNANCE

A. SHAREHOLDER STRUCTURE

I
Capital structure

1. **The capital structure (share capital, number of shares, distribution of capital by shareholders, etc.), including an indication of shares that are not admitted to trading, different classes of shares, rights and duties of same and the capital percentage that each class represents (article 245-A, number 1, subparagraph a)).**

   The share capital, fully subscribed and paid up, is 84,000,000.00 euros, represented by 168,000,000 book-entry shares, of a nominal value of 0.50 euros each. These shares correspond to an equal number of voting rights, under number 1 of article 8 of the memorandum of association, which establishes that each share corresponds to one vote. There are no different classes of shares and the existing shares have all been listed for trading.

2. **Restrictions on the transfer of shares, such as clauses on consent for disposal, or limits on the ownership of shares (article 245-A, number 1, subparagraph b)).**

   There are no restrictions to the transfer of shares.

3. **Number of own shares, the percentage of share capital that it represents and the corresponding percentage of voting rights that corresponded to own shares (article 245-A, number 1, subparagraph a)).**

   The company does not hold any own shares.

4. **Significant agreements to which the company is a party and which take effect, alter or terminate upon a change of control of the company following takeover bid, and the effects thereof, except where their nature is such that their disclosure would be**

seriously prejudicial to the company; this exception shall not apply where the company is specifically obliged to disclose said information pursuant to other legal requirements (article 245-A, number 1, subparagraph j)).

Under the terms of the (i) Loan agreement concluded by Impresa Serviços e Multimédia (in the meantime incorporated by merger into Impresa), in March 2005, with Banco BPI, S.A., of the value of M€ 152.5 for the acquisition of 49% of the share capital of SIC, (ii) the Loan agreement concluded by SIC, in June 2013, with Banco BPI, SA, of the value of M€ 17, to support cash flow, (iii) the Loan Agreement concluded with Banco BIC Portugal, S.A., of the value of M€ 11, to support cash flow; and (iv) the Pledged Current Account concluded with Banco BPI, SA, of the value of up to M€ 10.45, concluded on 12 January 2016, to support cash flow, the banks may terminate the agreements or declare the early and immediate maturity of the obligation to repay the borrowed funds, if IMPREGER's holding in IMPRESA falls below 50.01% of the share capital and/or of the voting rights of this company.

5. **A system that is subject to the renewal or withdrawal of countermeasures, particularly those that provide for a restriction on the number of votes capable of being held or exercised by only one shareholder individually or together with other shareholders.**

There are no countermeasures, particularly those that provide for a restriction on the number of votes capable of being held or exercised by only one shareholder individually or together with other shareholders.

6. **Shareholders' agreements that the company is aware of and that may result in restrictions on the transfer of securities or voting rights (article 245-A, number 1, subparagraph g)).**

There are no agreements outside the scope of the memorandum of association known to the company and which may lead to restrictions on the transmission of securities or voting rights.

II
Shareholdings and Bonds Held

7. **Details of the natural or legal persons who, directly or indirectly, are holders of qualifying holdings (article 245-A, number 1, subparagraphs c) and d) and article 16), with details of the percentage of capital and votes attributed and the source and causes of the attribution.**

Titular c/ participação qualificada	Quantidade de Ações Detidas	Percentagem de direitos de voto
IMPREGER - Sociedade Gestora de Participações Sociais, S.A.		
* Diretamente	84.514.588	50,306%
* Através do Presidente do Conselho de Administração, Dr. Francisco José Pereira Pinto de Balsemão	2.520.000	1,500%
* Através do Vice-Presidente do Conselho de Administração Engº Francisco Maria Supico Pinto Balsemão	8.246	0,005%
* Através do Presidente do Conselho Fiscal, Dr. António Flores de Andrade	160	0,000%
Total Imputável	**87.042.994**	**51,811%**
(a) – A IMPREGER, Sociedade Gestora de Participações Sociais, SA é detida maioritariamente pela sociedade BALSEGER, Sociedade Gestora de Participações Sociais, SA, a qual é detida em 99,99% pelo Dr. Francisco José Pereira Pinto de Balsemão, pelo que os referidos direitos de voto lhe são igualmente imputáveis.		
Madre - Sociedade Gestora de Participações Sociais, S.A.		
* Diretamente	7.501.243	4,465%
Total Imputável	**7.501.243**	**4,465%**
(a) – A Madre – Sociedade Gestora de Participações Sociais, SA é controlada pela Madre – Empreendimentos Turísticos, SA, que por sua vez é controlada pelo Sr. António da Silva Parente, pelo que os referidos direitos de voto lhe são igualmente imputáveis.		
BANCO BPI, S.A.		
* Diretamente	6.200.000	3,690%
Total Imputavel	**6.200.000**	**3,690%**
Santander Asset Management, S.A.		
* Através do Fundo Santander Acções Portugal	6.895.473	4,104%
* Através do Fundo Santander PPA	119.091	0,071%
Total Imputável	**7.014.564**	**4,175%**
Newshold - S.G.P.S.		
* Diretamente (a)	4.038.764	2,404%
Total Imputável	**4.038.764**	**2,404%**
(a) – A Newshold – S.G.P.S., SA é detida em 91,25% pela Pineview Overseas, SA, pelo que os referidos direitos de voto lhe são igualmente imputáveis.		
Azvalor Asset Management,		
* Diretamente	5.125.586	3,051%
Total Imputável	**5.125.586**	**3,051%**
Norges Bank		
* Diretamente	4.673.333	2,782%
Total Imputável	**4.673.333**	**2,782%**

8. Indication of the number of shares and bonds held by members of the management and supervisory bodies.

Indication of shares:

Members of the Board of Directors	Shares			
	Held on 31/12/2017	Acquired	Transferred	Held on 31/12/2018
Francisco José Pereira Pinto de Balsemão	2,520,000	0	0	2,520,000
Francisco Pedro Presas Pinto de Balsemão	5,100	0	0	5,100
Francisco Maria Supico Pinto Balsemão	8,246	0	0	8,246
Alexandre de Azeredo Vaz Pinto	140	0	0	140
António Soares Pinto Barbosa	0	0	0	0
Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia	0	0	0	0
José Manuel Archer Galvão Teles	0	0	0	0
João Nuno Lopes de Castro	0	0	0	0

Francisco José Pereira Pinto de Balsemão (Chairman of the Board of Directors) – Held 2,520,000 IMPRESA shares as at 31/12/2017, a position which remained the same as at 31/12/2018, since there was no acquisition/divestment in 2018. In IMPREGER – Sociedade Gestora de Participações Sociais, SA, a company in a relationship of control with IMPRESA, held 12,095,376 shares as at 31/12/2017 through the company BALSEGER, SGPS, SA, 99.99% held by it, a position which remained the same as at 31/12/2018, since there was no acquisition/divestment in 2018. His wife, Maria Mercedes Aliú Presas Pinto de Balsemão, held 868 IMPRESA shares as at 31/12/2017, a position which remained the same as at 31/12/2018, since there was no acquisition/divestment in 2018. IMPREGER – Sociedade Gestora de Participações Sociais, SA, of which he is the Chairman of the Board of Directors, held 84,514,588 shares as at 31/12/2017, a position which remained the same as at 31/12/2018, since there was no acquisition/divestment in 2018.

Francisco Pedro Presas Pinto de Balsemão (Chief Executive Officer) – Held 5,100 IMPRESA shares as at 31/12/2017, a position which remained the same as at 31/12/2018, since there was no acquisition/divestment in 2018.

Francisco Maria Supico Pinto Balsemão (Deputy Chairman of the Board of Directors) – Held 8,246 IMPRESA shares as at 31/12/2017, a position which remained the same as at 31/12/2018 since there was no acquisition/divestment in 2018. IMPREGER – Sociedade Gestora de Participações Sociais, SA, of which he is a Director, held 84,514,588 shares as at 31/12/2017, a position which remained the same as at 31/12/2018, since there was no acquisition/disposal of shares in 2018.

Alexandre de Azeredo Vaz Pinto (Member of the Board of Directors and Chairman of the Audit Committee) – Held 140 IMPRESA shares as at 31/12/2017, a position which remained the same as at 31/12/2018, since there was no acquisition/divestment in 2018.

António Soares Pinto Barbosa (Member of the Board of Directors and of the Audit Committee) – Made no acquisition/divestment in 2018.

Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia (Member of the Board of Directors and Audit Committee) – Made no acquisition/divestment in 2018.

José Manuel Archer Galvão Teles (Member of the Board of Directors) – Made no acquisition/divestment in 2018.

João Nuno Lopes de Castro (Member of the Board of Directors) – Made no acquisition/divestment in 2018.

Statutory Auditor	Shares			
	Held on 31/12/2017	Acquired	Transferred	Held on 31/12/2018
Deloitte & Associados, SROC, SA	0	0	0	0
Luís Augusto Gonçalves Magalhães (Alternate)	0	0	0	0

Indication of bonds:

Members of the Management and Supervisory Bodies	Bonds			
	Held on 31/12/2017	Acquired	Transferred	Held on 16/11/2018*
Francisco José Pereira Pinto de Balsemão	0	0	0	0
Francisco Maria Supico Pinto Balsemão	0	0	0	0
Francisco Pedro Presas Pinto de Balsemão	0	0	0	0
Alexandre de Azeredo Vaz Pinto	0	0	0	0
António Soares Pinto Barbosa	0	0	0	0
Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia	0	0	0	0
José Manuel Archer Galvão Teles	0	0	0	0
João Nuno Lopes de Castro	0	0	0	0

*The issue of IMPRESA 2018 Bonds was amortised in its entirety on 16 November 2018

Francisco José Pereira Pinto de Balsemão (Chairman of the Board of Directors) – Made no acquisition/divestment in 2018.

Francisco Maria Supico Pinto Balsemão (Deputy Chairman of the Board of Directors) – Made no acquisition/divestment in 2018.

Francisco Pedro Presas Pinto de Balsemão (Chief Executive Officer) – Made no acquisition/divestment in 2018.

Alexandre de Azeredo Vaz Pinto (Member of the Board of Directors and Chairman of the Audit Committee) – Made no acquisition/divestment in 2018.

António Soares Pinto Barbosa (Member of the Board of Directors and of the Audit Committee) – Made no acquisition/divestment in 2018.

Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia (Member of the Board of Directors and Audit Committee) – Made no acquisition/divestment in 2018.

José Manuel Archer Galvão Teles (Member of the Board of Directors) – Made no acquisition/divestment in 2018.

João Nuno Lopes de Castro (Member of the Board of Directors) – Made no acquisition/divestment in 2018.

Statutory Auditor	Bonds			
	Held on 31/12/2017	Acquired	Transferred	Held on 16/11/2018*
Deloitte & Associados, SROC, SA	0	0	0	0
Luís Augusto Gonçalves Magalhães (Alternate)	0	0	0	0

*The issue of IMPRESA 2018 Bonds was amortised in its entirety on 16th November 2018

9. Special powers of the administration body, especially as regards resolutions on capital increase (article 245-A, number 1, subparagraph i), with an indication as to the allocation date, time period within which said powers may be carried out, the upper ceiling for the capital increase, the amount already issued pursuant to the allocation of powers and mode of implementing the powers assigned.

Regarding deliberations on share capital increases, the memorandum of association does not define any empowerment of the Board of Directors, with this being an exclusive matter of the General Meeting, although the Board may, however, make proposals along these lines to the General Meeting.

10. Information on any significant business relationships between qualifying shareholders and the company.

The following business relations exist with qualifying shareholders:

- With IMPREGER – lease agreement for premises (head office) of which IMPRESA is the tenant.
- With BPI – financing agreements (see point 4).
- With SP Televisão (Madre Group) – television production agreements (see point 90).

B. CORPORATE BODIES AND COMMITTEES

I

GENERAL MEETING

a) Composition of the Board of the General Meeting

11. Identification and position held by the members of the Board of the General Meeting and respective term of office (beginning and end).

The composition of the General Meeting for the current term of office (four-year period 2015/2018) is as follows:

Chairman: Dr. Manuel Magalhães e Silva
Secretary: Dr. Pedro Leite Alves

b) Exercising the right to vote

12. Any restrictions on the right to vote, such as restrictions on voting rights subject to holding a number or percentage of shares, deadlines for exercising voting rights, or systems whereby the financial rights attaching to securities are separated from the holding of securities (article 245-A, number 1, subparagraph f));

There are no restrictions on the right to vote.

13. Details of the maximum percentage of voting rights that may be exercised by a single shareholder or by shareholders that are in any relationship as set out in number 1 of article 20.

There are no statutory rules with the characteristics referred to above.

14. Identification of shareholders' resolutions that, imposed by the articles of association, may only be taken with a qualified majority, in addition to those legally provided, and details of this majority.

There are no statutory rules on constitutive and deliberative quorum numbers, and the General Meetings comply with the rules established in the law.

II
MANAGEMENT AND SUPERVISION

a) Composition

15. Identification of the adopted corporate governance model.

The corporate governance model adopted is the one referred to in subparagraph b) of number 1 of article 278 of the Commercial Company Code, i.e. with a Board of Directors, comprising an Audit Committee and a Statutory Auditor.

16. Statutory rules on procedural requirements governing the appointment and replacement of members, where applicable, of the Board of Directors, the Executive Board and the General and Supervisory Board (article 245-A, number 1, subparagraph h)).

The General Meeting is responsible for appointing the members of the administration and supervisory bodies at the beginning of each term of office.

At the meeting of the Board of Directors held on 23 July 2012, the position of Chief Executive Officer (CEO) was created with responsibility in all areas, which is maintained in the current term of office (2015/2018) by deliberation of the Board of Directors elected in 2015, at its meeting of 4 May 2015.

Directors are replaced in accordance with the provisions laid down in the Commercial Company Code, i.e. through co-optation within sixty days, or if this does not occur, by appointment of the Audit Committee, with the selection being ratified at the following General Meeting, which is valid until the end of the period for which the director had been elected.

When applicable, the Statutory Auditor will be replaced by his/her substitute.

17. Composition, as applicable, of the Board of Directors, the Executive Board and the General and Supervisory Board, indicating the statutory minimum and maximum number of members, statutory duration of term of office, number of permanent members, date of first appointment and end of the term of office for each member.

The composition of the Board of Directors for the current term of office (four-year period 2015/2018) is as follows:

Chairman:	Dr. Francisco José Pereira Pinto de Balsemão
Deputy Chairman:	Eng. Francisco Maria Supico Pinto Balsemão
Members:	Dr. Francisco Pedro Presas Pinto de Balsemão (CEO) (a)
	Dr. Alexandre de Azeredo Vaz Pinto
	Prof. Dr. António Soares Pinto Barbosa
	Dr. Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia
	Dr. José Manuel Archer Galvão Teles
	Eng. João Nuno Lopes de Castro

(a) Co-optation taking effect on 6 March 2016, ratified at the General Meeting of 19 April 2016.

The term of office of the Board of Directors, composed of three to eleven members, is four years, with their re-election permitted for successive four-year periods, without detriment to the limitations imposed by law to companies issuing tradable securities in regulated markets.

According to the composition mentioned above, the Board of Directors has 8 permanent members.

Members of the Board of Directors	Date of 1st appointment	Term of office
Dr. Francisco José Pereira Pinto de Balsemão	18/01/1990	31/12/2018
Eng. Francisco Maria Supico Pinto Balsemão	05/02/2001	31/12/2018
Dr. Francisco Pedro Presas Pinto de Balsemão	06/03/2016	31/12/2018
Dr. Alexandre de Azeredo Vaz Pinto	15/05/2000	31/12/2018
Dr. António Soares Pinto Barbosa	12/04/2007	31/12/2018
Dr. Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia	28/01/2008	31/12/2018
Dr. José Manuel Archer Galvão Teles	07/10/2009	31/12/2018
Eng. João Nuno Lopes de Castro	29/04/2015	31/12/2018

18. Distinction to be drawn between executive and non-executive members of the Board of Directors and, as regards non-executive members, indication of members who may be considered independent, or, where applicable, identification of independent members of the General and Supervisory Board.

Pursuant to the previous point, only one director, Dr. Francisco Pedro Presas Pinto de Balsemão (CEO) has executive functions.

Among the seven non-executive members, based on the criteria included in point 18.1 of the Corporate Governance Report Model, the following three members are independent: Prof. Dr. António Soares Pinto Barbosa, Dr. Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia and Eng. João Nuno Lopes de Castro.

19. Professional qualifications and other relevant curricular information of each member of the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable.

Dr. Francisco José Pereira Pinto de Balsemão

Member of the Council of State (since July 2005). Chairman of the Selection Panel of the Pessoa Award (1987), Chairman of the General Council of the Sá Carneiro Institute (1998), member of the "Consejo de Protectores "of "Fondación Carolina "(2001), member of the Council of Curators of the Portuguese-Brazilian Foundation (April 2004), member of the Advisory Board of the magazine "Quaderns del Cac", published by the Audiovisual Council of Catalunha (August 2009), member of the Advisory Council of ISEG - Higher Education Institute of Economics and Management (since April 2010), Chairman of the General Council of AEM - Association of Issuers of Market Listed Securities (since February 2014), Chairman

of the General Council of PMP - Private Media Platform (August 2014), Chairman of the Cascais Meetings Board and Co-Chair of the Ibero-American Forum. Doctor Honoris Causa from Universidade Nova de Lisboa (April 2010) and Universidade da Beira Interior (October 2010).

Member of the Steering Committee of the Bilderberg Meetings (1983-2015), associate professor at the Faculty of Social and Human Sciences of Universidade Nova de Lisboa (1987-2002), Chairman of the Board of Directors of the "European Institute for the Media" (1990-1999), Chairman of the "European Television and Film Forum" (1997-2003), Deputy Chairman of the "Journalistes en Europe" Foundation (1995-2003), Chairman of the "European Publishers Council" (1999-2014), member of the Executive Committee of the "Global Business Dialogue"(1999-2002), member of the General Council of COTEC Portugal (Business Association for Innovation] (2003-2006), member of the International Advisory Board of the Santander Group(2004-2014), member of the Advisory Board of Universidade de Lisboa (from January 2007 to May 2009), and Member of the Committee for the Review of the Strategic Concept of National Defence (June 2012), member of the Selection Panel of the Príncipe/Princesa de Astúrias de Cooperação Internacional Award(1985-1986 and 1996-2015), Non-executive Director of the Daily Mail and General Trust plc (2002-2017) and Chairman of the Board of the Faculty of Social and Human Sciences of Universidade Nova de Lisboa (2009-2017), External Advisor to the chairman of the 72nd General Assembly of the UN (September 2017 to September 2018) and Chairman of the Board of the General Meeting of COTEC Portugal - Associação Empresarial para a Inovação (2016-2018).

Law degree from the Lisbon Law School (FDL), where he attended the supplementary Political and Economic Sciences. Journalist, management secretary (1963-1965) and director (1965-1971) of the Diário Popular newspaper. Founder and director of the EXPRESSO newspaper (1973-1980), founder of the Social Democrat Party (1974), Member of Parliament and deputy chairman of the Constitutional Parliament (1975), Member of Parliament in 1979, 1980 and 1985, Deputy Minister of State for the 6th Constitutional Government (1980) and Prime Minister for the 7th and 8th Constitutional Governments (1981-1983).

Eng. Francisco Maria Supico Pinto Balsemão

Degree in Electrotechnical and Computer Engineering, Telecommunications and Electronics Branch, from the Higher Technical Institute (IST), Universidade Técnica de Lisboa.

Post-Graduation Course in Telecommunications Business Management (1998/99) from ISTP - Higher Institute of Transport, organised by the ISTP, APDC - Portuguese Association for the Development of Communications and the Enterprise Institute of Madrid (IE).

Participation and completion of the EJE Programme – Young Entrepreneurial Engineer (1993/1994), promoted by the State Secretariat for Youth, Junitec (Junior Enterprises of IST (Higher Technical Institute)) and ITEC (Technological Institute for Community Europe).

At TMN - Telecomunicações Móveis Nacionais, S.A., Director of International Business and Roaming (from October 1997 to March 2000), Product Manager at the Products and Services Department for the Corporate Market of the Products and Services Development and Management Division (from April 1997 to October 1997) and Project Manager at the Products and Services Innovation and Development Department of the Direction of Communication and Marketing Division (from December 1995 to April 1997).

Member of the Management Board of AAAIST - Association of Alumnae of Instituto Superior Técnico in the biennium 2000/2002, and chairman of its Communication and Image Committee from 1995 to 2000. Member of the National Management Board (Region of the South/Islands) of APIGRAF - Portuguese Association of Graphic, Visual Communication and Paper Manufacturing Industries in the biennium 2005/2007.

Observer member of the Advisory Board of ICP/ANACOM - National Communications Authority (representing SIC); member of the assessment board of the Professional Aptitude Exams of the Telecommunications Technician courses ministered by INETE – Instituto de Educação Técnica and EPET – Escola Profissional de Electrónica e Telecomunicações (representing APDC), and senior advisor for Portugal of the Investment Banking Division of the North American multinational bank, Lehman Brothers, from July 2006 until the bankruptcy of this institution (on 15 September 2008), and member of the Iberian Advisory Board of American technology multinational Oracle up to June 2014 (having, since 2006, been a member of the Iberian Advisory Board of SUN Microsystems, a company subsequently acquired by Oracle); and, from 2006 to 2014, was a member of the Iberian Advisory Board of Thomson-Reuters Aranzadi, a Spanish publisher of specialised contents for the legal market, belonging to the Canadian multinational Thomson-Reuters (world leader in the provision of specialised contents for professionals: legal, tax-related, financial, scientific).

Chairman of the National Board of ANJE (National Association of Young Entrepreneurs) from May 2009 to October 2013, having been its deputy chairman from 2003 to 2006 and its assistant chairman from 2006 to 2009. During the period in which he was chairman of ANJE, he was also: chairman of the Executive Committee of Portugal Fashion; member of the Economic and Social Council of Portugal; member of the Supervisory Board of RTP2; member of the Advisory Board of AIESEC Portugal (international association of economics and management students); member of the Executive Committee of the Civic Movement "New Portugal –Options of a Generation"; and deputy chairman of the General Board of CIP – Confederation of Portuguese Industry from 2011 to 2013, having been a member of the Board of Directors of CIP –Confederation of Portuguese Industry in 2010.

