



Translation – Auditor's Report

# Financial

# Statements as at 31 March 2017 and Management Report

(This report is a free translation to English from the original Portuguese version.  
In case of doubt or misinterpretation the Portuguese version will prevail.)

Wipro Portugal, S.A.

# Contents

Management's Report – 2016/17	1
Balance Sheet as at 31 March 2017	5
Income Statement by nature for the period ended 31 March 2017	6
Statement of changes in equity	7
Cash flow statement	9
Notes to the financial statements	10
Statutory Auditor's Report	38



## Management's Report – 2016/17

In accordance with the law and statutes, we present the 2016/17 Management Report of Wipro Portugal, S.A.

### Framework

Following the growth trend of the economy and our retail customers, Wipro Portugal shown the first signs of recovery in its activity at the level of sales and delivery of programs.

This is the result of the investment made in previous years, whose objective was placing Wipro Portugal in an excellent position in its work field.

In this context, the company has countered the downwards trend from previous years and is now in a process of gradual growth that will be intensified in the coming years.

Wipro Portugal is also transforming itself and the way it operates in the market by reviewing its delivery processes and methodologies in order to adapt them to the new realities of its customers. Business diversification continues to be a priority to reduce the risk of dependence on Wipro Portugal.

Currently, the major transformation programs acquired last year and in previous years, are growing, helping us strengthening our ability to address them.

In the Support and Maintenance area, the continuous performance of operations in the clients is guaranteed, with new contracts and the continuity of almost all the contracts. In line with the right-shoring strategy, we have maintained the highest added value activities in Portugal and the more stable activities are performed offshore. This strategy allows us to achieve more attractive global service models for our customers.

Wipro Portugal's contribution is in quality assurance, customer relationship management and customer satisfaction. That is why the company has maintained a strong investment in team training in terms of recognized certifications and in topics with special emphasis on service management and Oracle Retail components.

### Key indicators

Three of the world's five largest retail processing programs are being run by Wipro Portugal, together with Wipro India and Wipro Brazil, and Wipro Portugal is responsible for delivery and coordination.

Thus, the company's activity followed the need of these large customers and adapted the delivery method and also their services to this new reality.

New services like ORIS (detailed below) appeared, being initially tested as pilot and are currently in roll out phase.



In face of this new reality, we are growing in all geographies where the deliveries are made, namely in Portugal, Brazil and India.

As a result of these new programs to be delivered by Wipro Portugal, our partnership with Oracle has been strengthened, and although it has apparently positioned itself in the market as a service provider, it has recognized in Wipro a strategic partner to cover all the needs of our mutual customers.

The remaining two transformation programs are being delivered by Oracle, which shows a reduction in the competitive strength in the market for transformation programs.

The scenario is not the same for support programs, where there is still a strong presence of competition in the market.

The Sales and Services rendered by Wipro Portugal amounted to EUR 17,109,342.12 (seventeen million, one hundred and nine thousand, three hundred and forty two euros and twelve cents). Operating Income (before income and/or financing expenses and taxes) was EUR 4,819,274.77 euros (four million, eight hundred and nineteen thousand, two hundred and seventy-four euros and seventy-seven cents).

## Research and Development (R&D)

Given the position of Wipro Portugal in the market, it is essential for the company to move forward with a stronger bet on R&D because at present the processes and procedures themselves, as well as the current tools used for delivery, are insufficient to allow the company growth in line with the needs of the market and the demand of our customers. Within this framework, Wipro Portugal plans to move forward with the application for the Corporate R&D Tax Incentive System, also collaborating with public institutions in partnership with highly specialized R&D technicians.

Given the growth in service delivery in the period ended at March 2017, R&D activities were lower than in previous years since most of our resources were dedicated to delivering programs to the customer. Nevertheless, there were some R&D activities, especially in the area of modernization of the rendering of our services, in order to make them more agile and faster, thus increasing our competitiveness.

The development of a Cloud for retail solutions, supporting the areas of Merchandising Operations in private clouds.

## Human Resources

As a result of the favourable economic environment of the international economy, in particular the performance of some retailers worldwide, it was possible in 2016-17 to invest in new hiring of profiles with some seniority. The 11 employees hired were all contractors with permanent contracts, which represents the permanent need to grow our staff in Portugal.

The trend of hiring growth is also seen as more aggressive in the coming year, with Wipro actively seeking resources for the various levels of seniority.



Nevertheless, the recent hiring was not enough to reverse the downward trend in the staff, since it was reduced from 172 workers in March 2016 to 156 workers in March 2017, as a result of the current dynamics of IT industry and the competition for talents in this area, in Porto. Challenges in talent retention thus remain at the heart of our strategy, with a higher budget for wage revisions being invested in June 2016, as well as the awarding of some extraordinary retention bonuses to key people.

Additionally, Wipro Technologies is also investing in this center as a Technology Hub for Europe, constituting this unit of Wipro as a Delivery Center for this geography, which will allow us to grow in the geography inside and outside the traditional Retail areas.

As in previous financial years, investment in creating capability has been strategic as investment in comprehensive personal development plans that cover internal training, technical training, methodologies, executive coaching, leadership, soft skills, such as the promotion of career growth opportunity, possibilities to develop an international career, keeping the availability to highlight workers to other destinations globally, according to personal expectations.

## Future outlook

Wipro Portugal continues to gain space at Wipro Technologies and continues to position itself as the Group's leading provider of Oracle Retail solutions globally. Additionally, its strategy is to position itself as a center of excellence Retail for Wipro Technologies, as well as the R&D center of excellence for Retail at global scale.

Alongside, Wipro Portugal has established itself as a Global Development Unit (GDU), which means that it is recognized as a European hub of near shore development for the various business units besides Retail, namely manufacturing and the financial Area.

It is our expectation that the greater focus of this subsidiary in the European market may contribute to an increase in the turnover of Wipro Portugal.

## Risk Management

Wipro Portugal manages its risks with priority being the detection and coverage of those that may have a significant impact on the financial statements of the company or that create significant restrictions to the further development of the business.

Activity in different geographies necessarily leads to the existence of currency exposure despite the fact that most of the company's operations are denominated in Euros. In the case of operations in Mexico and Brazil, cash flows are generated essentially in USD.

Centralized exchange rate risk monitoring is performed at Group level, aiming at reducing this impact on the company's activity. The policy of covering this specific risk also involves avoiding, as far as possible, hiring in foreign currency.