Member of the Board of Directors of APDC – Portuguese Association for the Development of Communications since 2016 (member of its Board of Directors from 2001 to 2011 and director of its magazine "Comunicações" from 2015 to 2012 and commissioner for the media from 2012 to 2016); member of the Board of Directors of ACEPI – Association of Electronic Commerce and Interactive Advertising from November 2005 (Director of its B2C Specialised Group from 2001 to 2005); deputy chairman of the Board of Directors of AIP/CE – Portuguese Industrial Association/Business Confederation since 2015 (having been deputy chairman of the Board of Directors from 2007 to 2011 and member of the General Board from 2012 to 2015); alternate member of the Board of Directors of API – Portuguese Press Association since 2007; chairman of the general meeting of ANETIE – National Association of Information Technology and Electronics Companies since 2015 (having been a member of the Board of Directors from 2010 to 2012, and its deputy chairman of the general meeting from 2012 to 2014); chairman of the supervisory board of EF - Association of Family Companies member of the General Board of APDSI – Association for the Promotion and Development of the Information Society, member of the General Board of AEP – Business Association of Portugal since 2014; and liaison person between IMPRESA, SGPS and COTEC Portugal – Business Association for Innovation.

Member of the Advisory Board of the Faculty of Economics and Management of Universidade Católica do (Católica Porto Business School).

Chairman of the Board of Directors of the Youth Foundation since January 2014, having been its deputy chairman in 2013.

Dr. Francisco Pedro Presas Pinto de Balsemão

Law graduate of Universidade Nova de Lisboa (1998-2003), Erasmus programme at Universitat Pompeu Fabra, Barcelona (2002), Master of Laws - LLM (2006-2007) at University of Oxford, England, General Management Course at Nova School of Business and Economics of Universidade Nova de Lisboa (2008), Advanced Management Program at Universidade Católica Portuguesa, Lisbon, and Kellogg School of Management, Chicago (USA) (2011),Management Course "Orchestrating Winning Performance / Leading the Family Business", at IMD Business School, Lausanne (Switzerland) (2012) and "Journey to Business Transformation" at Esade Business School, taught at Singularity University (NASA Research Park) in Silicon Valley (2018).

Junior Associate (2003-2005) and Associate (2005-2006) at Linklaters (Lisbon), Assistant Adviser in the Portugal Mission at the United Nations, New York (USA) (2007), Senior Associate at Heidrick & Struggles (2008-2009).
Member of the BE Nova Board, between 2011 and 2013, advisory services to the Director of the Faculty of Management and Economics of Universidade Nova de Lisboa in the taking of strategic decisions on the future of the institution.
Nominated for the European Counsel Awards 2012 – General Commercial category.
Masters Capital Humano 2015 in the category of "Best strategy of motivation and engagement of the employees"
Elected for the General Counsel (GC) Powerlist of the Iberian Peninsula, award attributed by the company Legal 500 (2016).
Member of the Advisory Board of Imagens de Marca, magazine providing information on brand communication (January 2017).
Member of the St. Julian's School Association.
Elected Director of the International Academy of Television Arts & Sciences (November 2017). Member of the Advisory Board of the Forum for Competitiveness, for the three-year period 2018-2020.
Member of the Council of the Faculty of Social and Human Sciences of Universidade Nova de Lisboa for the four-year period 2018-2021.

IMPRESA: Director of Human Resources (September 2009 to September 2011), Director of Human Resources and Legal Affairs (October 2011 to September 2012), Human Resources, Legal and Sustainability COO (October 2012 to March 2016), Company Secretary (September 2011 to January 2016) and Deputy Chairman of the Management Board of SIC Esperança since 2013.

Dr. Alexandre de Azeredo Vaz Pinto

Economics degree from Instituto Superior de Ciências Económicas, in 1961.

Deputy chairman of Caixa Geral de Depósitos (1996), non-executive director of Brisa (1998), chairman of the Board of Directors of SIBS, SA (1996), chairman of the Board of Directors of Caixa Investimentos (1996), non-executive director of UNICRE (1996), chairman of Banco Espírito Santo e Comercial de Lisboa, by appointment of the Council of Ministers (1986), deputy chairman of the aforementioned Bank (1992), deputy governor of the Bank of Portugal, by appointment by the Council of Ministers (1982), chairman of the Board of Directors of the Foreign Investment Institute, by appointment of the Council of Ministers (1977), Minister of Commerce and Tourism (from January to September 1981), chairman of the Board of Directors of the Foreign Investment Institute, resuming his former position, chairman of the Portuguese Financial Society, by appointment of the Council of Ministers (from 1974 to 1979),

Secretary of State for Commerce, by appointment from 11 August 1972, having, under this position, been chairman of the Portuguese Delegation of the EFTA Council of Ministers, in the sessions held in November 1972 and May 1973, in Vienna and Geneva, respectively, and chaired the proceedings of the latter; also participated in several GATT and OECD ministerial meetings. Undersecretary of State for Commerce, by appointment dated 15 January 1970, a position held until 11 August 1972. Director of Banco Nacional Ultramarino, by appointment dated September 1968. Worked in the Technical Secretariat of the Prime Minister, having collaborated in the Third Development Plan. Collaboration, as a Technician of the Industrial Economics Department of the National Industrial Research Institute, in the preparation of the first Portuguese inter-industrial relations matrix. Subsequently involved in the study and preparation of Development Plans, having worked at the Ministry of Economy, in collaboration with a group of economists, in the programming of the industrial sector for the Interim Development Plan, having then been part of the Secretariat, at the Prime Minister's Office.
Head of the Research and Coordination Department of the Portuguese oil company, BP.
Throughout his professional career, he has worked as a consultant for several organisations, namely CIP, where he collaborated in the preparation of an Investment Guide; as a consultant for the Transport and Tourism Corporation, he participated in the preparation of the Tourism Sector programme for the Third Development Plan.

Prof. Dr. António Soares Pinto Barbosa

Finance degree from the Higher Institute of Economics and Finance (ISCEF), Universidade Técnica, in 1966.
Doctorate in Economics, Virginia Polytechnic Institute & SU.
Economics Professor at Universidade Nova de Lisboa.

Dr. Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia

PhD in Management, specialising in Accountancy, from ISCTE, in October 2009.
Master's in Economics, from the School of Economics of Universidade do Porto, in March 2001.
Degree in Business and Management Administration, from the School of Economics and Business Management of Universidade Católica Portuguesa, in September 1991.
Statutory Auditor (ROC number 1133).
Assistant Professor at the School of Economics and Management of Universidade Católica Portuguesa (Católica Porto Business School).
Partner of the company Novais, Vilar e Associados, SROC, Lda.
OROC representative at the Accounting Working Party of the Fédération des Experts-Comptables Européens - Accountancy Europe.
Member of the list of tax arbitrators of the Administrative Arbitration Centre.
Member of the Scientific Board of the Portuguese Tax Association.
Author of the books "Anexo em SNC - Guia prático", co-authored with Sónia Costa Matos and Rui Neves Martins, published by Vida Económica, 2011 and "Instrumentos Financeiros Derivados: Enquadramento Contabilístico e Fiscal", published by Universidade Católica Editora, 2000.

Dr. José Manuel Archer Galvão Teles

Honorary partner of Morais Leitão, Galvão Teles, Soares da Silva & Associados – Sociedade de Advogados, practising law full-time since 1961 (except in 1975 and 1976 when he was Portuguese Ambassador at the UN).
Founder and director, for many years, of prestigious Associations and Foundations of socio-cultural nature, such as the Serralves Foundation, Mário Soares Foundation, Casas de Fronteira e Alorna Foundation and Júlio Pomar Foundation.
Chairman of the Board of the General Meeting of Banco Santander Totta, SA and Auchan Portugal Investimentos, SGPS.
National Chairman of the Catholic Youth during the 1960's; founder and director of "Cooperativa Pragma" and "Cadernos Gedoc"; Chairman of the National Culture Centre; candidate to member of parliament for Oposição (CDE) in the elections of 1969, and defence lawyer in important political lawsuits judged in the Plenary Court.
Until the independence of the Portuguese colonies, was an activist against the colonial war.
Chairman of the Board of Directors of the Portugal-Spain Friendship Association from 1976 to 1982, and Chairman of the Association for the Advancement of Law during the 1990's.
After the Revolution of 25th April, participated actively in the country's political life, without ever abandoning the permanent practice of law. Founder and director of the Socialist Intervention Association. Later, from 1978 until the mid-1990's, national director of the Socialist Party, successively elected to its National Commission and Political Commission.
In 1974 and 1975, in the context of the decolonisation process, was head of delegation of the Portuguese Government in various missions of political, economic and financial nature, namely in Angola and Mozambique.
Ambassador of Portugal at the UN, in New York in 1975/76, also representing the country at the Security Council in the negotiations relative to the decolonisation process, especially concerning the independence of Angola and East Timor.
Member of the Council of State by appointment of the President of the Republic, Jorge Sampaio, from 1996 to 2006.
Distinguished by the President of the Republic with the Grand-Cross of the Military Order of Christ in 2005, and received the medal of Honour of the Portuguese Bar Association in 2010.

Non-executive director of Banco Santander Totta, SA, of Supa – Companhia Portuguesa de Supermercados, SGPS (Pão de Açúcar) and of Entreposto, SGPS;
Chairman of the Board of the General Meeting of Cimpor, SGPS; of Banco Santander Negócios Portugal, SA, of the SONAGI, SGPS (Queiroz Pereira Group).
Chairman of the Remuneration Committee of Banco Espírito Santo Investimentos, SA.
Chairman of the Remuneration Committee of EDP – Energias de Portugal, SA.
Chairman of the Remuneration and Welfare Board of Banco Comercial Português, S.A.
Chairman of the Supervisory Board of Banco Central de Investimento and member of the Supervisory Board of Empresa de Cimentos de Leiria, SA (Champalimaud Group).
Held the following positions at EDP – Energias de Portugal, SA: Chairman of the Board of the General Meeting for 3 terms of office, from 2000 to 2007; Member of the General and Supervisory Board in 2006 and 2007.

Eng. João Nuno Lopes de Castro

Director of the Centre for Digital Business and Technology of Nova School of Business and Economics.

Post-doctorate at Stanford University in 2010.
Doctorate in Engineering Systems from Massachusetts Institute of Technology in 2010.
Masters (ABD) in Engineering Design from the Instituto Superior Técnico in 2004.
Licentiate degree in Electrotechnical Engineering and Computer from the Faculty of Engineering of Universidade do Porto in 2000.
Chairman of the Portuguese-American Post-Graduate Society for the term of office 2007-08 and chairman of the general meeting in the following term of office.
Considerable professional and consulting experience in the development of new technological, innovative or strategic solutions at Canal de Notícias de Lisboa, Sonae.com, Cisco Systems, Metro do Porto, UMIC and Sumol+Compal.
Guest speaker invited regularly in advanced and executive training programmes on topics related to Entrepreneurship, Innovation and Product Development.

20. Customary and significant family, professional or business relationships of members of the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable, with shareholders that are assigned qualifying holdings that are greater than 2% of the voting rights.

The known family relationships between the indicated members of the boards and qualifying shareholders in the company are:

Chairman of the Board of Directors – Dr. Francisco José Pereira Pinto de Balsemão, is father of the Deputy Chairman of the Board of Directors, Eng. Francisco Maria Supico Pinto Balsemão and Chief Executive Officer (CEO), Dr. Francisco Pedro Presas Pinto de Balsemão.

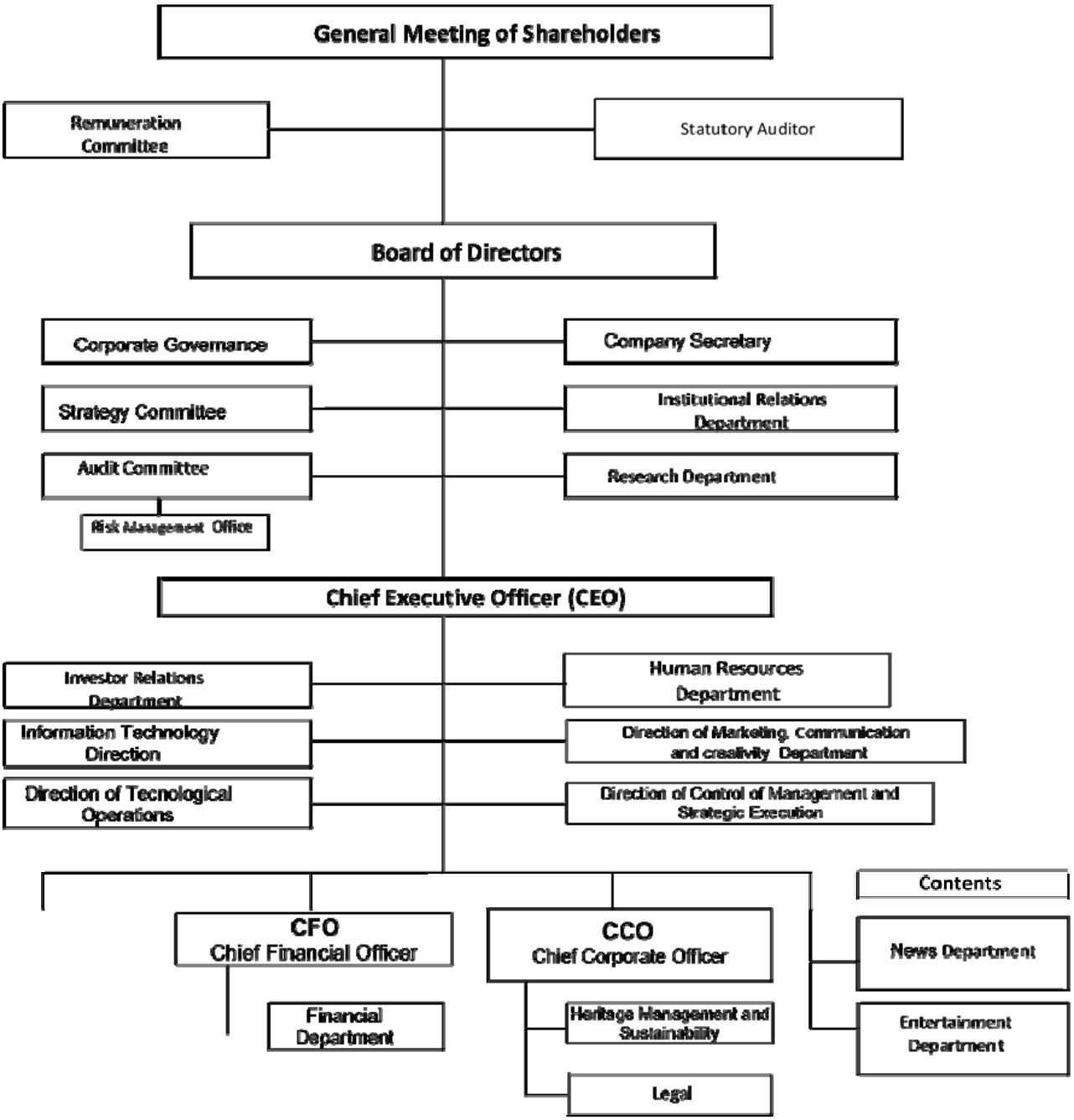
The known professional or business relationships between the indicated members of the boards and qualifying shareholders in the company are:

Chairman of the Board of Directors – Dr. Francisco José Pereira Pinto de Balsemão, and the Deputy Chairman of the Board of Directors, Eng. Francisco Maria Supico Pinto Balsemão, are, respectively, Chairman and Member of the Board of Directors of IMPREGER – Sociedade Gestora de Participações Sociais, S.A., majority shareholder of IMPRESA.

Chairman of the Board of Directors – Dr. Francisco José Pereira Pinto de Balsemão is Chairman of the Executive Board of Directors of BALSEGER, SGPS, SA, which is the majority shareholder of IMPREGER – Sociedade Gestora de Participações Sociais, S.A.

21. **Organisational charts or flowcharts concerning the allocation of powers between the various corporate boards, committees and/or departments within the company, including information on delegating powers, particularly as regards the delegation of the company's daily management.**

IMPRESA Business Structure



DISTRIBUTION OF DUTIES

Responsibilities of the Chairman of the Board of Directors:

a) Coordinate the relations of the Board of Directors with the Chief Executive Officer;
b) Preside over meetings of the Board of Directors (monthly), meetings with the CEO (weekly), the annual meeting of senior staff members and any ad hoc meetings in which he is present;
c) Preside over the Strategy Committee, approve the proposal for the Strategic Plan of the Group and submit it to the Board of Directors, as well as proposals for amendment of the Plan to be submitted to the Board of Directors, and coordinate their implementation, assessment and review;
d) Preside over the Supra Editorial Committee, approve proposals concerning the editorial strategy of the various brands of the Group and submit them to the Board of Directors;
e) Represent the Group institutionally, coordinate the institutional relations of the Group (namely with the EU, Government, Parliament, Regulators, Associations of the Sector, etc.) and with the shareholders;
f) Coordinate the Institutional Relations Department and the Research Department, whose Directors report directly to the Chairman of the Board of Directors.

Responsibility of the Deputy Chairman of the Board of Directors:

a) Preside over the meetings of the Board of Directors whenever the Chairman is absent or unable to be present;
b) Exercise of other powers or duties, as attributed.

Responsibilities of the Chief Executive Officer (CEO):

a) Coordination of the Group's operating management;
b) Coordination of the areas of Systems, Operations and Technology, Human Resources, External Communication and Investor Relations, whose directors report directly to the CEO;
c) Appointment and dismissal of the COO (CRDO, CFO and CCO), who report directly to the CEO;
d) Individual supervision of the COO in the main policies and decisions of their respective areas;
e) Chair of the Group's Operating Coordination Meetings;
f) Chair of the meetings with each COO and front-line management staff, as well as other ad hoc meetings not attended by the Chairman of the Board of Directors;
g) Chair of the Group's presentation of accounts.

Responsibility of the Audit Committee:

Risk Management.

MATTERS WHICH CANNOT BE DELEGATED

The following matters cannot be delegated by the Board of Directors:

a) Co-optation of directors;
b) Request to call general meetings;
c) Approval of annual reports and accounts;
d) Provision of deposits and personal or real guarantees by the company;
e) Change of registered office under the terms established in the memorandum of association;

f) Company merger, demerger and transformation projects;
g) Definition of the Group's strategic options;
h) Definition of the Group's business structure;
i) Approval of the annual budget.

All the members of the Board of Directors are called appropriately and in due time to the meetings of the body and subsequently receive the respective minutes.

All other members of the governing bodies may request the CEO for all and any information relative to the activities of IMPRESA and its participated companies. Usually, these requests for information are made in writing (namely by electronic mail), but they may also be made by telephone or in the presence of the persons concerned (normally during meetings of the Board of Directors). After these requests have been made, and if the CEO does not have all the data to be enable an immediate and full response (in writing or verbally), these requests are forwarded internally to the structure of IMPRESA and/or its participated companies. In this last case, and on average, the response to the request will take approximately 5 business days to be given to the member of the governing body who requested it. If this member is not satisfied with the abovementioned answer, the process is re-started, and involves the number of iterations required until the request has been met in an entirely satisfactory manner.

b) Functioning

22. Existence and place where rules on the functioning of the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable, may be viewed.

There are operating regulations for the Board of Directors, Corporate Governance Committee and Audit Committee, which may be consulted on the company website - www.impresa.pt.

23. Number of meetings held and the attendance report for each member of the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable.

The Board of Directors met 15 times throughout the year, with members having registered the following attendance:

Dr. Francisco José Pereira Pinto de Balsemão (Chairman)	93.33%
Eng. Francisco Maria Supico Pinto Balsemão (Deputy Chairman)	100.00%
Dr. Francisco Pedro Presas Pinto de Balsemão	100.00%
Dr. Alexandre de Azeredo Vaz Pinto	100.00%
Dr. António Soares Pinto Barbosa	100.00%
Dr. Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia	93.33%
Dr. José Manuel Archer Galvão Teles	100.00%
Eng. João Nuno Lopes de Castro	100.00%

24. Indication of the competent corporate bodies to conduct the assessment of the performance of the executive directors.

The mission, among others, of the Corporate Government Committee is the assessment of the performance of the Chief Executive Officer (CEO).

25. Predefined criteria for assessing the performance of the executive directors.

The Corporate Governance Committee defined the following six criteria for assessing the performance of the executive directors: "Communication, Impact and Influence"; "From Vision to Results"; "Team Management and Development"; "Customer and/or Target Group Driven"; "Team and Group Spirit"; and "Best Practices, Innovation and Change".

26. Availability of each member of the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable, and details of the positions held at the same time in other companies within and outside the group, and other relevant activities undertaken by members of these boards throughout the financial year.

* *Dr. Francisco José Pereira Pinto de Balsemão*

In addition to the professional curriculum and relevant activities reported in point 19, he performs the following duties in other companies:

a) Group Companies

- Chairman of the Board of Directors of IMPRESA PUBLISHING, S.A.
- Chairman of the Board of Directors of SIC – Sociedade Independente de Comunicação, S.A.

b) Companies outside the Group

- Chairman of the Executive Board of Directors of BALSEGER-SGPS, S.A.
- Chairman of the Board of Directors of IMPREGER – Sociedade Gestora de Participações Sociais, S.A.
- Manager of Sociedade Francisco Pinto Balsemão, SGPS, Lda.
- Manager of Sociedade Turística da Carrapateira, Lda.

* *Eng. Francisco Maria Supico Pinto Balsemão*

In addition to the professional curriculum and relevant activities reported in point 19, he performs the following duties in other companies:

a) Group Companies

- Deputy Chairman of the Board of Directors of IMPRESA PUBLISHING, SA
- Deputy Chairman of the Board of Directors of SIC – Sociedade Independente de Comunicação, SA

b) Companies outside the Group

- Chairman of the Board of Directors of Spectacolor Portugal, S.A.
- Deputy Chairman of the Board of Directors of COMPTA – Equipamentos e Serviços de Informática, SA
- Director of IMPREGER – Sociedade Gestora de Participações Sociais, SA
- Director of BROADLOOP – INVESTMENTS, S.A.
- Director of EUROTEMPUS, S.A.
- Director of LIFETIME VALUE, S.A.
- Manager of SEGMENTABILITY, Lda.
- Manager of ENCOREXPERT – Investments, SGPS, Lda.
- Manager of BORN TO RUN – Consultoria Empresarial, Lda
- Manager of INCLUDES EVERYONE, Lda.

- Manager of CASUAL PORTION, Lda.