The retention of human capital is also a relevant area for the Group's activity and its maintenance and valuation represents a crucial point in the company's activity. Thus, there is a continuous focus on training and skills development of employees.



## Subsequent events

After this report, no significant events occurred that could give rise to any adjustments to the financial statements or to additional disclosures.

## Proposal on the appropriation of profits

We propose that the Net Profit for the Year of EUR 4,230,195.67 (four million, two hundred and thirty thousand, one hundred and ninety-five euros and sixty-seven cents) to be transferred to free reserves.

Maia, 15 May 2017

The Board of Directors

*SDI-*  
Ashish Chawla

# WIPRO PORTUGAL, S.A.

## BALANCE SHEET AS AT 31 MARCH 2017

(Amounts in Euro)

Assés	Notes	31 March 2017	31 March 2016
<b>NON-CURRENT ASSETS:</b>			
Tangible fixed assets			
Intangible assets	4.2, 2, and 6	280,334,77	353,470,00
Financial investments - Equity method	4.2, 4 and 7		1,438,00
Financial investments - Other methods	4.2, 1, 8, 9 and 10	3,691,487,13	2,620,107,78
Total Non-current assets	11	229,049,89	226,623,75
<b>CURRENT ASSETS:</b>			
Trade receivables			
State and other public entities	13	52,543,725,83	46,839,268,44
Other receivables	22	331,397,92	1,863,116,75
Debtors	13	337,242,09	299,436,81
Other financial assets	14	81,831,45	43,692,94
Cash and cash equivalents	11 and 24	3,688,199,70	4,088,839,23
Total Current assets	5	29,832,29	748,201,31
Total Assets		57,112,139,27	53,882,755,86
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY:</b>			
Share capital			
Share premium	15	51,390,00	51,390,00
Legal reserves	15	698,610,00	698,610,00
Other reserves	17	10,278,00	10,278,00
Adjustments / Other changes in equity	16	39,339,387,73	42,110,861,96
Profit for the period		5,213,245,83	1,994,225,94
Total Equity		45,272,911,56	44,015,365,90
Total Equity		4,230,195,67	51,537,06
<b>LIABILITIES:</b>			
<b>NON-CURRENT LIABILITIES:</b>			
Provisions			
Total Non-current liabilities	25	360,000,00	-
<b>CURRENT LIABILITIES:</b>			
Trade payables			
State and other public entities	21	8,694,860,87	9,297,096,18
Other payables	22	397,619,38	400,216,96
Debtors	20	1,912,191,01	2,060,148,91
Total current liabilities	23	405,312,48	-
Total liabilities		11,409,883,74	11,757,492,05
Total Equity and liabilities		11,769,883,74	11,757,492,05
		61,272,990,97	57,034,395,01

The following notes form an integral part of these financial statements

SDI-  
Certified Accountant

The Board of Directors

SDI-  
Ashish Chawla

SDI-  
Sukanta Kunda

## WIPRO PORTUGAL, S.A.

### INCOME STATEMENT BY NATURE FOR THE PERIOD ENDED AT 31 MARCH 2017

(Amounts in Euro)

INCOME AND EXPENSES	Notes	31 March 2017	31 March 2016
Sales and services rendered	26	17,109,342,12	15,629,655,15
Gains / losses from subsidiaries, associates and joint ventures	10	1,085,350,75	3,283,017,31
External services and supplies	27	(5,292,357,77)	(5,588,395,79)
Personnel costs	28	(10,259,417,45)	(10,144,471,72)
Impairment on receivables (losses/reversals)	13	(6,999,05)	33,440,22
Other income and gains	29	2,471,215,22	7,966,44
Other expenses and losses	30	(63,822,26)	(2,231,476,86)
Profit before depreciations, financial expenses and income tax		<u>5,043,510,96</u>	<u>988,733,75</u>
Depreciation and amortisation expenses/reversals	31	(224,236,19)	(197,628,16)
Operating profit (before financial expenses and taxes)		<u>4,819,274,77</u>	<u>791,105,59</u>
Interest and similar income	32	49,859,98	587,81
Income and similar expenses	33	(0,24)	(14,263,79)
Profit before income tax		<u>4,869,134,51</u>	<u>777,429,61</u>
Income tax expense	4 2.7. e 12	(638,938,84)	(265,882,55)
Net profit for the period		<u>4,230,195,67</u>	<u>511,547,06</u>

The following notes form an integral part of these financial statements

SD/-  
Certified Accountant

The Board of Directors

SD/-  
Ashish Chawla



# WIPRO PORTUGAL, S.A.

## STATEMENT OF CHANGES IN EQUITY

AS AT 31 MARCH 2017

(Amounts in Euro)

		Equity attributable to the equity holders of the parent Company								
	Notes	Increases	Other equity instruments	Share premium	Legal reserves	Other reserves	Retained earnings	Adjustments in financial assets and other change in equity	Net profit for the period	Total Equity
Position at the beginning of 01-04-2016		51.390,00	-	668.610,00	10.278,00	42.110.888,34	-	1.994.219,56	511.537,06	45.326.802,96
Changes in the period:										
Other changes recognized in equity:										
Incorporation of previous period net results		-	-	-	-	(2.771.480,25)	-	3.283.017,31	(631.537,06)	-
Appreciation of the equity method		-	-	-	-	-	-	(53.981,40)	-	(53.981,40)
Other		-	-	-	-	-	-	-	-	-
Net profit for the period		-	-	-	-	(2.771.480,28)	-	3.229.026,91	(511.537,06)	(53.981,40)
Comprehensive income		-	-	-	-	-	-	4.230.195,67	-	4.230.195,67
Operations with equity holders in the period:										
Capital increases		-	-	-	-	-	-	-	-	-
Share premium increases		-	-	-	-	-	-	-	-	-
Dividends paid		-	-	-	-	-	-	-	-	-
Cash inflows for setting of losses		-	-	-	-	-	-	-	-	-
Other operations		-	-	-	-	-	-	-	-	-
Position at the end of 31-03-2017		51.390,00	-	668.610,00	10.278,00	39.339.388,09	-	5.213.246,47	1.230.195,67	49.503.197,23

The following notes form an integral part of these financial statements.

SDP  
Certified Accountant

The Board of Directors

SDP  
Ashleigh Chavala

SDP  
Sukarna Kundu

# WIPRO PORTUGAL, S.A.

## STATEMENT OF CHANGES IN EQUITY

AS AT 31 MARCH 2016

(Amounts in Euro)

	Equity attributable to the equity holders of the parent Company							Equity	
	Capital	Other equity	Share premium	Legal reserves	Other reserves	Retained earnings	Adjustments in financial assets and other changes in equity		Net profit for the period
Position at the beginning of 01-01-2015:	51,390,00	-	658,810,00	10,278,00	34,203,458,75	-	2,309,553,21	7,807,412,59	45,140,639,55
Changes in the period:									
Other changes recognized in equity:									
Incorporation of previous period net results	-	-	-	-	7,997,412,59	-	-	(7,997,412,59)	-
Application of the equity method	-	-	-	-	-	-	(328,333,65)	-	(328,333,65)
Other	-	-	-	-	-	-	-	-	-
Net profit for the period	-	-	-	-	7,907,412,59	-	(328,333,65)	(7,907,412,59)	(328,333,65)
Comprehensive income	-	-	-	-	7,907,412,59	-	(328,333,65)	(7,907,412,59)	(328,333,65)
Operations with equity holders in the period									
Capital increases									
Share premium increases	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-
Cash inflows for settling of losses	-	-	-	-	-	-	-	-	-
Other operations	-	-	-	-	-	-	-	-	-
Position at the end of 31-03-2016	51,390,00	-	658,810,00	10,278,00	42,110,888,34	-	1,981,219,55	511,537,06	45,326,402,95

The following notes form an integral part of these financial statements

SBI-  
Certified Accountant

The Board of Directors:

SBI-  
Ashish Chawla

# WIPRO PORTUGAL, S.A.

## CASH FLOW STATEMENT

AS AT 31 MARCH 2017

(Amounts in Euro)

	31-03-2017	31-03-2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	13 723 725,67	20 604 725,78
Payments to suppliers	(7 531 380,91)	(8 428 395,51)
Payments to personnel	(7 597 091,26)	(5 276 646,67)
<b>Cash generated by operations</b>	<b>(504 755,50)</b>	<b>5 828 681,60</b>
Payment / Receipt of income tax	1 040 926,78	(4 070 274,29)
Other receipts / payments	(1 173 223,47)	(1 579 713,64)
<b>Net cash from operating activities (1)</b>	<b>(1 937 052,19)</b>	<b>148 693,67</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Payments related to:		
Tangible fixed assets	(159 059,09)	(44 719,11)
Financial investments	-	-
Other assets	-	-
	<b>(159 059,09)</b>	<b>(44 719,11)</b>
Receipts related to:		
Government Grants	-	-
Interest and similar income	-	-
Dividends	-	-
	-	<b>5 093 296,95</b>
<b>Net cash from investing activities (2)</b>	<b>(159 059,09)</b>	<b>4 958 577,84</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Receipts related to:		
Loans granted	-	-
Loans obtained	-	-
Interest and similar income	-	-
Other financing operations	28 693,00	-
	<b>28 693,00</b>	<b>-</b>
Payments related to:		
Loans granted	-	-
Loans obtained	(2 500 000,00)	-
Interest and similar expenses	-	(627 660,99)
Other financing operations	-	(14 263,79)
	<b>(2 500 000,00)</b>	<b>(641 914,78)</b>
<b>Net cash from financing activities (3)</b>	<b>(2 471 307,00)</b>	<b>(611 914,78)</b>
<b>Net increase/(decrease) in cash and cash equivalents (4) = (1) + (2) + (3)</b>	<b>(3 667 416,27)</b>	<b>4 465 356,73</b>
Effect of currency exchange differences		
	-	-
<b>Cash and cash equivalents at the beginning of the period</b>	<b>4 835 919,48</b>	<b>370 562,75</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>1 168 503,21</b>	<b>4 835 919,48</b>

The following notes form an integral part of these financial statements.

**SDI-**  
Certified Accountant

The Board of Directors

**SD-**  
Ashish Chawla

**SDI-**  
Sukanta Kundu

## WIPRO PORTUGAL, S.A.

### NOTES TO THE FINANCIAL STATEMENTS

#### 1. INTRODUCTION

Wipro Portugal, S.A. (hereinafter referred to as "Company") is a public limited company incorporated on 28 February 1997, under the name of Celdata Informática, S.A., and has its registered office in Maia.

The Company's activity is providing services in the area of IT Advisory with operations in the European Union, Brazil, United States and Middle East.

The Company was acquired in 2006 by the Wipro Group and its financial statements are included in the consolidated financial statements of Wipro Limited, with registered office at Bangalore.

The company is the parent company of a group of companies described in Note 7, being mandatory to prepare consolidated financial statements in accordance with Article 7 of Decree-Law No. 158/2009 of July 13.

The Board of Directors considers that these financial statements give a true and fair view of the Company's operations, as well as its financial position and performance and cash flows and were approved by the Board of Directors of the company in the meeting held at 31 May 2017.

#### 2. ACCOUNTING FRAMEWORK USED IN THE PREPARATION OF THE FINANCIAL STATEMENTS

These financial statements have been prepared in accordance with the Portuguese accounting standards (*Sistema de Normalização Contabilística* – "SNC"). SNC includes the Accounting and Financial Reporting Standards ("NCRF"), as established in Decree-Law 158/2009 of 13 July, amended by Decree-Law No. 98/2015 of 2 June.

The financial statements comprising the balance sheet, income statement by nature, the statement of changes in equity, the cash flow statement and the notes, are expressed in Euro and have been prepared on the going concern and accrual basis assumptions, following which items are recognized as assets, liabilities, equity, income and expenses when fulfilling the definitions and recognition criteria for those elements under the accounting framework, in accordance with the qualitative characteristics of comprehensibility, relevance, materiality, reliability, faithful representation, substance over form, neutrality, prudence, completeness and comparability.

The accounting policies as presented in note 3, have been used in the financial statements for the period ended a 31 March 2017 and in the comparative financial information presented in these financial statements for the period ended 31 March 2016.

There are no balance sheet and income statement's accounts whose contents are not comparable with those of the previous period.

#### 3. FIRST-TIME ADOPTION OF NCRF

NCRF were not adopted for the first time in the current period.