* *Dr. Francisco Pedro Presas Pinto de Balsemão*

In addition to the professional curriculum and relevant activities reported in point 19, he performs the following duties in other companies:

a) Group Companies

- Chairman of the Board of Director of INFOPORTUGAL – Sistemas de Informação e Conteúdos, SA
- Chairman of the Board of Directors of IMPRESA OFFICE & SERVICE SHARE – Gestão de Imóveis e Serviços, SA.
- Director of IMPRESA PUBLISHING, SA
- Director of SIC – Sociedade Independente de Comunicação, SA
- Chairman of the Management Board of GMTS (Global Media e Technology Solutions) Serviços Técnicos e Produção Multimédia, Sociedade Unipessoal Lda.

b) Companies outside the Group

Does not hold any position in other companies.

* *Dr. Alexandre de Azeredo Vaz Pinto*

Does not hold any position in other companies.

* Prof. *Dr. António Soares Pinto Barbosa*

In addition to the professional curriculum and relevant activities reported in point 19, he performs the following duties in other companies:

Companies outside the Group

- Member of the Supervisory Board of the Champalimaud Foundation.

* *Dr. Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia*

In addition to the professional curriculum and relevant activities reported in point 19, he performs the following duties in other companies:

Companies outside the Group

- Chairman of the Audit Committee and Non-Executive Director of CTT, S.A.
- Member of the Governing Board of Ordem dos Revisores Oficiais de Contas (OROC)
- Non-executive Director of Sonaegest, SGFI, S.A.
- Chairman of the Supervisory Board of Centro Hospitalar de São João
- Chairman of the Supervisory Board of Sogrape S.G.P.S., S.A.
- Member of the General Board and of the Executive Committee of the Commission of Accounting Standards.

* *Dr. José Manuel Archer Galvão Teles*

In addition to the professional curriculum and relevant activities reported in point 19, he performs the following duties in other companies:

Companies outside the Group

- Chairman of the Board of Directors of INTERLAGO, SA.

- Director of GT4 – Assessoria e Gestão, SA
- Manager of CIPRESTE – Turismo de Habitação, Lda.

* *Eng. João Nuno Lopes de Castro*

In addition to the professional curriculum and relevant activities reported in point 19, he performs the following duties in other companies:

Companies outside the Group

- Ganexa Seed Capital – General Partner

c) Committees within the Administration or Supervisory Body and Board Delegates

27. Identification of the committees created within the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable, and place where the operating regulations can be viewed.

The following committees have been created within the Board of Directors: Audit Committee, Corporate Governance Committee and Strategy Committee.

The operating regulations of the Audit Committee and of the Corporate Governance Committee may be consulted on the company website.

28. Composition of the Executive Board and/or identification of the Board Delegate/s, where applicable.

The current Chief Executive Officer (CEO) – Dr. Francisco Pedro Presas Pinto de Balsemão is a member of the Board of Directors.

29. Description of the powers of each of the established committees and summary of activities undertaken in exercising these powers.

Responsibility of the Audit Committee:

1. Inform the management body of the results of the legal review of the accounts and explain how this contributes to the integrity of the process of preparation and disclosure of financial information, as well as the role that was performed in this process;
2. Monitor the process of preparation and disclosure of financial information and present recommendations or proposals to ensure its integrity;
3. Supervise the efficacy of the internal quality control and risk management systems;
4. Monitor the legal review of the individual and consolidated annual accounts, namely their implementation, taking into account any findings and conclusions of the Securities Market Commission (CMVM);
5. Verify and monitor the independence of the Statutory Auditor and, especially, check the adequacy and approve the provision of other services not included in the audit services;
6. Select the Statutory Auditor to be proposed to the general meeting for election and recommend a preference for one of them, duly substantiated; and

7. Fulfil any other duties attributed by law.

In order to comply with its duties, the Audit Committee holds regular meetings with the Statutory Auditor to assess the conditions created for the appropriate implementation of its work. The content of the external auditors' reports is presented and analysed in detail at these meetings, which are held prior to the Board of Directors meetings, so that the Audit Committee is the first body of the Group to examine the content of the reports. Suggestions made by the Statutory Auditor aimed at improving the company's internal control measures and implementing better accounting practices and the results of the legal review of the accounts are subsequently reported and discussed with the Board of Directors.

The Audit Committee also holds regular meetings with the Financial Director and CFO of the IMPRESA Group in order to monitor and propose recommendations with respect to the process of preparation and disclosure of financial information.

For purposes of monitoring the efficacy of the internal control and risk management systems, the Audit Committee holds meetings with a number of managers of the IMPRESA Group and assesses the need to outsource specialised services, taking into account, in particular, the non-existence of an internal audit department at the Group.

The assessment and selection of the Statutory Auditor, as well as its independence, is also discussed at the meetings of the Audit Committee, with no reason having been found so far, in the opinion of the Committee, for its dismissal and, therefore, replacement.

All the minutes of the Audit Committee meetings are distributed to all the members of the Board of Directors.

The Corporate Governance Committee is responsible, in addition to the matters referred to in point 24, for:

a) Assisting and supporting the Board of Directors in performing its duty of supervising corporate activity on matters of corporate governance and rules of conduct, namely, (i) in fine-tuning the corporate governance and supervision model, the respective organisational structure and the principles and practices of governance by which it is ruled; and (ii) in the preparation and implementation of rules of conduct, aimed at imposing observance of the applicable provisions and rigorous ethical principles in the performance of the duties attributed to the members of the governing bodies and employees of the Company.

b) Studying, proposing and recommending to the Board of Directors the adoption of the policies, rules and proceedings deemed necessary for compliance with this Regulation, the applicable legal, regulatory and statutory provisions, as well as the recommendations, standards and best practices regarding the matters referred in the previous paragraph;

c) Performing any other competences or responsibilities that the Board of Directors may delegate to the Corporate Governance Committee.

The Corporate Governance Committee should also collaborate in the preparation of the annual corporate governance report regarding matters within its jurisdiction.

All the minutes of the Corporate Governance Committee meetings are distributed to all the members of the Board of Directors.

The Strategy Committee is responsible for:

i) Assisting the CBD in preparing the Strategic Plan of the Group (based on a 3-year timeframe), which is approved by the CBD and submitted, by the later, to the Board of Directors.

ii) Assisting the CBD in assessing the application of the Plan and in its annual review, and making proposals for adjustments which, once approved by the CBD, will be submitted, by the latter, to the Board of Directors.

All the minutes of the Strategy Committee meetings are distributed to all the members of the Board of Directors.

III
SUPERVISION

a) Composition

30. Identification of the supervisory body corresponding to the adopted model.

The corporate governance model adopted is the one referred to in subparagraph b), number 1 of article 278 of the Commercial Company Code, i.e. with a Board of Directors, comprising an Audit Committee (with supervisory functions) and a Statutory Auditor.

31. Composition of the Supervisory Board, the Audit Committee, the General and Supervisory Board or the Financial Matters Committee, where applicable, with details of the articles of association's minimum and maximum number of members, duration of term of office, number of effective members, date of first appointment, date of end of the term of office for each member and reference to the section of the report where this information is already included pursuant to number 17.

The composition of the Audit Committee for the current term of office (four-year period 2015/2018) is as follows:

Chairman: Dr. Alexandre de Azeredo Vaz Pinto
Members: Prof. Dr. António Soares Pinto Barbosa
Dr. Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia

The term of office of the Audit Committee, composed of a fixed number of three members is four years.

The Audit Committee is composed of members from the Board of Directors, appointed by the General Meeting, with their re-election permitted for successive four-year periods, without detriment to the limitations imposed by law to companies issuing tradable securities in regulated markets.

Members of the Audit Committee	Date of 1st appointment	Term of office
Dr. Alexandre de Azeredo Vaz Pinto (a)	12/04/2007	31/12/2018
Dr. António Soares Pinto Barbosa	12/04/2007	31/12/2018
Dr. Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia	28/01/2008	31/12/2018

(a) Member of the Board of Directors since 15/05/2000

32. Identification, as applicable, of the members of the Supervisory Body, the Audit Committee, the General and Supervisory Board and the Financial Matters Committee, who are considered to be independent, under the terms of article 414, number 5 of the CSC, and reference to the section of the report where this information already appears pursuant to paragraph 18.

As noted in point 18, the following members of the Audit Committee are independent, Prof. Dr. António Soares Pinto Barbosa and Dr. Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia.

33. Professional qualifications of each member of the Supervisory Board, the Audit Committee, the General and Supervisory Board and the Financial Matters Committee, where applicable, and other important curricular information, and reference to the section of the report where this information already appears pursuant to number 21.

See point 19.

b) Functioning

34. Existence and place where the operating regulations can be viewed, as applicable, of the Supervisory Board, the Audit Committee, the General and Supervisory Board and the Financial Matters Committee, and reference to the section of the report where this information already appears pursuant to number 22.

See point 22.

35. Number of meetings held and the attendance report for each member of the Supervisory Board, the Audit Committee, the General and Supervisory Board and the Financial Matters Committee, where applicable, and reference to the section of the report where this information already appears pursuant to number 23.

The Audit Committee held 11 meetings throughout the year, with 9 meetings having been in-person and 1 by remote means. The attendance of its members was as follows:

Dr. Alexandre de Azeredo Vaz Pinto (Chairman)	100.00%
Dr. António Soares Pinto Barbosa	100.00%
Dr. Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia	100.00%

36. Availability of each member of the Supervisory Board, the Audit Committee, the General and Supervisory Board and the Financial Matters Committee, where applicable, indicating the positions held simultaneously in other companies inside and outside the

group, and other relevant activities undertaken by members of these Bodies throughout the financial year, and reference to the section of the report where such information already appears pursuant to number 26.

See point 26.

c) Powers and duties

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

Whenever applicable, the Audit Committee assesses and gives it approval, duly recorded in minutes, of the contracting of the Statutory Auditor to provide services other than auditing, provided that they are not prohibited by article 5 of Regulation (EU) 537/2014 of the European Parliament and Council and that this respects the limit established in article 4 of the same Regulation. The assessment seeks to ensure that the independence of the Statutory Auditor is not placed in question and takes into account the reasonableness of the proposed prices, the level of knowledge of the activity sector and the continuous monitoring of the company's business. The Audit Committee also verifies whether the value of these services is below the limit imposed by the European Regulation referred to above.

38. Other duties of the supervisory bodies and, where appropriate, the Financial Matters Committee.

See point 29 for a description of the powers and duties of the Audit Committee.

IV
STATUTORY AUDITOR

39. Identification of the statutory auditor and the partner representing the statutory auditor.

The Statutory Auditor, elected for the current term of office (four-year period 2015-2018), is Deloitte & Associados, SROC, SA, registered at the CMVM under number 20161389, which is represented by the partner Dr. Tiago Nuno Proença Esgalhado.

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

The Statutory Auditor has performed duties at the company for 16 years, being represented by the partner Dr. Tiago Nuno Proença Esgalhado since 2016.

41. Description of other services provided by the statutory auditor to the company.

In 2018, the services other than auditing carried out by the Statutory Auditor refer to the verification, required by the banking authorities, of the contractual obligations (ratios) contained in the loan agreements (reliability assurance services) and the services of Limited Review of the Consolidated Financial Statements relative to the interim accounts (half-yearly).

As noted in point 37, the contracting of the Statutory Auditor to provide these additional services, in addition to the assurance of the auditor's independence, also took into consideration, namely, the reasonableness of the proposed prices and level of knowledge of the activity sector and the continuous monitoring of the company's business.

The Audit Committee also analysed the "knowledge partner" service of the 1000 Largest SMEs and 500 Largest and Best Companies rankings provided by the Statutory Auditor, having concluded that this service does not involve the provision of services prohibited under Regulation (EU) number 537/2014 of the European Parliament and Council, does not call into question the independence of the Statutory Auditor and does not fall within the limits established in article 4 of the same Regulation.

V
EXTERNAL AUDITOR

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

See point 39 (Chapter IV).

43. Indication of the number of years that the external auditor and respective partner representing it in carrying out these duties consecutively carries out duties with the company and/or group.

See point 40 (Chapter IV).

44. Policy and periodicity of the rotation of the external auditor and respective partner representing it in carrying out these duties.

The Audit Committee regularly assesses and discusses the conditions of independence, the performance of duties and advantages and costs of replacing the Statutory Auditor. In this context, the Audit Committee concluded that the legal review of accounts was appropriate, with the Group having decided to keep the Statutory Auditor. The Committee also verifies compliance with the limitations of terms of office contained in article 54 of Decree-Law 140/2015 of 7 September.

45. Indication of the body responsible for assessing the external auditor and periodicity with which this assessment is made.

See previous point.

46. Identification of services, other than auditing, carried out by the external auditor for the company and/or companies in a control relationship and an indication of the internal procedures for approving the recruitment of such services and a statement on the reasons for this recruitment.

See point 41 (Chapter IV).

47. Indication of the annual remuneration paid by the company and/or legal entities in a control or group relationship to the auditor and other natural or legal persons pertaining to the same network and the percentage breakdown relating to the following services (for the purposes of this information, the network concept follows European Commission Recommendation number C (2002) 1873 of 16 May):

By IMPRESA (a)	In Euros	In %
Statutory audit services	61,500	24%
Reliability assurance services	2,700	1%
Tax advisory services	0	0%
Other non-statutory audit services	0	0%
By other entities of the Group (a)		
Statutory audit services	162,400	64%
Reliability assurance services	0	0%
Tax advisory services	0	0%
Other non-statutory audit services	27,500	11%
Overall Total	**254,100**	**100%**

(a) *Including individual and consolidated financial statements*

C. INTERNAL ORGANISATION

I
ARTICLES OF ASSOCIATION

48. Rules applicable to the amendment of the company's articles of association (article 245-A, number 1, subparagraph h)).

There are no rules on the alteration of the company's memorandum of association, except those arising from the applicable law.

II
REPORTING OF IRREGULARITIES

49. Means and policy on the reporting of irregularities in the company.

The Audit Committee created and approved an internal system for the communication of irregularities in 2007, aimed at preventing and eliminating irregular practices, thereby avoiding damages caused by their continuation.

This system, whose Regulations are disclosed on the IMPRESA website and IMPRESA Group Intranet network, ensures the confidentiality of the information provided, as well as the anonymity of the persons reporting indication of irregularities.

It also ensures that the rights of IMPRESA Group company employees will not be harmed by the communication of irregular practices.

The system for the communication of irregularities has five procedural phases, namely: receipt and recording, preliminary analysis, judgement of the consistency of the information received, investigation and final report, communicated to the Chairman of the Board of Directors.

Over the course of 2018, similarly to 2017, there were no communications under this Regulation.

III
INTERNAL CONTROL AND RISK MANAGEMENT

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

The following bodies, at IMPRESA, are responsible for the internal audit and/or implementation of the internal control system:
- Risk Management Office;
- Assets, Risk and Sustainability Department;
- Financial Department;
- Legal Affairs Department;
- Institutional Relations Department.

51. Explanation, even if by inclusion of an organisational chart, of the relations of hierarchical and/or functional dependence with respect to other bodies or committees of the company.

The relations of dependence are defined in the organisational structure in point 21.

52. Existence of other functional areas responsible for risk control.

In addition to the areas indicated in point 50, operating under the terms described in point 54, there are no other areas responsible for risk control.

53. Identification and description of the main types of risks (economic, financial and legal) to which the company is exposed in the exercise of its activity.

Economic risks (activity and facilities):

Risks primarily related to situations which affect the current operation of companies, namely fire, loss of production of newspapers and magazines, broadcasting cuts in television activity, and failure of computer systems.

Financial risks (credit, liquidity, exchange rate and interest rate risk):

Credit risk is essentially related to the accounts receivable arising from advertising sales. In order to reduce credit risk, the Issuer company has defined credit granting policies, with credit ceilings per customer and collection deadlines, and financial discount policies for early repayment or cash payment.

Liquidity risk can occur if the financing sources, such as cash flow from operating activities, divestment, credit lines and financing activities, do not meet the financing needs, such as cash outflow for operating and financing activities, investments, shareholder remuneration and repayment of debt.

Exchange rate risk is essentially related to the acquisition of television programmes.

Interest rate risk is essentially related to interest paid in relation to the contracting of financing with variable interest rates, which are consequently exposed to changes in market interest rates.

Legal risks (legislation):

Risks related to compliance with the legislation in force, applicable to the corresponding sector, primarily in terms of the operating subsidiaries (TV Law, Press Law, ERC Law, Advertising Law, etc.).

54. Description of the procedure of identification, assessment, monitoring, control and management of risks.

The management of the IMPRESA Group takes particular care to adopt a risk management policy aimed at minimising any consequences on the business, people or assets of the Group, arising from any intentional or unintentional threats.

The IMPRESA Group has two bodies which enable the pursuit of this objective:

a) Risk Management Office - follows and monitors different security events that might generate risks for the different companies of the Group. This Office is also responsible for formalising the defined strategic objectives on risk-taking, identifying the risks and events that might generate risks inherent to the activities developed, analysing the impact of each identified risk and managing and monitoring the identified risks. The Risk Management Office holds periodic meetings with the Audit Committee, disclosing and proposing any necessary measures for the assessment of the implemented risk management system.

b) Assets, Risk and Sustainability Department - supervises insurance contracting at the level of the IMPRESA Group, in order to achieve the most appropriate solutions to cover the insurable risks.

c) Financial Department - develops the following aspects on risk control:
   - Negotiation, contracting and management of bank financing, in order to meet the financial needs of the IMPRESA Group;
   - Negotiation and contracting of appropriate financial instruments, aimed at reducing exposure to interest and exchange rate risks.
   - Definition of credit granting policies, with credit ceilings per customer and collection deadlines.

d) Legal Affairs Department and Institutional Relations Department - at the level of the operating subsidiaries, follow the applicable legislation to the corresponding sector (TV Law, Press Law, ERC Law, Advertising Law, etc.), in order to minimise the risks associated to any non-compliance.

Also at the level of the operating subsidiaries, plans relative to external situations which may affect current company operation, namely fires, production stoppages, broadcasting failure, IT system failures, etc., have been established and implemented, with the objective of safeguarding people and goods, and ensuring, as far as possible, the continuity of production not only of newspapers and magazines but also television activities.

With regards to financial information, the CEO, in coordination with the Audit Committee and CFO, supervises its preparation and disclosure, in order to ensure a true and fair view of the situation, combined with an honest review of business development and, moreover, prevent undue access to relevant information by third parties.

55. Main details on the internal control and risk management systems implemented in the company regarding the procedure for reporting financial information (article 245-A, number 1, subparagraph m)).

Before the Board of Directors meetings, scheduled in advance (with the exception of any exceptional meetings) and with this schedule being agreed by all, the non-executive members of the Board of Directors, therefore including all the members of the Audit Committee, receive all the documentation related to the points on the agenda in due time, and may request additional information on any points on the agenda, propose the inclusion of other points they

would like to see discussed, and propose to the Chairman of the Board of Directors the attendance of the meeting of any employee or director of IMPRESA and its participated companies who might be related to the discussion of one (or more) points on this same agenda. The non-executive members of the Board of Directors also receive the minutes of the meetings of the Group's Operating Coordination, between the Chief Executive Officer and the COO responsible for the different business areas, and all the information and documentation of an economic and financial nature, in particular concerning investment, management control and bank debt evolution, as well as any other related to the Group's activity, such as for example information on human resources, evolution of publication sales and audiences, etc.

The CEO, in coordination with the Audit Committee and CFO, supervises the preparation and disclosure of financial information, in order to ensure a true and fair view of the situation, combined with an honest review of business development and, moreover, prevent undue access to relevant information by third parties.

The documents providing accounts are drawn up based on information provided by the different companies of the Group and, in particular, by the shared services. The Group has implemented mechanisms and procedures for internal control of the process of closing accounts and disclosure of financial information, taking into account the detected risks and defining time limits, requirements and obligations for financial reporting. This entails the definition and communication of schedules, tasks and responsibilities among the employees involved in the process of drawing up the financial reporting documentation.

The Group's Financial Department reviews the adopted accounting policies, identifies the relevant or unusual transactions, analysing, whenever necessary, with the Audit Committee, the appropriate accounting treatments and corresponding requirements on disclosure, and identifies the transactions that involve judgements or estimates, defining calculation methods, assumptions and all other pertinent information.

Mechanisms for communication between each segment and the Financial Department are defined, so as to ensure that any new operations were properly identified and treated from an accounting perspective, namely by coordination between the Financial Department and the Management Control of each segment and the Group.

The Audit Committee, in particular, as indicated in point 29, holds regular meetings with the Statutory Auditor in order to assess whether conditions have been created for the adequate performance of their work. The content of the Statutory Auditor's reports is presented and analysed in detail at these periodic meetings, which are held prior to the Board of Directors-meetings, so that the Audit Committee is the first body of the Group to examine the content of the reports. Suggestions made by the Statutory Auditor aimed at improving the company's internal control measures and implementing better accounting practices are subsequently presented and discussed with the Board of Directors.

The financial information is only disclosed after approval by the Board of Directors, under the legal terms.

IV
INVESTOR ASSISTANCE

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

IMPRESA has a Department of Investor Relations, so as to ensure institutional relations and the disclosure of information to the vast universe of shareholders, potential investors,

analysts, stock markets where IMPRESA shares are listed for trading and the respective regulatory and supervisory entities, CMVM and Euronext.

IMPRESA's Department of Investor Relations thus performs an important role in the pursuit of this objective, enabling the maintenance of suitable relations with shareholders, financial analysts and potential investors of IMPRESA, namely through the participation in specific conferences and the holding of road-shows at the main stock markets.

The main function of this Department consists of operating as an agent between the Board of Directors of IMPRESA and investors and financial markets in general, being responsible, under its normal activity, for all information provided by the IMPRESA Group, both with respect to the disclosure of relevant facts and other reports to the market, and the publication of periodic, quarterly, half-year and annual financial statements.

In order to perform its duties, this Department maintains a constant flow of communication with financial investors and analysts in Portugal and abroad, providing all the necessary information and clarifications to respond to requests made by these entities, in compliance with the applicable legal and regulatory provisions.

Department contacts:

Edifício IMPRESA
R. Calvet de Magalhães, 242
2770-022 Paço de Arcos
Telephone: +351 214 544 009
Email: jfreire@impresa.pt

57. Market Liaison Officer.

The Director of Investor Relations is Eng. José Freire, who is also the CFO.

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

All the requests for information (received by telephone, email or mail) are replied to immediately, and there are no pending requests relative to 2018 or from preceding years.

V
WEBSITE

59. Address(es).

The company website address is "www.impresa.pt"

60. Place where information on the firm, public company status, head office and other details referred to in article 171 of the Commercial Company Code is available.

The details relative to all the information referred to in article 171 of the Commercial Company Code is available on the company website, in *investor relations/contacts*.

61. Place where the articles of association and operating regulations of the bodies and/or committees are available.

The articles of association are available on the company website, in *investor relations/corporate governance/corporate governance*.

The regulations of the bodies and committees are available on the company website, in *investor relations/corporate governance/articles of association*.

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

Information on the names of the corporate bodies' members is available on the company website, in *investor relations/corporate bodies*.

Information on the Investor Support Office is available on the company website, in *investor relations/contacts*.

63. Place where the documents are available and relate to financial accounts reporting, which should be accessible for at least five years and the half-yearly calendar on company events that is published at the beginning of every six months, including, inter alia, general meetings, disclosure of annual, half-yearly and where applicable, quarterly financial statements.

Information on the financial accounts reporting is available on the company website, in *investor relations/annual reports*.

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

Information on the General Meetings is available on the company website, in *investor relations/general meetings.*

65. Place where the historical archive on the resolutions passed at the company's General Meetings, share capital and voting results relating to the preceding three years are available.

Information on the historical archive of the General Meetings is available on the company website, in *investor relations/general meetings.*

D. REMUNERATIONS

I
POWER TO ESTABLISH

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

The remuneration of the members of the Board of Directors is established by a Remuneration Committee, elected by the General Meeting.

II
REMUNERATION COMMITTEE

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

The composition of the Remuneration Committee for the current term of office (four-year period 2015/2018) is as follows:

Chairman: Ambassador Fernando António Lacerda Andresen Guimarães
Members: Mr. Alberto Romano
Dr. José Germano de Sousa

The business of the Remuneration Committee was conducted by its members, with no natural or legal persons having been contracted to provide assistance.

All the members of this Committee are independent.

All the minutes of the Audit Committee meetings are distributed to all the members of the Board of Directors.

The Chairman of the Remuneration Committee and/or, in its absence, another member of the Committee participates in the annual general meeting whose agenda includes matters related to the remuneration of the members of the administration bodies.

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

All the members of the Remuneration Committee have knowledge and experience for this position, due to the pursuit of their professional activity. However, none of the members has specific training and activity dedicated to matters of Human Resources.

III
REMUNERATION STRUCTURE

69. Description of the remuneration policy of the Board of Directors and Supervisory Bodies referred to in article 2 of Law number 28/2009, of 19 June.

In a context of major change and competition, in which the activity developed by the IMPRESA Group is immersed, the capacity to attract, motivate and retain the best professionals on the market, as well as transform their contribution into true teamwork, is one of the main critical factors for success in the near future.

The Remuneration Committee of the IMPRESA Group has defined a compensation strategy for the members of the Board of Directors, with the following key objectives:

(i) signal recognition of merit (Meritocracy);

(ii) determine the attribution of variable remuneration in accordance with criteria that are easy to understand (Simplification);

(iii) ensure balance between the interests of the company and those of the shareholders (Reasonableness).

Considering these objectives, the Remuneration Committee of IMPRESA deliberated on (i) the definition of the value of the fixed remuneration of all the executive and non-executive members of the Board of Directors, and (ii) the implementation of a Variable Remuneration Model for the chief executive officer (CEO) and the Chairman of the Board of Directors, considering their current duties, featured in the organisation and management model of the IMPRESA Group.

Multiannual variable remuneration model 2017-2019:

Following best market practices, the Remuneration Committee deliberated that a multiannual variable remuneration model, with deferred payment for 3 years, will be applied for the three-year period 2017-2019.

This multiannual variable remuneration model considers 3 bonus levels, corresponding to 1, 2and 3 times the respective monthly gross remuneration, based on the following cumulative criteria, defined annually:

a) Positive assessment of performance
b) Achievement of a consolidated value of Net Bank Debt
c) Achievement of a consolidated value of EBITDA

70. Information on how the remuneration is structured in order to enable the alignment of the interests of the members of the administration body with the long term interests of the company, as well as on how this is based on performance assessment and discourages excessive risk-taking.

See point 69.

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

See point 69.

72. Deferred payment of the variable component of remuneration, specifying the period of deferral.

See point 69.

73. Criteria whereon the allocation of variable remuneration on shares is based, and also on maintaining company shares that the executive directors have had access to, on the possible share contracts, including hedging or risk transfer contracts, the corresponding limit and its relation to the total annual remuneration value.

Not applicable since there is no attribution of a variable remuneration in shares in the company.

74. Criteria on which the allocation of variable remuneration on options is based and details of the period of deferral and exercise price.

Not applicable since there is no attribution of a variable remuneration in shares in the company.

75. Key factors and grounds for any annual bonus scheme and any additional non-financial benefits.

Not applicable since there is no attribution of bonuses and/or non-financial benefits in the company.

76. Key characteristics of the supplementary pensions or early retirement schemes for directors and state date when said schemes were approved at the general meeting, on an individual basis.

Among the members that compose the Board of Directors, only the Chairman benefits from a supplementary retirement scheme, through the "Impresa Publishing & Associadas" Pension Fund, created in 1987, which covers directors, journalists and other paid staff recruited up to 5 July 1993, as indicated in the information presented in Note 33.1 of the Annex to the consolidated financial statements of IMPRESA.

The supplement attribution plan consists of the following rules and characteristics:
"Journalists and directors who have worked for the company for 10 years or more are entitled to a supplementary retirement subsidy, due to old age or disability, the amount of which is calculated as follows, with there being no commitments regarding future updating:

a) Journalists and directors who have worked for the company for 10 years will receive a subsidy equivalent to half the difference between the pension paid by Social Security and their pensionable salary;
b) For every year worked after 10 years, this supplement will increase by 1%, until the sum of the pension and the supplement totals 90% of their pensionable salary.

Retirement due to old age is defined as that granted to employees aged over 66 years old.

Retirement due to disability is defined as that recognised and granted to employees by Social Security.

Pensionable salary is defined as the value of all the remunerations (base salary, bonuses and allowances) determined for the year of 2002.

Any employee may remain at the service of the Associate, by common agreement, after the old age retirement date. In this case, the value of the pension will be calculated as defined above, based on the pensionable salary and pensionable working time on the date the employee in question completed 66 years of age.

Pension supplements are calculated using the formula used by Social Security to calculate pensions which was in force on 5 July 1993."

For the financial year ended 31 December 2018, pension supplements in the amount of 192,098.05€ were paid by the Pension Fund to the Chairman of the Board of Directors.

The retirement plan described above is included in the information provided in the IPO of IMPRESA in 2000 and, since then, in all documents presenting the accounts.

IV

REMUNERATION DISCLOSURE

77. Indication of the amount relating to the annual remuneration paid as a whole and individually to members of the company's board of directors, including fixed and variable remuneration and as regards the latter, reference to its different components.

Remuneration of the Board of Directors (in euros)		
Non-executive	**Fixed (14 months)**	**Variable**
Chairman of the Board of Directors – Dr. Francisco José Pereira Pinto de Balsemão	€ 106,400.00	€ 0.00
Deputy Chairman of the Board of Directors – Eng. Francisco Maria Supico Pinto Balsemão	€ 49,000.00	n.a.
Chief Executive Officer (CEO) – Dr. Francisco Pedro Presas Pinto de Balsemão	€ 280,000.00	€ 0.00
Chairman of the Audit Committee – Dr. Alexandre de Azeredo Vaz Pinto	€ 40,012.00	n.a.
Member of the Audit Committee – Prof. Dr. António Soares Pinto Barbosa	€ 40,012.00	n.a.
Member of the Audit Committee – Dr. Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia	€ 40,012.00	n.a.
Member of the Board of Directors – Dr. José Manuel Archer Galvão Teles	€ 30,002.00	n.a.
Member of the Board of Directors – Eng. João Nuno Lopes de Castro (b)	€ 30,002.00	n.a.
Total	***€ 615,440.00***	***€ 0.00***

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

No amounts were paid, for any reason whatsoever, by other companies in a control or group relationship, or that are subject to a common control.

79. Remuneration paid as participation in profit and/or bonuses and reasons for the awarding of these bonuses and/or participation in profit.

See points 69 and 77.

80. Compensations paid or due to former executive directors relative to the termination of their functions during the financial year.

No compensation was paid under this item.

81. Indication of the annual remuneration paid, as a whole and individually, to the members of the company's supervisory body for the purposes of Law number 28/2009, of 19 June.

The members of the Audit Committee are remunerated as directors, having received, in 2018 and as referred to in point 77, the following remunerations:

Remuneration of the Members of the Audit Committee	
Dr. Alexandre de Azeredo Vaz Pinto – Chairman	€ 40,012.00
Prof. Dr. António Soares Pinto Barbosa – Member	€ 40,012.00
Dr. Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia – Member	€ 40,012.00
Total	***€ 120,036.00***

82. Indication of the remuneration in the reference year of the Chairman of the Board to the General Meeting.

The Chairman of the Board of the General Meeting Board earned the sum of 6,500 euros for the performance of his duties during the financial year of 2018.

V
AGREEMENTS WITH REMUNERATION IMPLICATIONS

83. Established contractual limitations to compensation payable for the unfair dismissal of directors and its relevance to variable component of remuneration.

There are no established contractual limitations to compensation payable for the unfair dismissal of directors.

84. Reference to the existence and description, with details of the sums involved, of agreements between the company and members of the board of directors and managers, pursuant to number 3 of article 248-B of the Securities Code that envisages compensation in the event of resignation or unfair dismissal or termination of employment following a takeover bid. (article 245-A, number 1, subparagraph l)).

There are no agreements whatsoever between the company and members of the administration body and directors, pursuant to number 3 of article 248-B of the Securities Market Code, which foresee the payment of indemnities in the case of resignation, dismissal without just cause or termination of the work contract, following a change of company control.

VI
SHARE ALLOCATION AND/OR STOCK OPTION PLANS

85. Details of the plan and persons included therein.

There is no share allocation and/or stock option system in the company.

86. Characteristics of the plan (allocation conditions, non-transfer of share clauses, criteria on share-pricing and the exercising option price, the period during which the options may be exercised, the characteristics of the shares or options to be allocated, the existence of incentives to purchase shares and/or exercise options).

See point 85

87. Stock option rights for company employees and staff.

See point 85

88. Control mechanisms for a possible employee-shareholder system inasmuch as the voting rights are not directly exercised by said employees (article 245-A, number 1, subparagraph e)).

See point 85

E. TRANSACTIONS WITH RELATED PARTIES

I
CONTROL MECHANISMS AND PROCEDURES

89. Mechanisms implemented by the Company for the purpose of controlling transactions with related parties (for this purpose, reference is made to the concept arising from IAS 24).

Requests for prior appraisal of business to be carried out between the company and owners of qualifying holdings or entities which are in any relationship with them should be made to the Audit Committee and, whenever possible, accompanied by appropriate justification, namely regarding the cost, market conditions and alternatives considered.

The Audit Committee has defined businesses that represent more than 1% of the consolidated variable costs of the Group for the year prior to that in question as being of significant relevance.

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

In 2018, the Audit Committee supervised the contracts for provision of television production, services and respective addenda, concluded between SIC and SP Televisão (Madre Group), under the Partnership Contract whose terms and conditions were analysed by the Audit Committee in November 2015.

91. Description of the procedures and criteria applicable to the intervention of the supervisory board for the purpose of prior assessment of business to be carried out

between the company and owners of qualifying holdings or entities which are in any relationship with them, under the terms of article 20 of the Securities Market Code.

See point 89.

II

DATA ON BUSINESS DEALS

92. Indication of the place where the financial statements including information on business dealings with related parties are available, in accordance with IAS 24, or alternatively a copy of this information.

The information on business dealings with related parties is reported in Note 34 of the Notes to the Consolidated Financial Statements of IMPRESA.

DIVERSITY POLICY OF THE ADMINISTRATION AND SUPERVISORY BODIES

93. Diversity policy of the administration and supervisory bodies.

At the date of entry into force of DL 89/2017, of 28 July, which laid down the obligation to present a diversity policy applied by the company relative to its administration and supervisory bodies, the administration and supervisory bodies of IMPRESA had not yet completed their term of office, 2015-2018, such that the formal definition of a diversity policy will only be applicable following the appointment of new administration and supervisory bodies.

IMPRESA has not yet defined a formal diversity policy, in the sense that it is not stated in any document and neither are there any defined procedures for its implementation. Nonetheless, diversity is an integral part of IMPRESA's organisational culture and proof of that is the vast and considerable professional experience of the Directors (as evidenced by the biographies included in this report), the fact that there is a woman who has been a member of the Board of Directors for 11 years and the age of its members, seeking to strike a balance between seniority and youth, as demonstrated by the most recent appointments of João Nuno Lopes Castro and Francisco Pedro Presas Pinto de Balsemão.

PART II

ASSESSMENT OF CORPORATE GOVERNANCE

1. Identification of the adopted Corporate Governance Code.

The company has adopted the Corporate Governance Code of the Portuguese Institute of Corporate Governance (IPCG).

2. Analysis of compliance with the adopted Corporate Governance Code.

RECOMMENDATIONS:

Chapter I - GENERAL PROVISIONS

I.1. Company's relationship with investors and disclosure

I.1.1. The Company should establish mechanisms to ensure, in a suitable and rigorous form, the production, management and timely disclosure of information to its governing bodies, shareholders, investors and other stakeholders, financial analysts, and to the markets in general.

Adopted (Chapter C, Title III, Points 54 and 55, Title IV, Points 56 to 58; Title V, Points 59 to 65)

I.2. Diversity in the composition and functioning of the company's governing bodies

I.2.1. Companies should establish standards and requirements regarding the profile of new members of their governing bodies, which are suitable according to the roles to be carried out. Besides individual attributes (such as competence, independence, integrity, availability, and experience), these profiles should take into consideration general diversity requirements, with particular attention to gender diversity, which may contribute to a better performance of the governing body and to the balance of its composition.

Adopted (Chapter B, Title II, Points 16 to 19, 25 and 26; Chapter F, Point 93)

I.2.2. The company's administration and supervisory boards, as well as their committees, should have internal regulations — namely regulating the performance of their duties, their Chairmanship, periodicity of meetings, their functioning and the duties of their members —, and detailed minutes of the meetings of each of these bodies should be carried out.

Adopted (Chapter B, Title II, a) Point 21, b) Point 22, c) Points 27 and 29)

I.2.3. The internal regulations of the governing bodies — the administration body, the supervisory body and their respective committees — should be disclosed, in full, on the company's website.

Adopted (Chapter B, Title II, b) Point 22, c) Points 27 and 29, Title III, b) Point 34)

I.2.4. The composition, the number of annual meetings of the administration and supervisory bodies, as well as of their committees, should be disclosed on the company's website.

Adopted (Chapter B, Title II, a) Points 17 and 18, b) Point 23; Title III, a) Point 31, b) Point 35)

I.2.5. The company's internal regulations should provide for the existence and ensure the functioning of mechanisms to detect and prevent irregularities, as well as the adoption of a policy for the communication of irregularities (whistleblowing) that guarantees the suitable means of communication and treatment of those irregularities, but safeguarding the confidentiality of the information transmitted and the identity of its provider, whenever such confidentiality is requested.

Adopted (Chapter C, Title II, Point 49)

I.3. Relationships between the company bodies

I.3.1. The articles of association, or other equivalent means adopted by the company, should establish mechanisms that, within the limits of applicable laws, permanently ensure the members of the administration and supervisory boards are provided with access to all the information and company's collaborators, in order to appraise the performance, current situation and perspectives for further developments of the company, namely including minutes, documents supporting decisions that have been taken, calls for meetings, and the archive of the meetings of the administration board, without impairing the access to any other documents or people that may be requested for information.

Adopted (Chapter B, Title II, a) Point 21, c) Point 29, Title III, Point 55

I.3.2. Each of the company's boards and committees should ensure the timely and suitable flow of information, especially regarding the respective calls for meetings and minutes, necessary for the exercise of the competences, determined by law and the articles of association, of each of the remaining boards and committees.

Adopted (Chapter B, Title II, a(Point 21, c) Point 29)

I.4. Conflicts of interest

I.4.1. The duty should be imposed, to the members of the company's boards and committees, of promptly informing the respective board or committee of facts that could constitute or give rise to a conflict between their interests and the company's interest.

Not adopted. The board members to be elected on 2019 general assembly will elaborate these new procedures.

I.4.2. Procedures should be adopted to guarantee that the member in conflict does not interfere in the decision-making process, without prejudice to the duty to provide information and other clarifications that the board, the committee or their respective members may request.

Not adopted. The board members to be elected on 2019 general assembly will elaborate these new procedures.

I.5. Related party transactions

I.5.1. The administration body should define, in accordance with a previous favourable and binding opinion of the supervisory body, the type, the scope and the minimum individual or aggregate value of related party transactions that: (i) require the previous authorization of the administration board, and (ii) due to their increased value require an additional favourable report of the supervisory body.

Adopted (Chapter E, Title I, Points 89 to 91)

I.5.2. The administration body should report all the transactions contained in Recommendation 1.5.1. to the supervisory body, at least every six months.

Not adopted, but all business dealings with related parties are previously authorised by the Audit Committee.

Chapter II - SHAREHOLDERS AND GENERAL MEETING

II.1. The company should not set an excessively high number of shares to confer voting rights, and it should make its choice clear in the corporate governance report every time its choice entails a diversion from the general rule: that each share has a corresponding vote.

Adopted (Chapter A, Title I, Point 1, 5 and 6, Chapter B, Title I, Points 12 to 14)

II.2. The company should not adopt mechanisms that make decision-making by its shareholders (resolutions) more difficult, specifically, by setting a quorum higher than that established by law.

Adopted (Chapter A, Title I, Point 1, 5 and 6, Chapter B, Title I, Points 12 to 14)

II.3. The company should implement adequate means for the exercise of voting rights through postal votes, including by electronic means.

Partially adopted. Existence of the exercise of voting rights through postal votes, but not by electronic means.

II.4. The company should implement adequate means in order for its shareholders to be able to digitally participate in general meetings.

Not adopted

II.5. The articles of association, which specify the limitation of the number of votes that can be held or exercised by a sole shareholder, individually or in coordination with other shareholders, should equally provide that, at least every 5 years, the amendment or maintenance of this rule will be subject to a shareholder resolution — without increased quorum in comparison to the legally established — and in that resolution, all votes cast will be counted without observation of the imposed limits.

Not applicable

II.6. The company should not adopt mechanisms that imply payments or assumption of fees in the case of the transfer of control or the change in the composition of the administration body, and which are likely to harm the free transferability of shares and a shareholder assessment of the performance of the members of the administration body.

Not adopted (Chapter A, Title I, Point 4)

Chapter III – NON-EXECUTIVE MANAGEMENT, MONITORING AND SUPERVISION

III.1. Without prejudice to question the legal powers of the chair of the administration body, if he or she is not independent, the independent directors should appoint a coordinator (lead independent director), from amongst them, namely, to: (i) act, when necessary, as an interlocutor near the chair of the board of directors and other directors, (ii) make sure there are the necessary conditions and means to carry out their functions; and (iii) coordinate the independent directors in the assessment of the performance of the administration body, as established in Recommendation V.1.1.

Not adopted

III.2. The number of non-executive members in the administration body, as well as the number of members of the supervisory body and the number of the members of the financial matters committee for the size of the company and the complexity of the risks intrinsic to its activity, but sufficient to ensure, with efficiency, the duties which they have been attributed.

Adopted (Chapter B, Title II, a) Points 17 and 18, Title III, a) Points 31 and 32)

III.3. In any case, the number of non-executive directors should be higher than the number of executive directors.

Adopted (Chapter B, Title II, Points 17 and 18)

III.4. Each company should include a number of non-executive directors that corresponds to no less than one third, but always plural, who satisfy the legal requirements of independence. For the purposes of this recommendation, an independent person is one who is not associated with any specific group of interest of the company, nor under any circumstance likely to affect his/her impartiality of analysis or decision, namely due to:

(i) Having carried out functions in any of the company's bodies for more than twelve years, either on a consecutive or non-consecutive basis;

(ii) Having been a prior staff member of the company or of a company which is considered to be in a controlling or group relationship with the company in the last three years;

(iii) Having, in the last three years, provided services or established a significant business relationship with the company or a company which is considered to be in a controlling or group relationship, either directly or as a shareholder, director, manager or officer of the legal person;

(iv) Having been a beneficiary of remuneration paid by the company or by a company which is considered to be in a controlling or group relationship, in addition to the remuneration resulting from the exercise of a director's duties;

(v) Living in a non-marital partnership or being the spouse, relative or any first degree next of kin up to and including the third degree of collateral affinity of company directors or of natural persons who are direct or indirect holders of qualifying holdings;

(vi) Being a qualifying shareholder or representative of a qualifying shareholder.

Adopted (Chapter B, Title II, a) Point 18)

III.5. The provisions of paragraph (i) of recommendation III.4 does not inhibit the qualification of a new director as independent if, between the termination of his/her functions in any of the company's bodies and the new appointment, a period of 3 years has elapsed (cooling-off period).

Not applicable

III.6. Non-executive directors should participate in the definition, by the administration body, of the strategy, main policies, business structure and decisions that should be deemed strategic for the company due to their amount or risk, as well as in the assessment of the accomplishment of these actions.

Adopted (Chapter B, Title II, a) Point 21)

III.7. The general and supervisory board should, within its legal and statutory competences, collaborate with the administration body in defining the strategy, main policies, business structure and decisions that should be deemed strategic for the company due to their amount or risk, as well as in the assessment of the accomplishment of these actions.

Not applicable

III.8. The supervisory body, in observance of the powers conferred to it by law, should, in particular, monitor, evaluate, and pronounce itself on the strategic lines and the risk policy defined by the administration body.

Adopted. The members of the Audit Committee participate in decisions, insofar as they are members of the Board of Directors and the Chairman of the Audit Committee is on, as a non-executive director, the Strategy Committee.

III.9. Companies should create specialised internal committees that are adequate to their dimension and complexity, separately or cumulatively covering matters of corporate governance, remuneration, performance assessment, and appointments.

Adopted (Chapter B, Title II c), Point 29, Chapter D, Title III, Point 67)

III.10. Risk management systems, internal control and internal audit systems should be structured in terms adequate to the dimension of the company and the complexity of the inherent risks of the company's activity.