## 4. MAIN ACCOUNTING POLICIES

### 4.1. Measurement basis used in the preparation of the financial statements

In accordance with NCRF, the preparation of financial statements requires the Board of Directors to make judgments, prepare estimates and define assumptions that affect the application of the accounting policies and the amounts of assets, liabilities, revenues and expenses. The estimates and related assumptions are based on the historical experience and other factors that are believed to be reasonable under the circumstances, forming the basis for the judgments regarding the amounts of assets and liabilities for which the valuation is not evident through other sources. The actual results may differ from those estimates. The issues involving a high degree of judgment or complexity, or when assumptions and estimates are considered to be significant, are presented in Note 4.3 - Main estimates and judgments used in the preparation of the financial statements.

### 4.2. Other significant accounting policies

#### 4.2.1. Financial investments

Investments in subsidiaries are registered under the equity method, according which financial investments are initially recorded at their acquisition cost and, later, adjusted according with the changes verified, after the acquisition, in the company's share in net assets of the correspondent entities. The Company's income include the corresponding part in the income of those entities.

The excess of the acquisition cost against the fair value of identifiable assets and liabilities of each entity acquired at the acquisition date is recognized as goodwill and is maintained in the financial investment amount. If the difference between the acquisition cost and the fair value of the net assets and liabilities acquired is negative, it is recognized as income for the period.

An assessment of financial investments is performed when there is an indication that the asset might be impaired. Impairment losses, if exist, are recorded as expenses in the income statement.

When the Company's accumulated share of losses exceeds the carrying amount of the investment, the investment is reported at nil value; if the associate subsequently reports profits, the Company start to recognize its share of those profits only after its share of the profits equals the share of losses not recognized.

#### Goodwill

Following the transition to NCRF and as allowed by NCRF 3, the Company chose not to apply NCRF 14 - Business Combinations retrospectively to previous business combinations (business combinations that occurred in the date before the transition date to NCRF). The Company performed impairment tests on the net value of goodwill recorded in accordance with previous PCGA in Portugal and also evaluated if it contains any intangible asset that should be considered separately.

Goodwill is assessed annually, regardless of the existence of any impairment triggers. Impairment losses are recognized in the income statement. Impairment on goodwill cannot be reversed.

The recoverable amount is determined based on the value in use of the assets, calculated using valuation methodologies supported by discounted cash flow techniques, considering market conditions, the time value of money and the business risks.

Following the changes to the SNC established in Notice No. 8256/2015 of 29 July, goodwill shall be amortized over its useful life or within a maximum period of 10 years if its useful life cannot be estimated reliably.

### Financial Statements of foreign entities

The entities that operate abroad and are financially, economically and organizationally autonomous are considered as foreign entities.

Assets and liabilities of the foreign entities are translated to Euro at the exchange rate in force as of the balance sheet date. Income and expenses in their statements of profit and loss are translated to Euro at the average rates for the year.

#### **4.2.2. Tangible fixed assets**

Tangible fixed assets are initially recorded at acquisition cost, which includes the purchase price, including purchase costs and any costs directly attributable to bring the asset to its location and necessary condition to be capable of operating in its intended manner, and, whenever applicable, the initial estimate of any costs related to dismantling and removing the item and restoring the site on which is located.

Tangible fixed assets are recorded at acquisition cost, net of the respective accumulated depreciations and impairment losses.

Depreciation is calculated on a straight-line method, after the moment when the asset is in perfect condition to be used, based on the estimated useful lives of the corresponding assets.

The various useful lives and depreciation methods are reviewed on annual basis. The effect of any change in those estimates is prospectively recognized in the income statement.

The costs of maintaining and repairing (subsequent expenditures) that are not likely to generate additional future economic benefits are registered as expenses in the periods in which they are incurred.

Gains or losses arising from the retirement or disposal of a tangible fixed asset are determined as the difference between the selling price and the carrying amount of the asset and are recognized as income or loss for the period in which the retirement or disposal occur.

#### **4.2.3. Leases**

The Company classifies leases as financial or operating leases according to the substance of the transaction and not its legal form. A lease is classified as a finance lease if it transfers to the lessee substantially all the risks and rewards of ownership. The remaining leases are operating leases.

Operating lease payments are charged to the income statement on a straight-line basis over the lease term.

#### **4.2.4. Intangible assets**

##### Internally generated intangible assets – research expenditure

Research expenditure is recognized as expense when incurred.

The Company recognizes an intangible asset resulting from development expenses only when it is possible to perform and demonstrate:

- the technical feasibility of finishing the intangible asset in order it is available for use or sale;
- the intention to finish the intangible asset and use it or sell it;
- the ability to use or sell the intangible asset;
- the way how the intangible asset will generate future economic benefits;
- the availability of technical and financial resources considered as adequate to complete the development of the intangible asset and use it or sell it;
- the ability to measure with reliability the expenditure allocated to the intangible asset during its development phase.

The initially recognized amount of the internally generated intangible asset consists of the sum of the expenditures incurred after the date on which the conditions described above are fulfilled. When these conditions are not fulfilled, the expenditure incurred in the development phase is recorded as an expense for the period.

Intangible assets are recorded at acquisition cost, less accumulated amortization and impairment losses. Depreciation is recognized over the estimated useful life of the intangible assets. The useful lives and amortization method of the various intangible assets are reviewed on an annually basis. The effect of any change in these estimates is recognized in the income statement prospectively.

#### 4.2.5. Impairment of tangible and intangible fixed assets, excluding goodwill

Whenever there is any indication that the Company's tangible and intangible fixed assets may be impaired, an estimate of their recoverable value is performed in order to determine the extent of the impairment loss (if applicable). When it is not possible to determine the recoverable value of an individual asset, the recoverable amount of the cash-generating unit to which that asset belongs is estimated.

The recoverable value of the asset or cash generating unit consists of the greater of (i) the fair value less costs to sell and (ii) the value in use. When determining value in use, estimated future cash flows are discounted using a discount rate that reflects market expectations about the time value of money and the specific risks of the asset or cash generating unit for which estimates of future cash flows have not been adjusted.

Whenever the book value of the asset or cash generating unit exceeds its recoverable value, an impairment loss is recognized. Impairment losses are recorded immediately in the income statement, unless such loss compensates for a revaluation surplus recorded in equity. In that case, such loss will be treated as a decrease in that revaluation.