Adopted (Chapter C, Title III, Points 50 to 55)

III.11. The supervisory body and the committee for financial affairs should supervise the effectiveness of the systems of risk management, internal control and internal audit, and propose adjustments where they are deemed to be necessary.

Adopted (Chapter B, Title II c), Point 29, Chapter C, Title III, Point 55)

III.12. The supervisory body should provide its view on the workplans and resources of the internal auditing service, including the control of compliance with the rules applied to the company(compliance services) and of internal audit, and should be the recipient of the reports prepared by these services, at least regarding matters related with approval of accounts, the identification and resolution of conflicts of interest, and the detection of potential irregularities.

Partially adopted (Chapter B, Title II b), Point 29, Chapter C, Title II, Point 49; Title III, Points 50 to 55)

Chapter IV – EXECUTIVE MANAGEMENT

IV.1. The administration body should approve, by internal regulation or equivalent, the rules regarding the action of the executive directors and how these are to carry out their executive functions in entities outside of the group.

Not adopted. Although there is no written internal regulation, the executive directors do not carry out executive functions in entities outside of the Group.

IV.2. The administration body should ensure that the company acts consistently with its objects and does not delegate powers, namely, in what regards: i) the definition of the strategy and main policies of the company; ii) the organisation and coordination of the business structure; iii) matters that should be considered strategic in virtue of the amounts involved, the risk, or special characteristics.

Adopted (Chapter B, Title II, a) Point 21)

IV.3. In matters of risk assumption, the administration body should set objectives and look after their accomplishment.

Not adopted

IV.4. The supervisory board should be internally organised, implementing mechanisms and procedures of periodic control that seek to guarantee that risks which are effectively incurred by the company are consistent with the company's objectives, as set by the administration body.

Not adopted

Chapter V – EVALUATION OF PERFORMANCE, REMUNERATION AND APPOINTMENT

V.1. Annual evaluation of performance

V.1.1. The administration body should annually evaluate its performance as well as the performance of its committees and delegated directors, taking into account the accomplishment of the company's strategic plans and budget plans, the risk management, the internal functioning and the contribution of each member of the body to these objectives, as well as the relationship with the company's other bodies and committees.

Partially adopted. The Corporate Governance Committee is responsible for evaluating the performance of the executive directors (Chapter B, Title II, b) Point 24)

V.1.2. The supervisory body should supervise the company's management, especially, by annually assessing the accomplishment of the company's strategic plans and of the budget, the risk management, the internal functioning of the administration body and its committees, as well as the relationship with the company's other bodies and committees.

Partially adopted. The Audit Committee is responsible for risk management (Chapter B, Title II, a) Point 21)

V.2. Remuneration

V.2.1. The remuneration should be set by a committee, the composition of which should ensure its independence from management.

Adopted (Chapter D, Title I, Point 66, Point 67)

V.2.2. The remuneration committee should approve, at the start of each term of office, execute, and annually confirm the company's remuneration policy for the members of its boards and committees, including the respective fixed components. As to executive directors or directors periodically invested with executive duties, in the case of the existence of a variable component of remuneration, the committee should also approve, execute, and confirm the respective criteria of attribution and measurement, the limitation mechanisms, the mechanisms for deferral of payment, and the remuneration mechanisms based on the allocation of options and shares of the company.

Adopted (Chapter D, Title III, Points 69 to 72)

V.2.3. The statement on the remuneration policy of the administration and supervisory bodies referred to in article 2 of Law number 28/2009, of 19 June, shall also contain the following:

(i) The total remuneration amount itemised by each of its components, the relative proportion of fixed and variable remuneration, an explanation of how the total remuneration complies with the adopted remuneration policy, including how it contributes to the long-term performance of the company, and information on how the performance criteria were applied;

(ii) Any remuneration from companies that belong to the same group as the company;

(iii) The number of shares and share options granted or offered, and the main conditions for the exercise of those rights, including the exercise price and date and any change thereof;

(iv) Information on the possibility to request the reimbursement of variable remuneration;

(v) Information on any deviation from the procedure for the implementation of the approved remuneration policy, including the explanation of the nature of the exceptional circumstances and the indication of the specific elements subject to derogation;

(vi) Information on the enforceability or non-enforceability of payments claimed in regard to the termination of office by directors.

Partially adopted, namely, in relation to sub-points (i), (ii) and (iii).

V.2.4. For each term of office, the remuneration committee should also approve the directors' pension benefit policies, when provided for in the articles of association, and the maximum amount of all compensations payable to any member of a board or committee of the company due to the respective termination of office.

Not adopted with regards to the pension scheme (the plan in force for the CBD is prior to IMPRESA's stock market flotation. Not adopted with regards to the second aspect.

V.2.5. In order to provide information or clarifications to shareholders, the chair or, in case of his/her impediment, another member of the remuneration committee should be present at the annual general meeting, as well as at any other, whenever the respective agenda includes a matter linked with the remuneration of the members of the company's boards and committees or, if such presence has been requested by the shareholders.

Adopted (Chapter D, Title III, Point 69).

V.2.6. Within the company's budgetary limitations, the remuneration committee should be able to decide, freely, on the hiring, by the company, of necessary or convenient consulting services to carry out the committee's duties. The remuneration committee should ensure that the services are provided independently and that the respective providers do not provide other services to the company, or to others in controlling or group relationship, without the express authorisation of the committee.

Adopted (Chapter D, Title III, Point 67)

V.3. Director remuneration

V.3.1. Taking into account the alignment of interests between the company and the executive directors, a part of their remuneration should be of a variable nature, reflecting the sustained performance of the company, and not stimulating the assumption of excessive risks.

Adopted (Chapter D, Title III, Point 69)

V.3.2. A significant part of the variable component should be partially deferred in time, for a period of no less than three years, thereby connecting it to the confirmation of the sustainability of the performance, in the terms defined by a company's internal regulation.

Adopted (Chapter D, Title III, Point 69)

V.3.4. When variable remuneration includes the allocation of options or other instruments directly or indirectly dependent on the value of shares, the start of the exercise period should be deferred in time for a period of no less than three years.

Not applicable

V.3.5. The remuneration of non-executive directors should not include components dependent on the performance of the company or on its value.

Adopted (Chapter D, Title III, Point 69)

V.3.6. The company should be provided with suitable legal instruments so that the termination of a director's time in office before its term does not result, directly or indirectly, in the payment to such director of any amounts beyond those foreseen by law, and the company should explain the legal mechanisms adopted for such purpose in its corporate governance report.

Not adopted

V.4. Appointments

V.4.1. The company should, in terms that it considers suitable, but in a demonstrable form, promote that proposals for the appointment of the members of the company's governing bodies are accompanied by a justification in regard to the suitability of the profile, the skills and the curriculum vitae to the duties to be carried out.

Not adopted.

V.4.2. The overview and support to the appointment of members of senior management should be attributed to a nomination committee, unless this is not justified by the company's size.

Not adopted (not justified by the shareholder structure and company's size)

V.4.3. This nomination committee includes a majority of non-executive, independent members.

See previous point V.4.2.

V.4.4. The nomination committee should make its terms of reference available, and should foster, to the extent of its powers, transparent selection processes that include effective mechanisms of identification of potential candidates, and that those chosen for proposal are those who present a higher degree of merit, who are best suited to the demands of the functions to be carried out, and who will best promote, within the organisation, a suitable diversity, including gender diversity.

See point V.4.2.

Chapter VI - RISK MANAGEMENT

VI.1. The administration body should debate and approve the company's strategic plan and risk policy, which should include a definition of the levels of risk considered acceptable.

Partially adopted (Chapter B, Title II, a), Point 21)

VI.2. Based on its risk policy, the company should establish a system of risk management, identifying (i) the main risks it is subject to in carrying out its activity; (ii) the probability of occurrence of those risks and their respective impact; (iii) the devices and measures to adopt towards their mitigation; (iv) the monitoring procedures, aiming at their follow-up; and (v) the procedure for control, periodic evaluation and adjustment of the system.

Partially adopted (Chapter C, Title III, Points 50 to 55)

VI.3. The company should annually evaluate the level of internal compliance and the performance of the risk management system, as well as future perspectives for amendments of the risk framework previously defined.

Not adopted (Chapter C, Title III, Points 50 to 55)

Chapter VII – FINANCIAL INFORMATION

VII.1. Financial information

VII.1.1. The supervisory body's internal regulation should impose the obligation to supervise the suitability of the preparation process and the disclosure of financial information by the administration body, including suitable accounting policies, estimates, judgements, relevant disclosure and its consistent application between financial years, in a duly documented and communicated form.

Adopted (Chapter B, Title II, c), Point 29)

VII.2. Statutory audit of accounts and supervision

VII.2.1. Through the use of internal regulations, the supervisory body should define:

(i) The criteria and the process of selection of the statutory auditor;
(ii) The methodology of communication between the company and the statutory auditor;
(iii) The monitoring procedures destined to ensure the independence of the statutory auditor;
(iv) The services, besides those of accounting, which may not be provided by the statutory auditor.

Not adopted (Chapter B, Title II, c) Point 29; Title III, c), Point 37; Title IV, Point 41)

VII.2.2. The supervisory body should be the main interlocutor of the statutory auditor in the company and the first recipient of the respective reports, having the powers, namely, to propose the respective remuneration and to ensure that adequate conditions for the provision of services are ensured within the company.

Adopted (Chapter B, Title II, c), Point 29)

VII.2.3. The supervisory body should annually assess the services provided by the statutory auditor, their independence and their suitability in carrying out their functions, and propose their dismissal or the termination of their service contract by the competent body when this is justified for due cause.

Adopted (Chapter B, Title II, c) Point 29; Title IV, Point 41; Title V, Point 44)

VII.2.4. The statutory auditor should, within their powers, verify the application of policies and systems of remuneration of governing bodies, the effectiveness and the functioning of the mechanisms of internal control, and report any irregularities to the supervisory body.

Partially adopted. The Statutory Auditor, within the scope of his duties, verifies the remuneration paid to the governing bodies. In addition, during the annual audit, the Statutory Auditor obtains an understanding of the relevant internal control for the audit, with the aim of drawing up audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. The deficiencies identified are reported by the Statutory Auditor to the Audit Committee and to the Board of Directors.

VII.2.5. The statutory auditor should collaborate with the supervisory body, immediately providing information on the detection of any relevant irregularities as to the accomplishment of the duties of the supervisory body, as well as any difficulties encountered whilst carrying out their duties.

Adopted. The Statutory Auditor regularly provides information to the Audit Committee on the progress and conclusion of its work, reporting all the information of which it is aware on any relevant irregularities for the performance of the Audit Committee's supervisory duties, as well as any difficulties that if faced while performing its functions.

Lisbon, 28th February 2019

The Board of Directors

Francisco José Pereira Pinto de Balsemão

Francisco Maria Supico Pinto Balsemão

Francisco Pedro Presas Pinto de Balsemão

Alexandre de Azeredo Vaz Pinto

António Soares Pinto Barbosa

Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia

José Manuel Archer Galvão Teles

João Nuno Lopes de Castro

CONSOLIDATED REPORT

NON-FINANCIAL INFORMATION - 2018

(SOCIAL, ENVIRONMENTAL AND GOVERNMENTAL DIMENSION)

Annual Report 2018

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

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INTRODUCTION

The IMPRESA Group is aware of and fully undertakes its additional social responsibility, since most of its companies operate in the media area, and due to the consequent impact on society.

Every year, IMPRESA promotes a number of initiatives, both externally and internally, that transmit values, that put into practice and favour, and reflect its concerns about sustainability, such as:

- Defence of freedom of expression;
- Role of the independent media and quality in the functioning of democracy;
- Development of strong relations with stakeholders, local communities and Portuguese society in general;
- Focus on talent and human capital;
- Conservation and defence of the environment.

In this context, throughout the year of 2018, several actions were developed by the Group's main media asset’s, being the object of reference in the following pages.

1. COMMITMENT AND SOCIAL RESPONSIBILITY DIMENSION

1.1. EXTERNAL LEVEL

1.1.1 SIC ESPERANÇA

SIC Esperança is a Private Institution of Social Solidarity (IPSS), of public utility, transversal to the IMPRESA Group, whose purpose is to sensitise civil society to social problems existing in Portugal. To this end, it works in partnership with companies to finance projects and with institutions that carry them out under its supervision, in order to contribute to the minimisation of these problems and to the construction of a fairer and less unequal country.

SIC Esperança counted on the IMPRESA Group for the dissemination of several social solidarity actions:

Throughout 2018, the SIC, SIC Notícias and SIC Mulher channels provided about 20 hours free of charge in the public service slot. 56 campaigns of Private Social Solidarity Institutions were announced, in particular: Liga Portuguesa Contra o Cancro [Portuguese League Against Cancer], Pais 21, APELA, Fundação Portuguesa de Cardiologia [Portuguese Foundation of Cardiology], Conselho Português para os Refugiados [Portuguese Council for Refugees], Associação Portuguesa de Cuidados Paliativos [Portuguese Association of Palliative Care].

Projects

In the first quarter, SIC Esperança presented the Strategic Plan for the three-year period 2018/2020 based on four pillars: two focused on the IMPRESA Group and two focused on its contribution to civil society:

Strategic objective 1: Coordinate work in the social sector of the IMPRESA Group
Strategic objective 2: Contribute to the feeling of belonging and cohesion in the IMPRESA Group
Strategic objective 3: Streamline partnerships for the implementation of projects
Strategic objective 4: Contribute to the sustainability of the Tertiary Sector

- As the only Private Institution of Social Solidarity belonging to a Group in the Media Sector in Portugal, SIC Esperança occupies a privileged place in terms of social mobilisation and the possibility of being an aggregator of resources from civil society. In this regard, it defined social innovation, awareness raising and social emergency as priority areas for intervention in the current three-year period.

- As part of the partnership established with the organisation of the 39th Rotary Golf Tournament, SIC Esperança created a funding line for the acquisition of new equipment for Technical Assistance Banks managed by Social Solidarity Institutions. This project will benefit around one hundred users of four institutions: Centro Social Paroquial de Santa Catarina [Social Centre of Santa Catarina Parish], Centro Social S. Tiago de Lobão [S. Tiago de Lobão Social Centre], Grupo Social de Favaios [Favaios Social Group] and Médicos do Mundo [Doctors of the World].

- On the 8th February 2018, the results of the first year of the Atelier Digital project, a partnership between SIC Esperança, Google and the Coordinating Council of the Polytechnic Institutes of Higher Education, were presented. It consisted of a free online platform aimed at training young Portuguese in digital marketing, thus contributing to the development of entrepreneurship in Portugal. Since the launch, at the end of 2016, more than 35 thousand Portuguese had access to training.

- In June 2018, the first edition of the GEN10S Portugal Project was completed, where 4,749 students from lower secondary school and about 600 teachers from all over the country, were trained in Scratch programming. The results were presented at an event on the 21st June, where students from several participating schools were present and who had the opportunity to enjoy an afternoon of technological activities. Due to the success of this edition, a 2nd edition will be launched in 2019, with the objective of training 6,000 lower secondary school students.

- Following the fires of June 2017, SIC Esperança followed the project Um Abraço a Portugal, which reconstructed 25 houses in the three most affected municipalities, Pedrógão Grande, Castanheira de Pera and Figueiró dos Vinhos. Of these 25 interventions, 11 were total reconstruction and 14 partial reconstruction works.

- As a social partner of the 2018 edition of the Expresso/BPI Golf Cup, SIC Esperança allocated the amount raised to the project PIPOP – Portuguese Information Portal for Paediatric Oncology, of the Osório de Castro Foundation. This portal was created in 2011 with the purpose of informing and clarifying the population, especially parents of children with cancer, on issues related to paediatric oncology, to better know and live with the disease. The support of the Expresso/BPI Golf Cup will allow this portal to remain active and the beneficiaries can have access to new scientific contents, translated into the Portuguese language, allowing them to follow the progress of scientific research in this area.

- The Portugal Mais Acessível [More Accessible Portugal] project, of the Salvador Association, was awarded the 25 Years SIC Solidarity Prize and consisted in the development of a set of initiatives aimed at promoting the debate on the lack of accessibility in our country.

  Among the initiatives developed are:

  - The launch of the app + Acesso Para Todos, whose purpose is to classify public spaces at the level of accessibility, automatically generating complaints to the competent entities in case of non-compliance. In just eight months 2,600 classifications were created and more than 600 complaints were produced;
  - The organisation of several walks through the streets of Lisbon with the aim of sensitising the owners of establishments and the population in general to the importance of accessibility;
  - The creation of two impactful videos on the day-to-day difficulties of people with reduced mobility;
  - Several initiatives that have warned against breaching the law of accessibility by the State itself, such as schools (which are polling stations), courts, finance departments, among others.

- Through the value raised by electricity sales from the Solar School 2010 project, SIC Esperança supported the project Inspira o Teu Professor [Inspire Your Teacher], of the Acessível Êxito - Association, which aims to help reinforce the social mission of teachers and strengthen the recognition of their role. For this, the students participated in several

activities with the objective of reflecting on the importance of teachers in their life, being further challenged to produce contents to value the profession and education. The purpose of this action was to motivate teachers in order to improve the quality of teaching and students' school performance.

- For the 6th consecutive year, a Christmas project was launched by SIC Esperança and Porto Editora in November and December, in which, for each children's book sold with the Alfa & SIC Esperança Christmas Campaign sticker, 1 euro reverted to support the project Café com Vida [Coffee Shop with Life], of the Vila Com Vida Association. This project aims to provide a post-school response to young people with Mild Disorders of Intellectual Development. In a modern, current and inclusive coffee shop, these young people find paid employment, serving the public, in a space where the conviviality between clients and employees is natural and healthy.

15th Anniversary - SIC Esperança

SIC Esperança celebrated its 15th anniversary on the 6th October and it marked the date with a plan of initiatives, both internal and external, that will be launched throughout one year. The commemorations programme aims to:

- Consolidate the position of SIC Esperança as a reference entity of the tertiary sector;
- Increase its notoriety;
- To divulge the work developed during its 15 years of existence;
- Communicate its new brand image.

From the initiatives contained in the action plan, the following were developed:

- Presentation of the new logo;
- Launch of a commemorative campaign to publicise the work of SIC Esperança over its 15 years of existence;
- Creation of the SIC Esperança Anthem that counted, for its composition and interpretation, with the collaboration of the musician José Cid and of the producer Viagens a Marte;
- Collection and management of information with the purpose of carrying out a social impact study of the 15 years of the work carried out by SIC Esperança;

- Launch of the 15 Years SIC Esperança Special Prize, with the support of Delta Cafés, which consisted of a 45,000 euros financing line. A total of 384 applications were received, the winners being: the Crescer Association, with the project É um Restaurante [It's a Restaurant], which intends to create a restaurant in Lisbon where only people who have been homeless will work; Unitate, with the iCare project, which consists of the development of an APP to facilitate the management of user data, improving the effectiveness of IPSS work; and the Santa Casa da Misericórdia de Mirandela, with the project ILLUMINART, which aims to implement a programme of sensory stimulation in its unit of continuous care, in order to humanise it. Given the quality of the projects presented, an honourable mention was also given to the Social Centre of Soutelo, for the SOS Rio Tinto project, which consists of repair work in elderly people's homes carried out by volunteers trained by specialised technicians;
- Broadcasting of the SIC Esperança Christmas Circus on SIC, on the 22nd December. More than 100 children from partner institutions of SIC Esperança had the opportunity to watch the recordings of this broadcast. In parallel, and in partnership with the Air Force, SIC Esperança provided flight baptisms to about one hundred children of Social Solidarity Institutions.

Internal Actions

- Following the project "Um Abraço a Portugal", and to mark the work of reconstruction of housing in Pedrógão Grande, SIC Esperança organised a volunteer action that brought together employees of the IMPRESA Group from Oeiras and Matosinhos for the first time. With its efforts it was possible to remodel two institutions of social solidarity, the Associação de Melhoramentos [Association of Improvements], Cultura e Recreio dos Escalos Cimeiros [Culture and Recreation of Escalos Cimeiros] and the Associação de Melhoramentos [Association of Improvements], Cultura e Recreio de Pesos Vale de Álvares e Tojeira [Culture and Recreation of Pesos Vale de Álvares e Tojeira], on 25th, 26th and 27th May.
- SIC Esperança organised the 2nd IMPRESA holiday camp, aimed at children of the Group's employees. During the week of 9th-14th July, 41 children and youngsters from 6

to 15 years of age enjoyed a variety of dynamic and pedagogical experiences that provided moments of conviviality and unity.

- In October - the internationally recognised month for the fight against breast cancer - the IMPRESA Group hosted, at its premises in Carnaxide and Paço de Arcos, Novartis' Time to Live campaign, which was intended to generate a message of hope for women with this type of cancer and at the same time sensitise the population to the issue. Through the installation of a small photographic studio, the Group's employees were invited to "give their face" for this cause, having collected a total of 321 photographs over two days, and creating a video with the associated photographs later.

Other initiatives

- With the support of the IMPRESA Group, SIC Esperança, as a Private Institution of Social Solidarity, promoted a campaign to donate to this entity the assignment of 0.5% of the IRS. The journalist Bento Rodrigues was the image for this campaign.
- As a social partner of Rock In Rio, SIC Esperança awarded 1,000 tickets to beneficiaries of 38 Social Solidarity Institutions in the country, who were able to attend the shows on the 29th and 30th June, in an initiative aimed at continuing to fight for access to culture for all.
- In partnership with SIC's Volante programme, SIC Esperança identified two social solidarity institutions that were part of a solidarity programme at Christmas. About 50 children were visited by hosts of the programme who distributed Christmas gifts to the children of the institutions.

1.1.2. CULTURE

The media of the IMPRESA Group continued to support cultural events in 2018, through the dissemination of content and other forms:

Support to performing arts and other cultural initiatives

In the area of musical and cultural performances, the SIC Group supported a total of 70 events related to music, the performing arts or culture. In almost all of these events, the SIC brand was present at the event, so as to enhance proximity. To highlight some of these events, Rock In Rio,

Super Bock Super Rock, Sumol Summer Fest, Meo Sudoeste Sol da Caparica and EDP Vilar de Mouros.

Special conditions for advertising

Culture and shows and other events of an institutional nature benefited from discounts on advertising prices on Grupo IMPRESA brands.

1.1.3. INSTITUTIONAL INITIATIVES

The IMPRESA Group sought, during 2018, to promote and distinguish people and institutions, and use its resources to draw attention to major current affairs.

1.1.3.1. Expresso

Pessoa Award

Launched in 1987, by Expresso, this is one of the most important awards in the country, attributed every year to a Portuguese personality with relevant intervention in scientific, artistic and literary life.

The 2018 Jury was composed by Francisco Pinto Balsemão (Chairman), Emídio Rui Vilar (Deputy Chairman), Ana Pinho, António Barreto, Clara Ferreira Alves, Diogo Lucena, Eduardo Souto Moura, José Luis Porfírio, Maria Manuel Mota, Maria de Sousa, Pedro Norton, Rui Magalhães Baião, Rui Vieira Nery and Viriato Soromenho Marques

In 2018, the prize of 60,000 euros was awarded to Miguel Bastos Araújo, "The geographer and researcher is today internationally recognised as one of the most creative and influential scientific personalities in biogeography, macroecology and ecological modeling," said Francisco Pinto Balsemão at the ceremony about the researcher of the National Museum of Natural Sciences in Madrid and also a lecturer at the Universities of Copenhagen and Évora.

This award is offered in partnership with Caixa Geral de Depósitos.

Primus Inter Pares Award

Launched in partnership with Banco Santander Totta, its objective is to contribute to the development of a culture of rigour, professionalism and excellence in business management, by granting special opportunities for supplementary academic training, national and international, to three final year Master's students following a licentiate degree in Business Management, Economics or Engineering, from Portuguese Universities, Schools or other Higher Education Institutions, chosen each year by the selection board as the most outstanding.

The prize for the three winners consists of an MBA in a *Business School* of national and international prestige: IESE in Barcelona, *IE Business School*, in Madrid, *Lisbon MBA*, ISCTE, ISEG and *Porto Business School*. The 4th and 5th winners receive a postgraduate course.

The selection board of the Primus Inter Pares Award is composed of Francisco Pinto Balsemão (Chairman), António Vieira Monteiro (Deputy Chairman), Estela Barbot, António Vitorino and Raquel Seabra.

The winner of the Primus Inter Pares 2017/18 Prize was João Ramadas, an ISCTE graduate in Management and a master's degree from Católica.

Branquinho da Fonseca Award

Organised in partnership with the Calouste Gulbenkian Foundation, the objective of this biannual award, with the value of 5,000 euros and guaranteed publication of the winning works, is to encourage young writers of literature for children and young people.

The selection board is composed by Ana Maria Magalhães, Rita Taborda Duarte, José António Gomes, Henrique Monteiro, representative of the EXPRESSO newspaper, and Maria Helena Melim Borges, representative of FCG.

In the last edition, for 2017, the Branquinho da Fonseca Prize was awarded to Fábio Monteiro, for the children's books category, with the work " A construção do mundo [The construction of the world]", and Inês Barata Raposo, for the young people category, with the work " Coisas que Acontecem [Things that happen]". The next edition will take place in 2019.

I have cancer. So what? Initiative

#

I have cancer. So what? is a project of SIC Notícias and EXPRESSO where we challenged 5 women to share with us the challenges of living with the disease.

With the sponsorship of Novartis, we launched over ten weeks, 5 videos with 5 challenges, life stories of extraordinary women who live every day with breast cancer. Challenges that have resulted in 3 debates where we call on the big stakeholders to talk about issues that are structural, mobilising doctors, health officials, patient associations and all who can make a difference.

The five challenges were talked about in SIC Notícias and later the website www.tenhocancroedepois.pt, where 400,000 people interacted:

1. **The challenge of a normal life**. The lack of alternatives (consumption) for people with breast cancer. Forced and early retirement. The (good) and urgent side of enjoying life.
2. **Family challenges**. The divorce rate, the psychological support to husbands, the impact on the children, among others.
3. **The income challenges**. The difficulty for those who work on receipts (self-employed), the challenge of finding post-treatment employment, the costs implicit to this chronic disease, the fall in income due to sick leave, among others.
4. **The challenges at work**. Pressure in the workplace, drop in productivity and the effect on appraisals, the pressure to quit the job, the husbands' need to have flexible schedules to follow the treatments, among others.
5. **When the disease returns and new treatments**. Up to what age should we treat cancer patients? What type of medications should be available? What should change in the protection (insurance) to these cases?

ESSILOR Car of the Year | Crystal Wheel Trophy 2018/2019

The annual "CAR OF THE YEAR" award aims to reward the model that represents, simultaneously, a significant technological advance in the scope of the national automobile market and the best commitment to the Portuguese motorist in terms of economy (price and costs of use), safety and driving enjoyability.

At the same time, maintaining the generality of its assumptions, the best automotive products (version) are awarded in distinct segments of the national market. These awards include seven classes: City, Family, Executive, Sport (includes convertibles), Large SUV, Compact SUV and Eco-Friendly. The winner of each class receives its title and may bear the distinction of each of the seven classes mentioned.

A reference, also, to the Eco-Friendly prize of the year. A special distinction reserved for vehicles with electric or hybrid engines (combining electric motor and thermal engine). The focus in this category is energy efficiency, consumption, emissions and autonomy, approved by the brand, also taking into account the consumptions revealed during the tests of the selection board, as well as the real autonomy in daily use.

The format of the 36th edition comprises a selection board composed of 20 specialised journalists, representing the print media, digital media, radio and television, in a search for plurality of opinions. For the second time, since the trophy has existed, the three largest Portuguese television channels, SIC, TVI and RTP, are members of the selection board.

- **Technology and Innovation Award**

  In the 36th edition of the CAR OF THE YEAR Trophy, the organisation will again select five innovative and technologically advanced devices that directly benefit both driving and the driver, which will be appreciated and then voted by the selection board members simultaneously with the final vote.

Global Management Challenge

This Portuguese initiative launched 39 years ago, in a partnership between Expresso and SDG – Simuladores e Modelos de Gestão is currently implemented in about 40 countries, spread over four continents. Over the course of its lifetime, more than half a million participants have been involved worldwide, mainly university students and business executives.

In this strategy and management competition, the teams have a company to manage. Throughout the competition, they make decisions about its fate. In the end, the company with the best results wins.

For university students, the Global Management Challenge acts as a formative experience complementary to the academic training. In the case of business executives, by taking on this challenge, they have the opportunity to refresh and test knowledge and to reinforce teamwork and leadership roles.

Valued by national business, this initiative counts on the sponsorship and support of prestigious companies and national and international institutions. They include Accenture, EDP, Staples, Intrum, Millennium BCP, REN, Garantia Mútua, Fidelidade, TAP, IAPMEI – Agência para a Competitividade e Inovação [Agency for Competitiveness and Innovation], IEFP – Instituto de Emprego e Formação Profissional [Institute of Employment and Vocational Training], SIC, IT Sector and UPP Out.

The Global Management Challenge has become the largest competition in the world, which takes place in dozens of countries throughout the 5 continents. Among them, in addition to Portugal, Brazil and Angola, Cameroon, Kenya, Côte d'Ivoire, Africa, Panama, Latin America, the United Arab Emirates (where last year's final took place) in Dubai, Qatar, India, China and the Special Autonomous Regions of Hong Kong and Macao, and, of course, several countries in Europe.

Global Investment Challenge

Expresso and SDG – Simuladores e Modelos de Gestão launched a competition for financial literacy 6 years ago, where each participant can invest and test their knowledge on the Stock Exchange. The Global Investment Challenge is a competition with free registration, with the support of *Euronext*, using Banco Best's online trading platform. The winner is the participant whose portfolio shows the highest yield at the end.

The competition has two categories: "General", where the overall valuation of each participant's portfolio is measured and "Students", where the valuation of the students' portfolio is measured. Participants with the nickname jota007 and Rodrigo255 were the winners of the general and student category, respectively, of the sixth edition of the Global Investment Challenge.

The winners of the two categories receive a trip to Amsterdam, which includes a visit to the city's Stock Exchange as a prize.

1.1.3.2. EXPRESSO ECONOMY AWARDS

In 2018, Expresso created new awards, with the support of Informa D&B and Deloitte, and in partnership with Caixa Geral de Depósitos.

The 1st edition of the Expresso Economy | Caixa Geral de Depósitos Prize, which took place in the CDG headquarters building, on the 18th December, awarded a number of companies and entrepreneurs for their merit, courage and excellent work. The Entrepreneur of the Year also received an award.

Farfetch, a British company founded by the Portuguese José Neves, was the winner of the Expresso Economy Prizes in the category Exports - Turnover between € 50 and € 100 million - and already points to new barriers

It was the first unicorn (company valued at more than 1 billion euros) with Portuguese DNA and that continues to its increase turnover. It is headquartered in London and has four offices in Portugal located in Matosinhos, Lisbon, Braga and Guimarães.

Paula Amorim was honoured as Entrepreneur of the Year, another prize awarded by Expresso and Caixa Geral de Depósitos.

1.1.4. RELATIONS WITH STAKEHOLDERS

The presence of the IMPRESA Group in the various associations, regulatory and self-regulatory bodies, remains consolidated, which allows it to participate actively in decisions that are relevant to its activity. This position continued to be affirmed during 2018 with intervention in debates and proposals of alternatives to projects of diplomas, directives and/or norms that the Government and other Entities, at national and European level, submitted for public consultation or entities in which the IMPRESA Group is represented.

During 2018, the IMPRESA Group maintained and/or reinforced its presence in the corporate bodies of the following associative entities, as well as with Regulatory Entities:

- ACEPI – Associação do Comércio Eletrónico e da Publicidade Interativa [Association of Electronic Commerce and Interactive Advertising (Board of Directors)]
- AEM – Associação de Empresas Emitentes de Valores Cotados em Mercados [Association of Companies Issuing Securities Listed in Markets (Presidency of the General Council)]
- AEP – Associação Empresarial de Portugal [Business Association of Portugal (General Council)]
- AIP/CE – Associação Industrial Portuguesa/Confederação Empresarial [Portuguese Industrial Association/Corporate Confederation (Deputy Chairman of the Board of Directors)]
- AMD – Associação de Marketing Direto [Direct Marketing Association (Board of Directors)]
- ANACOM - Autoridade Nacional de Comunicações [National Communications Authority (Advisory Board)]
- ANETIE – Associação Nacional das Empresas de Tecnologia de Informação e Eletrónica [National Association of Information Technology and Electronic Companies (Presidency of the General Assembly)]
- APCT – Associação Portuguesa para o Controlo de Tiragem e Circulação [Portuguese Edition and Circulation Control Association (Deputy Chairman of the Board of Directors)]
- APCT – Associação Portuguesa para o Desenvolvimento das Comunicações [Portuguese Association for the Development of Communications (Board of Directors)]
- APDSI – Associação para a Promoção e Desenvolvimento da Sociedade de Informação [Association for the Promotion and Development of the Information Society (General Council)]
- API – Associação Portuguesa de Imprensa [Portuguese Press Association (Chairman of the Board of Directors)]
- CAEM – Comissão de Análise e Estudos de Meios [Commission for Media Analysis and Studies (Media Section and Technical Committee)]
- CCPJ – Comissão da Carteira Profissional de Jornalista [Professional Journalist Certification Commission (Executive Secretariat)]
- Comissão de Classificação dos Meios de Comunicação Social [Media Classification Committee (Chair)]

- COTEC - Associação Empresarial para a Inovação [Business Association for Innovation (Presidency of the General Assembly)]
- ERC – Entidade Reguladora para a Comunicação Social [Social Communication Regulatory Entity (Advisory Board)]
- Fórum para a Competitividade [Competitiveness Forum (Advisory Board)]
- GEDIP – Associação para a Gestão Coletiva de Direitos de Autor e de Produtores Cinematográficos e Audiovisuais [Association for the Collective Management of Copyrights and Cinematographic and Audiovisual Producers (Presidency of the General Assembly)]
- ICAP – Auto Regulação Publicitária [Advertising Self-Regulation (Presidency of the General Assembly)]
- MAPINET – Movimento Cívico Anti Pirataria na Internet [Internet Anti-Piracy Civic Movement (Board)]
- NP – Notícias de Portugal [News from Portugal (Presidency of the Board of Directors)]
- OBERCOM – Observatório da Comunicação [Communication Observatory (Board of Directors)]
- PMP – Plataforma de Media Privados [Private Media Platform (Presidency of the General Council)]
- VISAPRESS – Cooperativa de Gestão de Conteúdos [Contents Management Cooperative (Board of Directors)]

The defence of freedom of information, the independence and sustainability of media companies were consistently advocated both within these bodies and before the Government, European Commission and members of the European Parliament:

1.1.4.1. Before the Government, Parliamentary Groups and other Entities

Throughout 2018, the IMPRESA Group closely followed the evolution of the main initiatives of the Government and Parliament in the area of Social Communication, highlighting:

1. General Regulation of Data Protection
    - Follow-up of its implementation, starting on the 25th May, seeking clarification of doubts with the National Commission on Data Protection.

- Participation in several meetings with the Working Group of Parliament's 1st Committee and members of the government to discuss the complementary laws to the application of the Regulation, namely the Proposed Law 120/XIII, Article 24, which deals with freedom of expression, information and press, including the processing of data for journalistic purposes.
- Follow-up of proposals for law 125/XIII and 126/XII on the processing of personal data for the application of sanctions and the processing of data relating to the judicial system.

2. New Copyright Policy for the digital single market and Related Rights of Publishers
   - Follow-up of discussions at national and European level and voting by the European Parliament on the 12th September on the text of the proposal for a directive to be carried over to the following year, entering into the tripartite negotiation phase (Parliament, Commission and Council).
3. Advertising Code
   - Monitoring of evolution, within the 6th Commission Working Group, of the different trends in commercial communication of high calorie food products for children and young people.
4. Participation, with particular commitment, in opposition to the business of the purchase of Media Capital by Altice, which was made unfeasible by the Competition Authority.
5. Development of actions at all levels to ensure that electronic VAT equals that of paper (6%) and that this measure was already part of the State Budget for 2019, which was achieved.
6. Follow-up of the evolution of the decisions about the new channels in DTT, from the opinion of ERC until the opening of the Public Tender, whereby this part was moved to 2019.
7. Fake News

- Study of legislation in force or in progress in some European Union countries with a view to creating alerts and defenses against the intrusion of this new tool in the manipulation of information in general and particularly in the campaigns and results of the upcoming elections.

8. Responses to the different Public Consultations from the European Commission, ERC, ANACOM or the Competition Authority and, the exercise of its regulatory, supervisory and sanctioning functions, as well as the Deliberations, Recommendations, Regulations, Studies and Reports of these Entities were followed.

IMPRESA participated in the discussion of all these topics, within its interests, both directly and indirectly through the organisations, entities and institutions to which it is linked.

1.1.4.2. In the different bodies:

ANACOM - Autoridade Nacional de Comunicações [National Communications Authority]

Following on from SIC's claim, initiated in the previous year, for ANACOM to re-evaluate the price of the service provided by MEO on the DTT platform based on the space actually occupied by each television programme service, this demand was reinforced during 2018. And, on the understanding of the prices to be attributed to the State channels and the two private channels, SIC denounced the existence of a clear violation of the principle of non-discrimination, favouring in an anti-competitive manner the public service operator, to the detriment of private operators on the DTT platform.

Finally, on the 22nd November, ANACOM decided to attribute to MEO the application of the annual price of 885.1 thousand euros per Mbps, in compliance with the principles and requirements established in paragraphs 3, 4 and 6 of article 4 of Law 33/2016 and in numbers 18.2, 18.3. and 18.7 of DUF DTT, which corresponds to a 15.16% reduction in the annual prices per Mbps charged to television operators for the provision of the transmission and broadcasting of the DTT signal.

APCT - Associação Portuguesa para o Controlo de Tiragem e Circulação [Portuguese Association for the Development of Communications]

Throughout the year, there was a more widespread focus on digital editions, especially in the regional press, as printed editions recorded increases in paper costs, along with sales losses. It was therefore necessary to further clarify the application of the Complementary Regulation for Digital Editions. At the same time, a renewal of the site was started, in order to make information more complete and easier to consult. Equipment that was becoming obsolete was also replaced.

As a result of the crisis, the year 2018 was marked by the loss of 14 members, thus distributed: 6 of the regional press, 3 due to bankruptcy (in the areas of childcare and occult sciences), 2 in the automobile market and 3 low circulation journals linked to various businesses. In contrast, only 2 magazines were added, both looking at health issues. In view of this situation, there was a need to reduce the number of staff members in order to maintain the balance of the financial year.

Bimonthly and annual audits continued with selected analysis, both on paper and digital.

Contacts were maintained with foreign counterparts.

CAEM – Comissão de Análise e Estudos de Meios (Media Analysis and Research Committee)

It was a year of intensive meetings, both at the level of the Directorate, the Media Section and the Technical Advisory Committee on Television. This was justified by the proximity of the renewal or extension of the contract with GFK.

It was therefore necessary to:

- Develop new technical specifications for the measurement of television audiences.
- Discuss and update panels based on INE estimates for age and gender variables and, in the Establishment Survey, for the variable television subscription ownership.

Alongside all this, CAEM maintained the performance of the other functions assigned to it:

- Continuous monitoring of the live and deferred television audience measurement system;
- Monitoring of BAREME RÁDIO;

- Monitoring of BAREME IMPRENSA;
- Monitoring of NETSCOPE and NETPANEL of Markest;
- Monitoring of the Multimedia Monitor study on Internet Advertising Investments.

CCPJ (Professional Journalist Certification Commission)

Participation in several meetings with the Government and Parliament (1st and 6th Commissions), as well as with offices of parties with a seat in Parliament, to discuss and defend the interests of the media and freedom of the press in various fields:

- General Regulation on Data Protection - Draft Law 120/XIII, especially article 24, on the processing of data for journalistic purposes, ensuring freedom of information without security restrictions.

- Amendments to the Advertising Code - Draft Law of PS, PAN and PEV - with regard to commercial communication of foods and beverages with a high energy value, addressed to children under 16 years.
  The restrictions presented in the first proposal would cause serious billing breaks.

- In addition to the various interventions on these subjects, which dragged on during the course of the year without a conclusion, the CCPJ took a public position whenever matters that required their interpretation of the Journalist's Statute or the Professional Certification Regulation.

Between the first issues and renewals, 4,610 titles were distributed and evaluated, distributed by professional certification, provisional internship title, correspondent's card, collaborator and the equivalent

In addition to the weekly meetings of the Executive Secretariat, the Plenary, an extended body of the CCPJ met six times during the year to discuss its competence.

The CCPJ was present in several conferences and/or debates, some of the initiative of the regional press, participating in the clarification of doubts raised by editors and journalists.

The CCPJ was part of the Lusófona Network Foundation for the duality of information, made up of representatives of civil society, media and journalists, Portuguese-speaking universities, regulatory entities, orders and institutes whose purpose is to create spaces for discussion, training and production of scientific and civic content.

ICAP – Auto Regulação Publicitária [Advertising Self-Regulation]

The main lines of the Activity Plan for 2018 were based on the following:

- Industry Awareness
- Results Report
- Affirmation of Effectiveness
- Cooperation with Public and Private entities

Of the work developed, the following is included:

- Discussion and entry into force of the "Self-Regulation Code on Commercial Communication of Foods and Beverages for Children" - implementation of Pre-Clearance (prior binding opinions - 21 member companies)
- "Communication Plan" including regional press + Digital + Outdoor Advertising + Radio
- Flash news related to ARP (19)
- ARP – SICAD – ARP/SICAD/DGC tripartite meeting
- Disclosure and Presence of Tailor-Made Training Actions:
  - ✓ Clearance of a Training Action vs. P&G
  - ✓ Establishment of Trainers Bank
- AIC (cosmetics) – Discussion for the approval of the "Code of Cosmetics - advertising
- Contacts with Parliament - Public Consultations; Children Food Code
- ICAS – Internacional Council for Ad Self-Regulation Video – translation and adaptation of the film to Portuguese
- Ambush Marketing – in tune with the Faculty of Law – Nova University
- Membership Plan – Bullets vs. Advertising investment
- Fat/Sugar and Salt - Actions
- Training of the JE - ARP Jury of Ethics
- Regulation Protection Personal Data - Privacy Policy

- Santander Consumer Approach and Financial Agreement Signature - Pre-Clearance is expected for about 500 advertising pieces

MAPINET (Civic Internet Anti-Piracy Movement)

Removal Requests

- The year 2018 saw a significant increase in requests for removal of links, reaching a total of 1,716,246,967, distributed by Movies, Series, Streaming, Software, Books, Magazines, Newspapers, Playstation (1.2,3), Wii, Nintendo, PC, XBox, Music, among others.

  The means available to piracy, as is known, are powerful and agile. However, there is a lack of punitive measures and effective means to combat it.

  Even so, it was possible to remove 5.678.325 links distributed throughout the aforementioned supports.

- As for websites, 783 were blocked, and in the press, five were blocked and one was re-blocked. Of the five blocked, three disappeared definitively. With them disappeared hundreds of links from complete Magazines and Newspapers or articles.

- As far as websites which broadcast television content, 110 were blocked and 15 re-blocked, having disappeared 11.

- The question of re-blocking, which is obligatory at the end of a year of blocking, means that, on average, about 60% to 70% of blocked websites disappear or change their name. Although the numbers achieved are far from what was hoped for, Portugal continues to be singled out as a European success story in the fight against piracy.

- Regarding the blocking of videos in YOUTUBE, about 1053 reference files were uploaded, which allowed for the blocking of 10,956 contents uploaded by users without the rights to do so.

- Also, in 2018, an extension to the Memorandum of Understanding was signed with IGAC that will allow, in this first phase, the blocking of soccer games, in streaming, and in the future, this will also apply to events broadcast live.

OBERCOM – Observatório da Comunicação (Communication Observatory)

In 2018, OberCom, in addition to the launch of the usual Yearbook of Communication, broadly based on information, continued to develop studies in communication and media research, which allowed the exploration of new areas and the consolidation of knowledge in the field of *media* and communication in Portugal, with different formats and different objectives and structures.

- **OberCom Project - National Statistics Collection in the Communication Sector**
  Regarding the *Annual Media and Communication Report*, it was intended that in 2017 this publication would present statistical information on the different sectors analysed by OberCom. This report is published *online* on the OberCom website in PDF files available for *download*, by sector, and updated throughout the year wherever possible.

- **OberCom Project – Digital News Report**

  Since 2014, OberCom has collaborated with the Oxford Reuters Institute and is the partner entity for the annual "Digital News" survey in Portugal funded and supported by the Reuters Institute.