The reversal of impairment losses recognized in prior years is recorded when there is evidence that previously recognized impairment losses no longer exist or have decreased. The reversal of impairment losses is recognized in the income statement under "Reversals of impairment losses". The reversal of the impairment loss is performed up to the amount that would be recognized (net of depreciation) if the loss had not been recorded.

#### 4.2.6: Accrual-based accounting

Expenses and income are recognized in the period to which they relate, under accrual-based accounting principle, regardless of the date of payment or receipt. Income and expenses for which their real amount is not known are estimated.

Income and expenses reported in the current period and whose payments and receipts are expected in future periods and payments and receipts that have already occurred but that correspond to income or expenses of future years that will be recognized in the income statement of that period, are recorded as Deferrals.

#### 4.2.7. Income tax

Income tax corresponds to the sum of current taxes and deferred taxes. Current taxes and deferred taxes are recorded in income, except when deferred taxes relate to items recorded directly in equity. In these cases, deferred taxes are also recorded in equity.

Current income tax is calculated based on taxable income for the period of the several entities included in the consolidation perimeter. Taxable income differs from accounting income because it excludes various expenses and income that will only be deductible or taxable in subsequent years, as well as expenses and income that will never be deductible or taxable in accordance with the tax rules in force.

Deferred Taxes relate to the temporary differences between the amounts of the assets and liabilities for accounting purposes and the respective amounts for tax purposes, as well as the results of tax benefits obtained and temporary differences between the taxable and accounting result.

Deferred tax liabilities are normally recognized for all taxable temporary differences. Deferred tax assets are recognized for deductible temporary differences, however such recognition only occurs when there are reasonable expectations of sufficient future taxable profits to use those deferred tax assets. At each reporting date, these deferred tax assets are reviewed and adjusted according with the expectations for their future use.

Deferred Tax Assets and Liabilities are calculated and valued using the taxation rates which are expected to be in force on the date of reversal of temporary differences, based on the tax rates (and tax legislation) that were formally issued at the reporting date.

Deferred tax assets and liabilities are compensated if, and only if: (i) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; (ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority; and (iii) the Company intends to proceed with the compensation for settlement purposes.

#### 4.2.8. Financial assets and liabilities

Accounts receivable are initially recognized at fair value and subsequently measured at amortized cost, according to the effective interest rate method, being deducted in the balance sheet from any related impairment losses.

Financial assets and liabilities are recognized in the balance sheet when the Company becomes a party to the corresponding contractual provisions.

Financial assets and liabilities are recognized at cost.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and bank deposits, that are readily convertible in known amounts of cash and are subject to an insignificant risk of changes in value.



#### Accounts receivable

Accounts receivable are subjected to impairment tests at each reporting date. Impairment losses are recorded based on the regular assessment of the existence of objective evidence of impairment resulting from doubtful accounts receivable as of the balance sheet date.

Identified impairment losses are recognized in the income statement, being subsequently reversed through the income statement if the estimated losses decrease in a later period.

#### Derecognition of financial assets and financial liabilities

The Company derecognizes financial assets only when its contractual rights to cash flows expire, or when it transfers the financial assets and all the significant risks and benefits associated to another entity. Transferred financial assets for which the Company has retained significant risks and benefits are derecognized, provided that their control has also been transferred.

The Company derecognizes financial liabilities when these are discharged, cancelled or extinguished.

#### **4.2.9. Government grants**

Government grants are only recognized when it is reasonably sure that the Company will comply with the conditions associated with such grant, and that the grant will be received.

Government grants related with the acquisition or production of non-current assets are initially recognized in equity, being subsequently recognized as income for the year, on a systematic base, in a consistent and proportionate manner with the depreciation of the assets for which they are intended.

Government Grants intended to offset losses already incurred or without future costs are recognized as income for the period in which they become receivable.

#### **4.2.10. Foreign currency transactions**

Transactions in foreign currencies (a currency different from the subsidiary functional currency) are recorded at the exchange rates at the date of the transaction. In each reporting date, monetary assets and liabilities denominated in foreign currencies are updated at the exchange rates prevailing at the balance sheet date. Non-monetary assets and liabilities registered at fair value, are translated at the exchange rate prevailing on the date when the fair value was determined. Non-monetary assets and liabilities recorded at historical cost, denominated in foreign currencies, are not updated.

Exchange differences resulting from these updates are booked as income when they arise.

#### **4.2.11. Share-based payments**

The payments settled through the delivery of the parent company's equity instruments are charged to Wipro Portugal, S.A., being determined at the date on which the corresponding benefits are granted.

Following an agreement signed with the parent Company, the debit of charges for this share-based payment is performed on an annual basis. Therefore, after the debit, the company reclassifies the corresponding liability of equity to liabilities.

#### 4.2.12. Revenue

The revenue recognition model depends on the nature of the services contracted:

i) Fixed fee contracts:

Revenues from fixed fee contracts, including systems development and integration contracts, are recognized using the stage of completion method. The stage of completion is determined based on the ratio between the expenses incurred up to the date and the estimated expenses to be incurred to complete the project.

Revenues from maintenance contracts are proportionately recognized over the term of the contract.

ii) Time & material contracts:

It consists of hiring IT advisory services through supply of personnel. Revenue is recognized based on the number of days/employee incurred, valued at the contracted daily rate.

The revenue associated to the provision of services from Time & Material projects is recognized based on real times and sales price, while in the projects with a fixed revenue is recognized by reference to the stage of completion of the project.

Interest revenue is recognized through the effective interest rate method, provided that it is probable that economic benefits will flow to the Company and its amount can be measured reliably.

#### 4.2.13. Subsequent events

Events occurred after the balance sheet date and relating to conditions already existent at that date (adjusting events after the balance sheet date), have been considered in the preparation of the financial statements. Events occurred after the balance sheet date and relating to conditions already existent at that date (non-adjusting events after the balance sheet date) are disclosed in the financial statements if considered material.

#### 4.3. Critical accounting estimates and judgments

When preparing the attached financial statements, the Company performed several assumptions that affect the book value of assets and liabilities, as well as the income and expenses for the period.