  Reuters Digital News Report 2017 (*ReutersDNR 2018*) was the seventh annual report of the *Reuters Institute for the Study of Journalism (RISJ)* and the fourth report with information on Portugal. As a strategic partner, OberCom collaborated with the *RISJ* in the design of the questionnaire for Portugal as well as in the analysis and final interpretation of the data.

- **Literacy in a Society of Screens**

  This report explores the dynamics of the use of media resources in Portugal through the definition of media literacy profiles.

  The question of the critical use of media and media content is a fundamental axis of perception in this framework of analysis and reveals the complexity of the crystallisation of practices around the broad-spectrum communication relations of Portuguese society.

- **<u>Fake News in a Post-Truth Society</u>**

  Contextualisation, potential solutions and analysis

  The document *Fake News* in a post-Truth Society was produced to address a number of issues raised by the international political climate such as the American presidential elections, Brexit or what would have become of the Brazilian presidential elections that culminated in the election of Jair Bolsonaro.

  One of the first public studies carried out in Portugal in the context of communication studies opens a conceptual debate on topics such as trust in news.

  The conclusions obtained reveal that the Portuguese people are very concerned about the legitimacy of news content in digital environments, since it coincides with structurally high indexes of trust in news content. The high level of trust in news by the Portuguese is justified in part by their concern about the legitimacy of news content, given that it is relevant in a context where media is at the epicentre of the debate on the health of global democracies.

PMP (Private Media Platform)

During the 2018 fiscal year, PMP developed its action, centered on four fundamental axes:

- Representation of the collective interests of the Platform with the organs of sovereignty (Government and Parliament) and society.
- Management of the Nónio Project (unified system for collecting and qualifying digital audiences).
- Response to national and European public consultations relevant to the sector.
- Active monitoring of the most relevant legislative developments for the media.

Main areas of activity developed by the PMP:

- **Nónio Project**

  The Nónio project experienced very significant developments, especially from the second half of 2018. Following the conclusion of the DNI-Google contract (31st December 2018), a progressive extension of Nónio's scope of action is expected with the objective of reaching

1 million registered users during the first quarter of 2019 and 2 million over the one-year timeline.

- **General Regulation of Data Protection (RGPD)**

  The parliamentary work to transpose the new RGPD was followed up and active participation of the PMP in a specialised committee.

- **Copyright Directive**

  The same action was registered with the European institutions, in the follow-up of the production process of the future Copyright Directive.

- **Digital VAT**

  The PMP, together with other sectoral associations, continued to advocate for the decrease of digital VAT to a reduced rate, the measure being completed in the 2019 State Budget

In addition, PMP also carried out the following activities:

- Participation in working groups on topics of interest to the media.
- Participation in forums related to innovation and the digital economy.
- Participation in Media Conferences.

VISAPRESS (Contents Management Cooperative)

- **In compliance with the Plan of Activities, we highlight the following actions:**

  ✓ Distribution of funds from the licensing of the use of content published in the newspapers and magazines belonging to VISAPRESS cooperators and, at the same time, distribution of fair remuneration of the private copy for the year 2017 to Cooperators.

  ✓ Holding more than two dozen meetings with public and private entities, inviting them to license themselves for the legal use they make of the written press contents belonging to the Editors represented in VISAPRESS.

- ✓ Mailing of about a hundred emails to entities that were making available on their web pages content without authorisation, presenting themselves in some way as providing clipping services, requesting that they obtain the respective licensing from VISAPRESS.

- ✓ Participation in several international meetings about licensing for access to content published in the written press.

✓ Information and awareness campaign for the general public on the issue of collective management of copyright in the written press. This promotion was made on two private cable television channels, on a national radio station and in newspapers, with national and regional circulation.

✓ Participation in several meetings in the Ministry of Culture, Parliament and the European Parliament with the purpose of clarifying the position of VISAPRESS regarding the copyright of Publishers in Portugal. Use these forums to make the framework and analyse the impact that the proposed European Directive will have on the remuneration of Publishers' rights.

✓ Renewal of all existing licenses and conclusion of three new contracts, with 25 entities being represented in the VISAPRESS portfolio for the primary and secondary use of content published in the written press.

- **Judicial action that takes place in the TPI (Court of Intellectual Property)**

In the year 2018, there were no significant advances in the case taking place in this court against the clipping companies, CISION and MANCHETE. The Court scheduled the start of the trial for 13th-15th November, which ended up not being held, with new dates scheduled for 2019.

AMD (Direct Marketing Association)

- **Data Protection**

  The impact of the implementation of the RGPD (25th May), due to its importance for the sector and its direct implications for the Associates, required a priority dedication in order to avoid any non-compliance by our members.

  During the discussion of the proposed complementary law of the Regulation, AMD maintained several contacts with representatives of the Government and with Parliamentary Groups.

- **Threats to Advertising**

  While the threat of restrictions on advertising directed at children/minors regarding high salt and sugar foods and beverages was ongoing, AMD was following and participating in several initiatives, in the scope of discussion of the diploma, with a WG part of Parliament's 6th Committee.

- **Anacom**

  The discussion within Europe of the new Regulation on Privacy in Electronic Communications - stricter than the RGPD - was the subject of a new meeting with ANACOM.

- **Cooperation**

  A permanent interoperation with the API and APAN was maintained, in defence of aspects common to our Associates.
  In addition to all this activity, AMD has provided its members with constant information on laws, decisions, studies, recommendations, discussions in the areas of their interests.

1.1.4.3. Postgraduate Course in Multi-Platform Journalism

In partnership with the Faculty of Social Sciences and Humanities of the Universidade Nova de Lisboa [Nova University Lisbon], and with the collaboration of Radio Renascença, the seventh edition of the course was promoted, with theoretical classes and professional internships in the various editorial offices. Attended by 20 students, it was another success, similar to the previous ones, and the great quality of the majority of the students came through, which made this course the best in terms of results.
We proceeded to update and arrange some subjects, as well as to select new Lecturers. At the end of this course, the total number of 137 students was reached over seven years, with very good results, with some of them finding a job placement.

1.1.4.4. Other actions

The major concerns of the year were the defense of Copyright and Related Rights of Publishers in the digital single market and the fight against piracy, which has increasingly sophisticated and highly mobile means, as well as the large aggregators that continue to usurp editorial content and, as a result, to divert advertising from traditional and digital media.

In the context of these two fronts, contacts are being developed and there is interaction with Associations on audiovisual issues, distribution, collective management of rights, publishers and producers, all converging in the defense of the same rights.

1.1.5. INVESTOR RELATIONS

IMPRESA has a Department of Investor Relations, so as to ensure institutional relations and the disclosure of information to the vast universe of shareholders, potential investors, analysts, stock market where IMPRESA shares are listed for trading and the respective regulatory and supervisory entities, CMVM and Euronext.

IMPRESA's Department of Investor Relations thus performs an important role in the pursuit of this objective, enabling the maintenance of suitable relations with shareholders, financial analysts and potential investors of IMPRESA, namely through the participation in specific conferences and the holding of road-shows at the main stock markets.

The main function of this Department consists of operating as an agent between the Board of Directors of IMPRESA and investors and financial markets in general, being responsible, under its normal activity, for all information provided by the IMPRESA Group, both with respect to the disclosure of relevant facts and other reports to the market, and the publication of periodic, quarterly, half-year and annual financial statements.

In order to perform its duties, this Department maintains a constant flow of communication with financial investors and analysts in Portugal and abroad, providing all the necessary information and clarifications to respond to requests made by these entities, in compliance with the applicable legal and regulatory provisions.

All the requests for information (received by telephone, email or mail) were replied to immediately, and there are no pending requests relative to 2018 or from preceding years.

During 2018, the Investor Relations Department carried out the following initiatives:

- 2 "*Roadshows*" covering Lisbon and Madrid, holding 13 meetings with investors;
- Meetings, at IMPRESA, with 6 investors and analysts.
- 4 Conferences calls related to the publication of quarterly results;
- 1 Public presentation regarding the annual results for 2017.

1.1.6. ATTENDANCE OF VIEWERS

In 2018, 33,041 contacts were received, a very similar number to 2017 (33,801). Approximately 68% of these contacts were made via email and were requests for information (61.8%), suggestions for topics for reporting (24%), criticism (11.2%), praise (1.3%) and other miscellaneous matters (1.7%). In 88% of cases, the topic was the generalist channel SIC. All subjects received the due attention, because in addition to being useful, they allow SIC to improve its relation with spectators.

1.1.7. STUDY VISITS

In 2018, we organised 22 visits (almost half of the 41 received in the previous year, as a result of the interruption due to the move to the IMPRESA Building), with a total of 569 visitors (average of 26 people per visit).

Schools of various education levels, including vocational education, study and/or leisure centres, IPSS, are the most frequent and regular visitors. Occasionally, there are visits from Universities or companies. Requests are mostly made from the districts of Lisbon and Setúbal. In the North, there is a preference to visiting the Matosinhos facilities.

1.2. INTERNAL LEVEL

1.2.1. SOCIAL AND EMPLOYMENT ISSUES

As Human Capital is the most important source of competitive advantage of the IMPRESA Group, its valuation in terms of competences, knowledge, skills and individual experiences becomes imperative. The IMPRESA Group believes that appreciation of the development of Human Capital will boost, to a great extent, the success of the implementation of the Group's Strategic Plan for the 2017-2019 triennium.

Training

Training in the IMPRESA Group represents a management practice par excellence that presents as a premise the training of human capital and the achievement of a competitive advantage in relation to the surrounding market.

In 2018, the IMPRESA Group continued to harmonise the fulfilment of its strategic objectives with the expectations and individual development of its assets, in order to maintain and improve an essential climate of satisfaction, productivity and motivation.

For this, the IMPRESA Group seeks to provide/encourage its employees to develop their skills, not only through the possibility of attending external training courses, but also through the sharing of knowledge and experiences.

The following table presents the most relevant data for 2018 and its comparison with the year 2017:

Table: Training 2017/2018 (a)

Area	Number of actions			Employees covered			Number of training hours		
	2017	2018	Variation	2017	2018	Variation	2017	2018	Variation
Publishing	42	36	-16.67%.	272	154	-76,62%.	2995	2123.5	-41.04%.
Television	51	46	-10.87%.	395	313	-26.20%.	4474	3364.55	-32.97%.
New Business	13	16	18.75%.	34	30	-13.33%.	875	572.5	-52.84%.
Transversal	42	27	-55.56%.	57	61	6.56%.	954	1247	23.50%.
Total Impresa Group	**148**	**125**	**-18%.**	**758**	**558**	**-36%.**	**9298**	**7308**	**-27%.**

Source: IMPRESA

(a) In 2017, the IMPRESA Group had in its portfolio a set of 12 brands that were sold in early 2018, which contributed to the fact that the number of employees, actions and hours of training registered in 2018 were less than 2017

The following actions should be highlighted:

- Training in the digital area, in the commercial and marketing aspects, namely through CRM actions, Social Media Marketing, Digital Transformation - Reinventing companies in the digital age, Instagram Marketing.
- E-learning training in several areas.
- Internal training on Image Capture and Editing, Elvis, Information Flows and Digital Content, Basic Economics.
- Academic training: Postgraduate course in Pedagogical Management and Coordination of Training, Master's degree in Human Resource Management and Organisational Consulting, 17th Executive MBA and Doctorate in Communication Sciences.

Performance Management

The Annual Performance Management of the Group IMPRESA represents a fundamental instrument in the promotion of a meritocratic culture, based on the development of all the employees and in the improvement of the quality of the different services that are provided.

It intends, therefore, to support employees in reflecting on their own performance and its impact on IMPRESA, making them active elements, together with their respective managers, in the evaluation process.

The Annual Performance Management for the year 2018, which includes Self-Assessment, Evaluation and Global Leadership Assessment, will be held in the first quarter of 2019.

Initiatives

- In 2018, the Group IMPRESA maintained its objective of working towards greater motivation, involvement and enrichment of its employees and the construction of a sustainable competitive advantage, giving a set of benefits to all the employees of the IMPRESA Group, in addition to those provided for in the Code of Work:
    - Assignment of a day-off on birthdays, provided it coincides with a working day;
    - Regular pastimes with the offer of invitations to shows (theatre, concerts, conferences, football games, mobile phones, etc.);
    - Provision of parking spaces exclusively for pregnant employees;
    - Assignment of flexible working hours to employees with family responsibilities;
    - Distribution of Christmas presents to all the workers and their children aged up to 12 years old;
    - Vaccination campaign against influenza;
    - Regular organisation of initiatives for sampling, product distribution or sale under advantageous conditions, at the Carnaxide, Paço de Arcos and Matosinhos premises;
    - Providing employees and, since this year, direct family members, access to products and services at a lower price, by establishing protocols with entities that provide

services in areas such as banking, communications, children's services, beauty treatments gyms, leisure activities, health, insurance and vehicles.

- The IMPRESA Group believes that the adoption of policies that promote a greater reconciliation between work and family life is one of the key elements to provide employees with a better quality of life and, consequently, greater motivation, commitment and productivity. In this sense, the organisational culture of the IMPRESA Group is guided by policies, initiatives and practices that fulfil the objective of reconciling employees' personal and professional life. Some examples include: IMPRESA Workshops, IMPRESA Holiday Camp, Christmas Gifts, Day Care Cheque, Birthday gift and a Benefit Policy (partnerships with other entities and established protocols that can provide advantageous conditions not only to employees but also to direct family members).

- Use of human capital management tools: competency performance management system; *bottom up* assessment and consequent action plans (to be implemented); reception of new employees.

- Annual Meeting of the Board of Directors in order to promote internal *networking*, align culture and values of the IMPRESA Group and monitor the fulfilment of the Strategic Plan of the IMPRESA Group, where activities are carried out to promote team synergies and presentation of lectures on various themes.

- Use of iNet, the internal communication channel. On iNet, all benefits to employees are attributed, the execution of internal actions, internal communications (mobility, appointments and communications of the CEO) are placed. Other information, such as birthdays, protocols and established partnerships, is also available, as well as a field that includes stories and curiosities on employees and the company, known as "Sabia que" ["Did you know"].

- Use of iPortal, contributing to the acceleration, simplification and dematerialisation of the most administrative processes of human resources, such as consultation of receipts and IRS declarations, training hours, registration of absences, management of vacations and updating of personal data.

- Implementation of the strategic project for organisational transformation “Juntos somos futuro” within the scope of the change of facilities, completed in January 2019. The project decided to support employees in this phase of change and, particularly, in the bet to optimise the potential of each area, with a view to reinforce the leadership and market position of the Group. It presented, therefore, a tactical objective, in the perspective of supporting the teams in the whole process, and a strategic objective with the construction of IMPRESA Culture.

- As part of the “Juntos somos futuro” project, an internal communication channel was launched to systematise all information about the project, to communicate clearly, objectively and in a timely manner the phases of the change, to raise employees’ awareness about the need for change, to clarify doubts about the process and boost *engagement*.

- Also, in the course of the same project, initiatives were organised to promote greater interaction between employees and foster a sense of belonging, through the creation of moments of socialising and sharing, such as the inauguration of the new refectory of the IMPRESA Building, the IMPRESA Saint Martin’s Day and visits to the construction work of the Building.

- It bets on a training programme that meets the training needs felt by employees of the Group IMPRESA and its managers. This analysis is elaborated within the scope of the performance management system which includes, as a compulsory field, the indication of training actions to be attended. After completing this, an analysis is made by the Human Resources Department, which with the Management of the IMPRESA Group initiates the annual training process in order to enhance the talent of employees in articulation with the Strategic Plan of the IMPRESA Group.

- Conducting an internal questionnaire on safety, hygiene and health at work.

Professional Ethics

In addition to compliance with the legislation (Press Law, Television Law, Journalist Statute, Code of Ethics, etc.), the large areas of the Group - SIC and Expresso - have their own Codes of Journalist Conduct, which all the sites endorse and adapt to their specific characteristics. These Codes of

Conduct are not confused with Style Books or mere orthographic norms; they are the result of in-depth discussions and are an extension of the main ethical, deontological and legal norms applied to the exercise of the profession.

Impartiality and rigour, respect of privacy, rejection of censorship, respect for people's dignity, protection of sources, avoidance of images with children and young people in extreme situations and all other principles of the Code of Ethics and the Status of Journalists are part of the training of candidates integrating the Group's editorial offices.

1.2.2. EQUALITY BETWEEN GENDER'S

The IMPRESA Group, aware of the fact that equality between women and men is one of the central themes of corporate social responsibility, provides for the development of measures and actions that promote conditions for professional insertion and equal career development for men and women:

In 2018, the IMPRESA Group established and developed measures to promote equality and gender equity and non-discrimination between women and men:

- Definition and implementation of an Equality Plan that develops measures to promote gender equality and equity and non-discrimination between women and men with the support of the Commission for Citizenship and Gender Equality;
- Involvement of the Administration in the diagnosis of gender equality, as well as in the preparation and discussion of the annual equality promotion plans, which will define the actions to be taken, including their implementation, monitoring and evaluation;
- *Top-down* awareness of equality policies as well as measures to be implemented and objectives to be achieved;
- Ensure that gender equality and non-discrimination between women and men are explicitly stated in the IMPRESA Group Norms and Procedures Manual;
- The criteria and procedures for recruitment and selection, whether internal recruitment, external recruitment or *outsourcing*, should be based on the principle of meritocracy as well as the principle of gender equality and non-discrimination;

- To provide training in gender equality, at an initial stage directed to the Executive Committee, Human Resources Division and "Equality Team", which will gradually include the different managers and employees;
- Ensure equal opportunities for all employees in the attendance of training actions;
- Create procedures and tools that facilitate the formal presentation of a complaint in the event of sexual and/or moral harassment;
- Encourage and raise awareness of sharing parental leave, as well as sharing the exercise of family care rights;
- Ensure that the Annual Training Plan is based on equality and non-discrimination between women and men;
- Comply with the principle of equal pay for equal work in nature, quantity and quality;
- Evaluate performance based on objective criteria to provide a fair and accurate assessment, free of any connection to female or male characteristics;
- Ensure promotion and career progression based on objective individual performance criteria, being exempt from gender discrimination;
- Establish protocols with other service providers that are close to the facilities of the IMPRESA Group;
- Establish protocols with other entities providing support services to children of IMPRESA Group's employees;
- Provide health services to the employees' family unit;
- Disseminate information to all employees on their rights and duties in the area of equality and non-discrimination on the basis of gender, maternity and paternity;

Ensure effective equality of treatment and gender opportunities by adhering to the principles of equality in recruitment, career advancement and pay.

Distribution by gender	
Number of female employees	413
Number of male employees	488

In the Group IMPRESA, the criteria for recruitment and selection, whether internal, external or through *outsourcing*, are the guiding principle of meritocracy as well as the principle of equality and non-discrimination based on gender. The analysis is made solely and exclusively through the *hard and soft skills* required of the profile to be recruited in order to make the *fit* based on the IMPRESA Group culture and the business area and not on gender criteria.

Remuneration level by gender	
Average monthly salary of female employees	€ 2,027.53
Average monthly salary of male employees	€ 2,674.68

Despite the average monthly salary difference between genders, this does not reflect any discrimination since the remuneration policy of the Group IMPRESA is based on the evaluation of the components of the functions performed by the employees, and on objective criteria such as merit, productivity, attendance or seniority, common to both men and women.

Maternity and parental leave	
Maternity leave	9
Parental leave	20

The Group IMPRESA promotes reconciliation between the three spheres (personal, family and professional) and argues that women and men, when they decide to become parents, should be in a shared, balanced and responsible way.

1.2.3. NON-DISCRIMINATION

The diversity of Group IMPRESA employees is perceived as a factor of competitive advantage. The individuality and diversity that each employee offers to the Group IMPRESA is respected and valued, thus promoting the creation of a work environment free of discrimination.

It is argued that every employee has the right to equal opportunities and treatment with regard to access to employment, training and promotion or professional career and working conditions, and cannot be privileged, benefited, disadvantaged, deprived of any right whether because of descent, age, gender, sexual orientation, marital status, family status, economic situation, social origin or condition, reduced working capacity, disability, chronic illness, nationality, ethnic origin, political or ideological beliefs and trade union membership.

The Group IMPRESA does not tolerate any form of direct or indirect discrimination:

- The act of retaliation that damages the employee because of rejection or submission to a discriminatory act is invalid;
- Discrimination is a mere order or instruction that has the purpose of harming someone because of a factor of discrimination;
- The dismissal or other sanction applied allegedly to punish an offense is considered abusive when it takes place up to one year after the complaint or other form of exercise of rights regarding equality and non-discrimination;
- The employer may not, under any circumstances, require the female job applicant or the female employee to perform or submit to medical exams or pregnancy tests. The doctor in charge of medical exams and tests may only communicate to the employer whether the employee is fit to perform the activity;
- It is up to those who claim discrimination to identify the employee(s) in relation to whom they consider to be discriminated by. It shall apply in the case of invoking any discriminatory practice in access to work or vocational training or in working conditions, in particular on grounds of dismissal for prenatal consultation, protection of the safety and health of pregnant employees, pregnant or breastfeeding women, parental leave or absences for child care.

The Group IMPRESA intends, based on mutual respect, to comply with all laws regarding equality of opportunities and conditions of development for all employees without distinction or discrimination. Therefore, employees who feel that their work environment does not respect the principles of equality should inform their concerns and report possible infractions to the Human Resources Department, as expressed in the Manual of Standards.

1.2.4. RESPECT FOR HUMAN RIGHTS

Respect for human and workers' rights is a *sine qua non* prerequisite of the Group IMPRESA, being the guiding principle in all its relations with its investors, partners, suppliers, customers, consumers and employees.

Within the scope of the Human Rights Policy, the Group IMPRESA is committed to honouring internationally recognised human rights, thus making the following commitments:

- Respect the Universal Declaration of Human Rights, the Conventions of the International Labour Organisation, the United Nations Global Compact;
- To not employ child or forced labour;
- Respect freedom of union association and recognise the right to collective negotiation;
- Not allow the unjustified discrimination on grounds of descent, age, gender, sexual orientation, marital status, family status, economic situation, social origin or condition, reduced work capacity, disability, chronic illness, nationality, ethnic origin, political or ideological beliefs and trade union membership;
- Ensure the safety, health and well-being of all workers through the development of occupational health and safety management systems;
- Promote proper working conditions and not tolerating acts of psychological violence and moral coercion.