The estimates and underlying assumptions were determined based on the best knowledge available at the date of approval of the financial statements of the current events and transactions, as well as on the experience of past and/or current events. However, situations may occur in subsequent periods that were not expected to occur at the date of approval of the financial statements, but were not included in these estimates. Changes to estimates that occur after the date of the financial statements will be corrected prospectively. For this reason and given the degree of uncertainty associated, the actual results of the transactions in question may differ from the corresponding estimates.

##### Estimates and judgments

i) Impairment of non-current assets and goodwill,

Tangible fixed assets and intangible assets are reviewed for impairment assessment purposes whenever events or circumstances exist which indicate that their carrying values may not be recovered.



On an annual basis the Company reviews the assumptions used to assess the existence of impairment in goodwill resulting from acquisitions of shareholdings in subsidiaries. The assumptions used are sensitive to changes in macroeconomic indicators and business assumptions used by management. The goodwill in associates is reviewed when circumstances indicate the existence of impairment.

Considering the uncertainties regarding the recoverable amount of tangible and intangible assets and goodwill as they are based on the best information available, changes in the assumptions can result in changes in the determination of the amount of impairment and, consequently, on the Company's results.

ii) Recoverability of accounts receivable and other debtors.

Impairment losses on accounts receivable and other debtors are based on the Company's evaluation of the recovery probability of receivable balances, ageing of balances, debt cancellations and other factors.

Certain facts and circumstances exist that may change the receivables impairment losses estimate namely the considered assumptions, including changes in economic environment, sector trends, deterioration of major customers credit conditions and some major defaults. This evaluation process is subject to numerous estimates and assessments. Any changes to these estimates may result in determining different levels of impairment and therefore different impacts on results.

iii) Income taxes

Many transactions and calculations exist for which the determination of the tax payable amount is uncertain in the ordinary course of business. Other interpretations and estimates may result in a higher level of current and deferred income taxes, recognized over the period.

The recognition of the deferred tax assets relating to tax losses was based on Company's projections, which show the existence of future taxable income.

iv) Revenue recognition

The Company uses the stage of completion method for fixed value contracting projects for the development and/or implementation of certain IT solutions.

Revenue is recognized in the accounting periods in which the services are rendered based on the stage of completion, being this percentage calculated according with the costs incurred to the date and the total of estimated costs.

This method is followed when revenue estimates are reasonably reliable.

The main factors analysed to estimate future costs to be considered include estimates of future personnel costs and productivity efficiencies. In the case of estimates they are subject to continuous evaluation during the term of these contracts. When estimates indicate the possibility of a loss, it is considered in the period in which it becomes probable.

v) Capitalization of expenditure of development projects

The capitalization of project development expenses is associated with the company's assessment of the future economic benefits that the projects are expected to generate over a period of time. The expenses associated with the project will be recognized over the period in which they will be expected to generate economic benefits for the company.

Certain facts and circumstances exist that may change the estimate of the considered assumptions, including changes in the economic environment and sector trends. This evaluation process is subject to numerous estimates and assessments. Any changes to these estimates may result in determining different levels of impairment and therefore different impacts on results.

**4.4. Key assumptions concerning the future**

The Company's Management did not identify any situation that could originate material changes in the carrying amounts of assets and liabilities during the following year or that affect the company's ability to continue on a going concern basis.

**4.5. Main sources of estimate uncertainty**

The main sources of uncertainty are detailed in Note 4.3.

**5. CASH FLOWS**

**Cash and bank deposits**

For Cash Flow Statement purposes, cash and cash equivalents includes cash, bank deposits available on demand (with maturity of three months or less) and money market treasury deposits, net of bank overdrafts and other equivalent short-term financing.

As at 31 March 2017 and 2016, cash and cash equivalents is detailed as follows:

	<u>3/31/2017</u>	<u>3/31/2016</u>
Cash	4,111.54	15,159.78
Bank deposits available on demand	25,720.75	733,041.53
Cash and bank deposits	<u>29,832.29</u>	<u>748,201.31</u>
Cashpooling Wipro Cyprus	1,138,668.92	4,087,718.17
Cash and cash equivalents	<u>1,168,501.21</u>	<u>4,835,919.48</u>

Transactions with related parties, namely regarding Cashpooling, are disclosed in Note 24.

## 6. TANGIBLE FIXED ASSETS

As at 31 March 2017 and 2016, the movements occurred in tangible fixed assets and respective accumulated depreciations and impairment losses were as follows:

	31/3/2017				
	Basic equipment	Office equipment	Other tangible fixed assets	Assets under construction	Total
<b>Gross value:</b>					
Opening balance	1,249,705.74	522,830.46	1,044,182.91	-	2,816,719.11
Acquisitions	134,789.03	303.00	8,362.00	17,525.77	160,989.80
Disposals	(81,118.94)	-	-	-	(81,118.94)
Transfers	-	-	-	-	-
Write-offs	(819.00)	-	-	-	(819.00)
Closing balance	1,301,966.83	523,133.46	1,052,544.91	17,525.77	2,895,170.97
<b>Accumulated depreciation and impairment losses:</b>					
Opening balance	1,123,285.74	497,758.46	841,564.91	-	2,462,649.11
Depreciation for the period	108,415.19	9,781.00	104,602.00	-	222,798.19
Disposals	(77,914.94)	-	-	-	(77,914.94)
Write-offs	(432.00)	-	-	-	(432.00)
Other changes	7,735.84	-	-	-	7,735.84
Closing balance	1,161,089.83	507,539.46	946,166.91	-	2,614,836.20
Net book value	140,877.00	15,594.00	106,378.00	17,525.77	280,374.77
<b>31/3/2016</b>					
	Basic equipment	Office equipment	Other tangible fixed assets	Assets under construction	Total
<b>Gross value:</b>					
Opening balance	1,527,454.30	530,180.46	1,044,182.91	-	3,101,817.67
Acquisitions	66,272.16	-	-	-	66,272.16
Disposals	(27,705.94)	-	-	-	(27,705.94)
Transfers	-	-	-	-	-
Write-offs	(316,914.78)	(7,350.00)	-	-	(324,264.78)
Closing balance	1,249,105.74	522,830.46	1,044,182.91	-	2,816,119.11
<b>Accumulated depreciation and impairment losses:</b>					
Opening balance	1,395,971.30	486,905.46	737,798.91	-	2,620,675.67
Depreciation for the period	71,748.16	18,243.00	103,766.00	-	193,757.16
Disposals	(27,518.94)	-	-	-	(27,518.94)
Transfers	-	-	-	-	-
Write-offs	(316,914.78)	(7,350.00)	-	-	(324,264.78)
Closing balance	1,123,285.74	497,798.46	841,564.91	-	2,462,649.11
Net book value	125,820.00	25,032.00	202,618.00	-	353,470.00

### Useful lives and depreciation

Tangible fixed assets are depreciated under the straight-line method, during the following estimated useful lives:

Category	Years
Basic equipment	3
Office equipment	8 a 10
Other tangible fixed assets	8 a 10

The depreciation for the periods ended at 31 March 2017 and 2016, in the amount of EUR 222,798.19 and EUR 193,757.16, respectively, were recorded under Depreciation and amortization expenses, in the income statement for the period.

## 7. INTANGIBLE ASSETS

The movement occurred during 31 March 2017 and 2016 in intangible assets, as well as the respective depreciations and accumulated impairment losses was as follows:

	3/31/2017			
	Development projects	Software	Work in progress	Total
<b>Gross value:</b>				
Opening balance	1,860,314.21	27,450.04	-	1,887,764.25
Transfers and write-offs	-	-	-	-
Closing balance	<u>1,860,314.21</u>	<u>27,450.04</u>	<u>-</u>	<u>1,887,764.25</u>
<b>Accumulated depreciation and impairment losses :</b>				
Opening balance	1,860,314.21	26,012.04	-	1,886,326.25
Depreciation for the period	-	1,438.00	-	1,438.00
Closing balance	<u>1,860,314.21</u>	<u>27,450.04</u>	<u>-</u>	<u>1,887,764.25</u>
Net book value	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	3/31/2016			
	Development projects	Software	Work in progress	Total
<b>Gross value:</b>				
Opening balance	1,860,314.21	27,450.04	18,784.00	1,906,548.25
Transfers and write-offs	-	-	(18,784.00)	(18,784.00)
Closing balance	<u>1,860,314.21</u>	<u>27,450.04</u>	<u>-</u>	<u>1,887,764.25</u>
<b>Accumulated depreciation and impairment losses :</b>				
Opening balance	1,860,314.21	22,141.04	-	1,882,455.25
Depreciation for the period	-	3,871.00	-	3,871.00
Closing balance	<u>1,860,314.21</u>	<u>26,012.04</u>	<u>-</u>	<u>1,886,326.25</u>
Net book value	<u>-</u>	<u>1,438.00</u>	<u>-</u>	<u>1,438.00</u>

### Useful lives and depreciation

Intangible assets are depreciated under the straight-line method, during the following estimated useful lives:

Category	Years
Development projects	3

The depreciation for the periods ended at 31 March 2017 and 2016, in the amount of EUR 1,438.00 and EUR 3,871.00, respectively, were recorded under Depreciation and amortization expenses, in the income statement for the period.

### 8. GOODWILL

The first goodwill amortization occurred during the period ended at 31 March 2017. There had been no significant change until 31 March 2016.

Goodwill is analysed as follows:

3/31/2017					
Entity	Acquisition year	Gross value	Depreciation for the period	Accumulated impairment losses	Book value
Wipro Retail UK	2003	562,657.44	-	562,657.44	-
Wipro Retail UK	2004	618,560.77	-	618,560.77	-
Wipro Technologies GmbH	2004	107,466.25	10,746.63	-	96,719.62
		<u>1,288,684.46</u>	<u>10,746.63</u>	<u>1,181,218.21</u>	<u>96,719.62</u>
3/31/2016					
Entity	Acquisition year	Gross value	Impairment losses for the period	Accumulated impairment losses	Book value
Wipro Retail UK	2003	562,657.44	-	562,657.44	-
Wipro Retail UK	2004	618,560.77	-	618,560.77	-
Wipro Technologies GmbH	2004	107,466.25	-	-	107,466.25
		<u>1,288,684.46</u>	<u>-</u>	<u>1,181,218.21</u>	<u>107,466.25</u>

## 9. INVESTMENTS IN SUBSIDIARIES

As a 31 March 2017 and 2016 the Company hold the following investments:

Subsidiary	Head office	31/3/2017			31/3/2016				
		Asset	Liability	% held	Net result	Equity	% held	Net result	Equity
Wipro Retail UK	Reino Unido	4,354,971.58	1,366,612.60	100%	1,125,168.46	3,968,359.58	100%	3,124,767.47	2,012,704.70
Wipro Sistemas do Brasil	Brasil	1,082,732.81	579,668.10	27%	(62.33)	510,084.71	27%	22,942.54	391,634.38
Wipro Technologies GmbH	Wemaha	52,243,146.27	58,381,381.24	85%	(2,621,599.49)	(9,212,685.00)	85%	2,221,475.80	(6,590,694.92)
SAS Newlogic Technologies	France	997,708.20	(15,487.46)	47%	(57,828.62)	923,195.66	47%	(880,080.00)	842,321.86
					<u>(1,556,782.98)</u>	<u>(4,793,065.07)</u>		<u>4,489,107.61</u>	<u>(3,344,025.35)</u>

As mentioned in the Introductory Note, the Company has to prepare consolidated financial statements in accordance with Article 7 of Decree-Law No. 158/2009, of July 13.

Investments in subsidiaries are recorded under the equity method in the Company's individual financial statements.

The exchange rates used for translate the values of Wipro Retail UK and Wipro Sistemas do Brasil were as follows:

Subsidiary	Exchange rate	
	Balance sheet	Income statement
Wipro Retail UK	1.1677	1.1602
Wipro Sistemas do Brasil	0.3174	0.3183



## 10. FINANCIAL INVESTMENTS

The movements occurred in Financial Investments and respective accumulated impairment losses, during the periods ended at 31 March 2017 and 2016, were as follows:

31-03-2017		Equity method
Opening balance		2.620,107,78
Equity method:		
<i>Movements through the income statement</i>		1.096,097,38
<i>Movements through equity</i>		(53.991,40)
Goodwill Wipro DE (note 8)		(10.746,63)
Closing balance		<u>3.651.467,14</u>

  

31-03-2016		Equity method
Opening balance		4.652.469,77
Equity method:		
<i>Movements through the income statement</i>		3.283.017,31
<i>Movements through equity</i>		(325.333,65)
Dividends received Wipro UK		(4.990.045,65)
Closing balance		<u>2.620,107,78</u>