The Group IMPRESA wants the Human Rights Policy to be in line with other internal policies, such as Code of Ethics and Conduct, Health, Safety and Environment Policy and Procurement Policy.

1.2.5. COMBATING CORRUPTION AND ATTEMPTED BRIBERY

In the Group IMPRESA all practices of bribery and attempted bribery are considered prohibited. Given that transparency, cooperation and respect are core principles of the Group IMPRESA, anti-

corruption practices are duly regulated, and disciplinary measures have to be considered when there is deviation from compliance with the general standards of conduct set out in the Anti-Corruption Policy.

Within the scope of this Policy, there is a commitment to implement operational procedures aimed at combating it in all forms, such as:

- Acceptance by journalists of offers whose value exceeds 10% of the national minimum wage is prohibited. These offers must be notified to Management. The gifts must be returned to the consignor, accompanied by a courteous letter and justification;
- Advertising or promotional space should be clearly marked, avoiding any ambiguity for the reader. In a news piece, the name of companies, hotels, trademarks, private or public institutions, or of other nature, can be included if they are a useful element for the information;
- No preferential news treatment should be given to advertisers or special interest groups;
- Acceptance of invitations to travel - whether for official meetings or private entities - are subject to the prior authorisation of management and recognition of their journalistic interest;
- Any service supported by a third party can only be published if accompanied by reference to it in a prominent place;
- There is also an alignment in the IMPRESA purchasing policy of our suppliers and partners with the principles of transparency and fair competition, assuming transparent conduct regarding the acquisition of goods and services, for example:
- The suppliers and/or service providers of the IMPRESA (or subject to its scrutiny) must be placed in competition at least every 3 years. This criterion must be applied by all departments of the Group;
- The selection of suppliers must include at least 3 suppliers and the respective budgets must be added to the request form;
- A supplier assessment is always made from a consolidated perspective;

- All supply and service contracts must be submitted to the validation of the Legal Department of the Group IMPRESA, which formalises its approval in a document for the purpose.

1.2.6. DIVERSITY POLICY OF THE ADMINISTRATION AND SUPERVISORY BODIES

At the date of entry into force of DL 89/2017, of 28th July, which laid down the obligation to present a diversity policy applied by the company relative to its administration and supervisory bodies, the administration and supervisory bodies of IMPRESA had not yet completed their term of office, 2015-2018, such that the formal definition of a diversity policy will only be applicable following the appointment of new administration and supervisory bodies.

IMPRESA has not yet defined a formal diversity policy, in the sense that it is not stated in any document and neither are there any defined procedures for its implementation. Diversity, however, naturally integrates into IMPRESA's organisational culture, and the proof of this is the vast and diverse professional experience of the Directors (as evidenced by the biographies in the corporate governance report), the fact that there has been a woman for 11 years in the Board of Directors and the age of its members, striving to achieve a balance between seniority and youth, as evidenced by the most recent appointments of João Nuno Lopes Castro and Francisco Pedro Presas Pinto de Balsemão.

2. ENVIRONMENTAL DIMENSION

2.1. ENVIRONMENTAL POLICY

During 2018, the implementation of consumable reduction policies was continued, namely paper, energy and water, waste recovery and treatment. The official declarations for Siliamb are now provided by Safetykleen.

Satisfactory results were achieved in the defence of the environment, due to the development of IT systems and the taking of decisions, the following:

- Continuation of the digitisation of business information, both on the Intranet and on other computer media;
- Decrease in the number of cassettes used in the production and television archive; in fact, only internally recycled video cassettes were used;
- Continued reduction of use of printers, all equipped with digitalisation systems.
- Control of the use of fluorinated gases.
- Beginning of the selective collection of plastics in own containers.

2.2. CONTROL AND IMPLEMENTATION

Control of drinking water consumption

- Continuation of placement of regulators or automatic taps in bathrooms;
- Regular verification, included in the maintenance plan, of water leaks in all existing flushing systems;
- In Paço de Arcos facilities, exclusive use of water from the borehole for irrigation, washing or works.

Control of electricity consumption

- Detailed monthly examination of electricity consumption and immediate decisions to reduce consumption;
- The following actions were continued:

- Control of the number of lamps lit in public areas and *open spaces*;
- Continuation of installation of lighting switches in meeting rooms and offices;
- Management of automatic lighting hours;
- Control of the minimum and maximum temperatures in air conditioning systems;
- Reduction of the number of hours of air conditioning;
- Use of rechargeable batteries in editorial offices;
- Replacement of incandescent lamps by low consumption lighting;
- Awareness-raising amongst programme producers and lighting staff on the need to cut lighting consumption.

Control of consumption related to newspaper and magazine editing

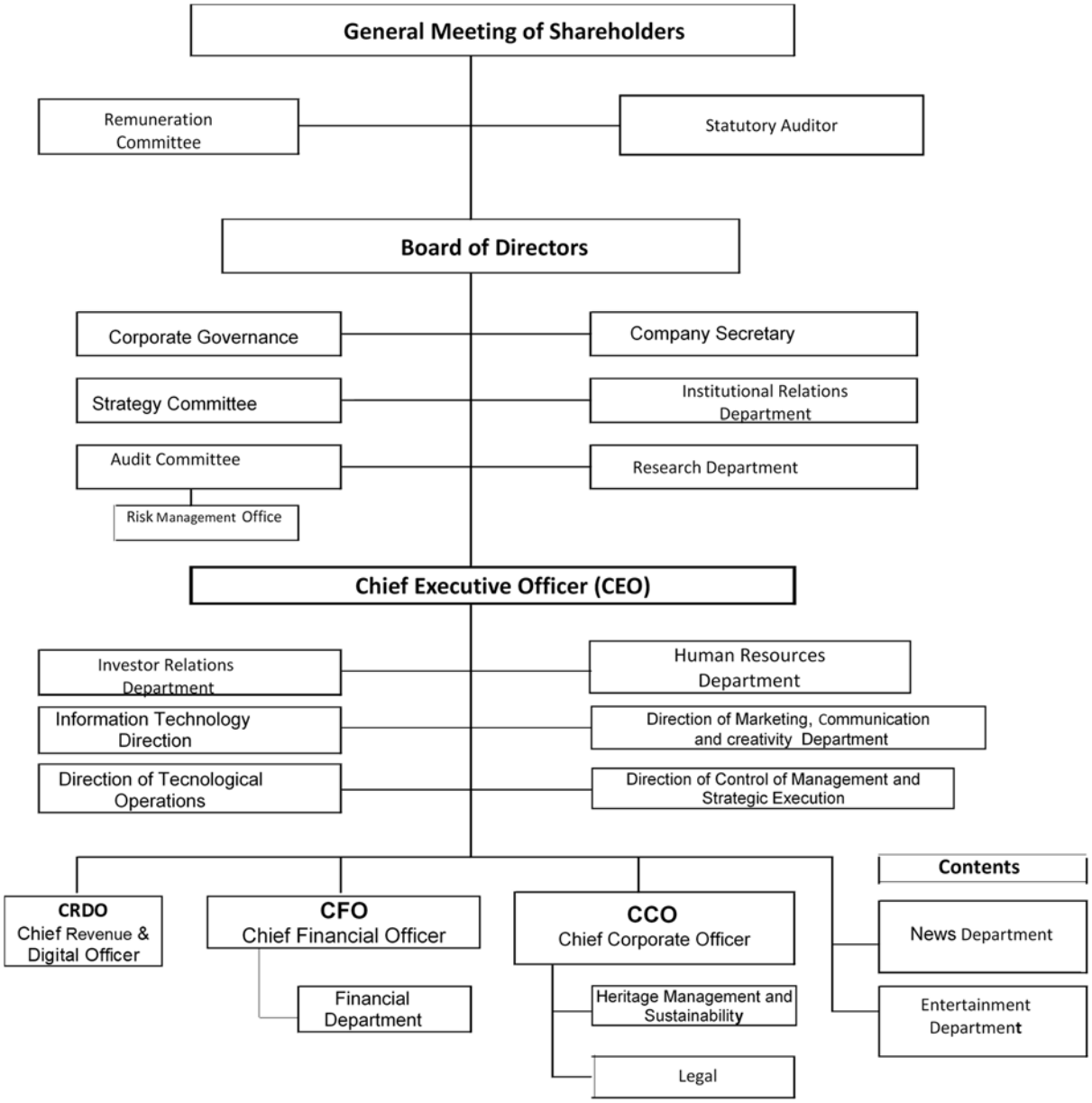
- Purchase of 100% of paper for printing from environmentally certified paper mills;
- Continued reduction of the number of copies of newspapers and magazines bought from other publishers and their replacement by purchase of subscriptions in digital format whenever possible.

Residues

- Maintaining and encouraging the policy of separation and recycling of waste, with selective collection containers (paper/carton, plastic and glass);
- Waste such as batteries, cassettes, bulbs and others, are sent to entities certified for their treatment;
- Recovery of plastic packaging waste through Ponto Verde;
- Waste generated at the IMPRESA Group's facilities is annually registered in SIRAPA (Integrated System of Registration of the Portuguese Environment Agency), with restricted access to organisations that have environmental responsibilities committed by law.

3. STRUCTURAL AND GOVERNMENT DIMENSION

3.1. GOVERNANCE MODEL



The corporate governance model adopted is the one referred to in subparagraph b) of no. 1 of article 278 of the Commercial Company Code, i.e. with a Board of Directors, comprising of an Audit Committee and a Statutory Auditor.

The General Meeting is responsible for appointing the members of the administration and supervisory bodies at the beginning of each term of office.

At the meeting of the Board of Directors held on 23rd July 2012, the position of Chief Executive Officer (CEO) was created with responsibility in all areas, which is maintained in the current term of office 2015/2018.

Responsibilities of the Chairman of the Board of Directors:

- Coordinate the relations of the Board of Directors with the Chief Executive Officer (CEO):
- Preside over meetings of the Board of Directors (monthly), meetings with the CEO (weekly), the annual meeting of senior staff members and any ad hoc meetings in which he is present;
- Preside over the Strategy Committee, approve the proposal for the Strategic Plan of the Group and submit it to the Board of Directors, as well as proposals for amendment of the Plan to be submitted to the Board of Directors, and coordinate their implementation, assessment and review;
- Preside over the Supra Editorial Committee and approve proposals concerning the editorial strategy of the various brands of the Group and submit them to the Board of Directors;
- Represent the Group institutionally, coordinate the institutional relations of the Group (namely with the EU, Government, Parliament, Regulators, Associations of the Sector, etc.) and with the shareholders;
- To coordinate the Direction of Institutional Relationships and the Direction of Research, whose Directors report directly to the CBD.

Within the framework of the definition of high-level strategic objectives, the CBD is assisted by the Strategy Committee, which is chaired by the CEO, the Chief Revenue & Digital Officer (CR&DO), the Chief Financial Officer (CFO), the Chief Corporate Officer (CCO) and two non-executive directors. The Strategy Committee is to assist the CBD, in particular in preparing the Group's Strategic Plan, in evaluating the implementation of the Plan and in its annual review.

The CEO is responsible for:

- Coordinating the Group's operating management;

- Coordinating the areas of Systems, Operations and Technology, Human Resources, External Communication and Investor Relations, whose managers' report directly to;
- Appointing and dismissing COOs (CR&DO, CFO and CCO), which report directly to him;
- Individually supervising the COOs in the main policies and decisions of their respective areas;
- Chairing the Group's Operational Coordination Meetings;
- Presiding over the meetings with each COO and front-line management staff, as well as other *ad hoc* meetings not attended by the Chairman of the Board of Directors;
- Presiding over the Group's presentation of accounts.

In the Relationship Plan between PCA and CEO, the CBD monitors and shares with the CEO the major external trends of the business, and guides and advises the CEO on decisions with the greatest strategic impact.

With regards to financial information, the CEO, in coordination with the Audit Committee and CFO, supervises its preparation and disclosure, in order to ensure a true and fair view of the situation, combined with an honest review of business development and, moreover, prevent undue access to relevant information by third parties.

The following Committees have been created within the Board of Directors: Audit Committee, Corporate Governance Committee and Strategy Committee.

The Audit Committee is responsible for:

- Inform the management body of the results of the legal review of the accounts and explain how this contributes to the integrity of the process of preparation and disclosure of financial information, as well as the role that was performed in this process;
- Supervise the efficacy of the internal quality control and risk management systems;
- Monitor the effectiveness of internal quality control and risk management systems;
- Monitor the legal review of the individual and consolidated annual accounts, namely their implementation, considering

- any findings and conclusions of the Securities Market Commission (CMVM);
- Verify and monitor the independence of the Statutory Auditor and, especially, check the adequacy and approve the provision of other services not included in the audit services;
- Select the Statutory Auditor to propose for election to the general meeting and to recommend justifiably the preference for one of them;
- Fulfil any duties attributed by law.

Also, within the remit of the Audit Committee, a whistle-blowing system was created in 2007 with a view to the prevention and punishment of irregularities, avoiding damages aggravated by the continuity of irregular practice.

This system ensures the confidentiality of the information provided, as well as the anonymity of the persons reporting the practice of irregularities.

It also ensures that the rights of IMPRESA Group company employees will not be harmed by the communication of irregular practices.

The Governance Committee of the Corporate Governance is responsible for:

- Assisting and supporting the Board of Directors in the performance of its function of supervising the corporate activity concerning corporate governance matters and rules of conduct, (i) in refining the Company's governance and oversight model, the organisational structure and the governance principles and practices by which it will be governed, and (ii) in preparing and implementing rules of conduct, aimed at observance of the applicable provisions and strict ethical and deontological principles in the performance of the functions attributed to the members of the governing bodies and employees of the Company.
- Studying, proposing and recommending to the Board of Directors the adoption of policies, rules and proceedings deemed necessary for compliance with this Regulation, the applicable legal, regulatory and statutory provisions, as well as the recommendations, standards and best practices regarding the matters referred in the previous paragraph;
- Perform any other competences or responsibilities that the Board of Directors may delegate to the Corporate Governance Committee.

The Corporate Governance Committee must also assess the performance of the Chief Executive Officer (CEO) and collaborate in the preparation of the annual corporate governance report regarding matters within its jurisdiction.

The Strategy Committee is responsible for:

- Assisting the CBD in preparing the Strategic Plan of the Group (based on a 3-year timeframe), which is approved by the CBD and submitted, by the later, to the Board of Directors.
- Assisting the CBD in assessing the application of the Plan and in its annual review, and making proposals for adjustments which, once approved by the CBD, will be submitted, by the latter, to the Board of Directors.

In the case of SIC and IMPRESA PUBLISHING subsidiaries, the following is observed:

a) The Chair and the Co-chair of the Board of Directors are held by the CBD and the Co-CBD of IMPRESA, respectively;
b) In addition to the CBD, the Co-CBD, the CEO and CCO of IMPRESA, the two heads of operational units (CR&DO and CFO) are designated as directors;
c) The day-to-day management is entrusted to an Executive Committee composed of the two operational heads and chaired by the CEO of IMPRESA.

3.2. ACTIVITY INDICATORS

3.2.1. QUALITATIVE CRITERIA

The Corporate Governance Committee defined six criteria for assessing the performance of the activity: “Communication, Impact and Influence”; “From Vision to Results”; “Team Management and Development”; “Customer and/or Target Group Driven”; “Team and Group Spirit”; and “Best Practices, Innovation and Change”.

3.2.2. QUANTITATIVE CRITERIA

The Remuneration Committee, following the best market practices, decided on the application of a multi-year variable remuneration model, which is based on cumulative attainment criteria, defined annually: "Positive Performance Evaluation"; “Attainment of Consolidated Net Banking Debt" and “Attainment of Consolidated EBITDA Value”.

3.3. RISK

3.3.1. RISK CONTROL AND MANAGEMENT

At IMPRESA, there are the following bodies responsible for monitoring and implementing internal control and management of risk:

- The Risk Management Office which follows and monitors different security events that might generate risks for the different companies of the Group. This Office is also responsible for formalising the defined strategic objectives on risk-taking, identifying the risks and events that might generate risks inherent to the activities developed, analysing the impact of each identified risk and managing and monitoring the identified risks. The Risk Management Office holds periodic meetings with the Audit Committee, disclosing and proposing any necessary measures for the assessment of the implemented risk management system.

- Asset, Risk and Sustainability Division, which oversees insurance contracts at the Group level, in order to achieve the most appropriate solutions to cover insurable risks.

- The General Financial Department develops the following aspects of risk control:

    - Negotiation, contracting and management of bank financing, in order to meet the financial needs of the Group;
    - Negotiation and contracting of appropriate financial instruments, aimed at reducing exposure to interest and exchange rate risks;
    - Definition of credit granting policies, with credit ceilings per customer and collection deadlines.

- Directorate of Legal Affairs, which at the level of the operating subsidiaries oversees the application of the legislation in force, in particular the specific regulation applicable to the media sector, in order to minimise the risks associated with its possible non-compliance.

- Institutional Relations Department.

These bodies assess:

- Economic risks (activity and facilities): Risks primarily related to situations which affect the current operation of companies, namely fire, loss of production of newspapers and magazines, broadcasting cuts in television activity, and failure of computer systems.

- Financial risks (credit, liquidity, exchange rate and interest rate risk):

    - Credit risk is essentially related to the accounts receivable arising from advertising sales. In order to reduce credit risk, IMPRESA has defined credit granting policies, with credit limits per customer and collection deadlines, and financial discount policies for early repayment or cash payment.

    - Liquidity risk can occur if the financing sources, such as cash flow from operating activities, divestment, credit lines and financing activities, do not meet the financing needs, such as cash outflow for operating and financing activities, investments, shareholder remuneration and repayment of debt.

    - Exchange rate risk is essentially related to the acquisition of television programmes.

    - Interest rate risk is essentially related to interest paid in relation to the contracting of financing with variable interest rates, which are consequently exposed to changes in market interest rates.

- Legal Risks: Risks related to compliance with existing legislation applicable to the media sector.

The Management of the IMPRESA Group takes particular care to adopt a risk management policy aimed at minimising any consequences on the business, people or assets of the Group, arising from any intentional or unintentional threats.

Also at the level of operational subsidiaries, plans for exogenous situations that affect the current operation of companies, such as fires, production breaks, broadcasting cuts, computer systems failures, etc., are being equated and implemented with the purpose of safeguarding assets and people and to ensure, as far as possible, the continuity of the production of newspapers and magazines (Expresso and New Media Solutions area), television and digital content.

3.3.2. SELF PROTECTION MEASURES AND RISK FACTORS

In 2018 the "safety" and "self-protection measures" plans have been revised according to annual planning.

The preliminary project of the "Self-protection Measures" was prepared for the IMPRESA facilities in Paço de Arcos, taking into account the expansion project. The new facilities safety project was sent and approved by ANPC. The "Self-protection measures" were sent to ANPC, awaiting their approval.

The "Internal Security Plans" continued to be developed, in accordance with ANPC recommendations for the facilities of Parque Holanda (PH) and Matosinhos.
The new Safety Delegates were appointed and trained, together with the Department of Human Resources, for the premises of Paço de Arcos, Carnaxide 119, Parque Holanda and Matosinhos, and given their respective identifying material and procedural manual.

The "low risk" level was maintained at the Paço de Arcos and Matosinhos facilities and a "medium risk" situation was maintained at SIC 119 and SIC-PH facilities.

Risks related to facilities and infrastructures

- “Risk factors" are followed and controlled within the process of transformation of the building of Paço de Arcos, for 24/7 operation. Alerts were issued for the risks assumed and

suggested changes to the investment processes and specialty projects for the new enlarged areas.

- As far as technical infrastructures, the recommendations have been respected and the necessary investments authorised and installed, and the electrical, air-conditioning and safety capacity required for continuous 24/7 operation has been increased. The risk examination has led to an upward revision of the proposed investment.
- Internal air quality checks were carried out on a regular basis in all facilities. The control of active legionella was carried out as usual.
- "Low risk" level in all Group facilities.

Risk of interruption in communications

- Outdoor access
- Secure fibre connections
- "Low risk" level was maintained

- Inter-building communication
- Secure fibre connections
- "Low risk" level was maintained

- Distribution of television signals
- Dual fibre paths, coding redundancy ensured by client operators
- Transmission of channels via Paço de Arcos without problems.
- "Low risk" level was maintained

- Mail system
- Security system through Microsoft's 360-service.

Risks in running, printing of newspapers and magazines

- As usual, the alternative printing plans of the Group's newspapers and magazines have been revised in the event of a breakdown or financial collapse that causes unforeseen and prolonged interruption at the printers where they are usually printed.

- Ink and paper stocks are in place, to assure the continuity of printing, in the case of unforeseen interruption in the supply of these materials, purchased from abroad. "Low risk" level was maintained.

- As for editing and photography systems, a "low risk" level was maintained.

Risk of interruption of broadcasting of SIC television channels

- Several emergency alternatives are foreseen for the broadcasting of the SIC channels that guarantee their continuity, in case of interruption caused by the failure of several systems. The persons in charge of the Information Services, Continuity, IT and Technical Support are prepared and equipped with the necessary means to act, in emergency situations.

- By 2018 the operation of "continuity of broadcast" was fully underway in the Paço de Arcos facility, ensuring an active *backup* and thus reducing the risk of prolonged interruptions.

- "Low risk" level.

Misuse of sensitive customer data

- The policy of responsibility of the IMPRESA Group was maintained to respect the legal obligations and the recommendations of the CNPD, in accordance with the General Regulation on Data Protection - RGPD.

- Systematic control that the policies of use, *cookies* and guarantees of confidentiality are explicitly and properly transmitted to customers.

- "Low risk" level was maintained.

Asset conservation - paper and digital content

- The policy of responsibility of the IMPRESA Group was maintained, which is to conserve the contents produced for the editions in paper, TV and digital support.

- Digitisation plans, content indexing and conservation were fulfilled.

- The level of "low risk" was maintained for the loss of content produced by IMPRESA.

Insurance

- The policies that provide IMPRESA with financial means to deal with emergency situations arising from disasters or dramatic events beyond its control are maintained.
- The "low risk" level for existing coverages was maintained.

Lisbon, 28th February 2019

The Board of Directors,

Francisco José Pereira Pinto de Balsemão

Francisco Maria Supico Pinto Balsemão

Francisco Pedro Presas Pinto de Balsemão

Alexandre de Azeredo Vaz Pinto

António Soares Pinto Barbosa

Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia

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João Nuno Lopes de Castro