The amounts of financial investments by company are as follows:

3/31/2017		
Subsidiary	Head office	Financial Investment
Wipro Retail UK	UK	2,984,716.19
Wipro Sistemas do Brasil	Brazil	139,175.97
Wipro Technologies GmbH	Germany	96,719.56
SAS Newlogic Technologies	France	430,855.41
		<u>3,651,467.14</u>

  

3/31/2016		
Subsidiary	Head office	Financial Investment
Wipro Retail UK	UK	2,012,704.19
Wipro Sistemas do Brasil	Brazil	106,861.46
Wipro Technologies GmbH	Germany	107,466.25
SAS Newlogic Technologies	France	393,075.88
		<u>2,620,107.78</u>

## 11. OTHER FINANCIAL INVESTMENTS

As at 31 March 2017 and 2016, the caption "Other financial investments" is analysed as follows:

	3/31/2017		3/31/2016	
	Gross amount	Impairment losses for the period	Carrying amount	Carrying amount
Non-current:				
Labour compensation scheme	4,233.38	-	4,233.38	1,807.33
Wipro Brasil investment	224,816.42	-	224,816.42	224,816.42
	<u>229,049.80</u>	<u>-</u>	<u>229,049.80</u>	<u>226,623.75</u>
Loans granted to group companies:				
Wipro GmbH	2,549,428.46	-	2,549,428.46	-
Wipro Cyprus (note 24)	1,138,668.92	-	1,138,668.92	4,087,718.17
	<u>3,688,097.38</u>	<u>-</u>	<u>3,688,097.38</u>	<u>4,087,718.17</u>

## 12. CORPORATE INCOME TAX

According to Article 87 of the Corporate Income Tax Code, the Company is subjected to the Corporate Income Tax (*Imposto sobre as Pessoas Colectivas* – "IRC") at the rate of 21% over the tax base.

Additionally, and according to Article 87-A of the Corporate Income Tax Code, as from 1 January 2013, taxation is accrued by 3% of municipal surcharge on taxable income in the range of EUR 1,500,000 and EUR 7,500,000; 5% for taxable income over EUR 7.5 million and 7% for taxable income exceeding EUR 35 million euros.

According to the legislation in force, tax returns are subject to review and correction by the tax authorities for a period of four years (five years for Social Security), except when there have been tax losses, tax benefits have been granted, or inspections, complaints or challenges are under way. In which case, depending on the circumstances, the time limits are extended or suspended. Accordingly, the Company's tax returns for the years 2013 to 2016 may still be subject to review.

Company's Management understands that any corrections resulting from inspections by tax authorities will not have a significant effect on the financial statements as at 31 March 2017 and 2016.

Income tax expense, as at 31 March 2017 and 2016, is as follows:

	31-03-2017	31-03-2016
Profit before income tax	4,869,134,51	777,429,61
Permanent differences:		
Expenses not duly documented	53,165,08	49,054,07
Equity method effect	(1,096,097,38)	(3,283,017,31)
Impairment losses in other financial assets		
Share-based payments	-	-
Tax benefits	(15,560,67)	(23,256,84)
Fringe benefits	7,583,91	17,790,36
Estimate correction	61,63	1,583,35
Other	(114,494,35)	29,304,49
Temporary differences:		
Deferred taxes	-	-
Income tax for the period	3,703,792,73	(2,431,112,27)
Tax loss	(2,259,487,15)	-
Income taxes expenses calculated at a rate of 21%	303,304,17	-
International Double Taxation		
Autonomous taxation	215,542,66	414,481,74
Tax benefits	-	-
Excessive tax estimate	(172,780,85)	(148,589,19)
Surcharge	55,556,89	-
Municipal surcharge	66,113,78	-
Other	171,202,19	-
Income tax expense	638,938,84	265,892,55

	31-03-2017	31-03-2016
Profit before income tax	4,869,134,51	777,429,61
Tax loss	(2,259,487,15)	
Nominal tax rate	21,00%	22,50%
Expected tax	548,025,95	174,921,66
Permanent differences:		
International Double Taxation		
Autonomous taxation	215,542,66	414,481,74
Tax benefits		
Over taxation estimates through tax loss	(172,780,85)	(148,589,19)
Permanent differences	(14,541,32)	16,756,97
Equity method effect	(230,180,45)	(738,678,89)
Amount of DT on tax losses not reported	-	547,000,26
Other		
Surcharge	55,556,89	
Municipal surcharge	66,113,78	
Unjustified difference	171,202,19	
Income tax for the period	638,938,84	265,892,55
Effective tax rate	13,12%	34,20%

### Deferred taxes

As at 31 March 2016, the closing balance of deferred tax liabilities was nil and no movement occurred during 2016. Therefore, as at 31 March 2017, the balance remained nil.

### 13. TRADE AND OTHER RECEIVABLES

As at 31 March 2017 and 2016, the Company's accounts receivable were as follows:

	31-03-2017			31-03-2016		
	Gross amount	Accumulated impairment	Net book value	Gross amount	Accumulated impairment	Net book value
<b>Current</b>						
Trade receivables:						
Trade receivables - Group's current account	52,410,275.95	-	52,410,275.95	46,469,674.93	-	46,469,674.93
Trade receivables - Non-group current account	233,449.89	-	233,449.89	387,594.31	-	387,594.31
Trade receivables - bad debts	66,797.25	(66,797.25)	-	59,797.80	(59,797.80)	-
	52,710,523.09	(66,797.25)	52,643,725.83	46,899,066.04	(59,797.80)	46,839,268.24
Other receivables:						
Accrual income - services to be invoiced to the group	-	-	-	-	-	-
Accrual income - services to be invoiced not to the group	216,463.50	-	216,463.50	151,894.19	-	151,894.19
Other receivables - grants	25,879.61	-	25,879.61	25,678.61	-	25,678.61
Other receivables	95,103.97	-	95,103.97	121,954.01	-	121,954.01
	337,242.08	-	337,242.08	299,436.81	-	299,436.81
	53,047,765.16	(66,797.25)	52,980,967.91	47,198,502.85	(59,797.80)	47,138,705.05
	53,047,765.16	(66,797.25)	52,980,967.91	47,198,502.85	(59,797.80)	47,138,705.05

The increase in "Trade receivables - Group's current account" is mainly due to the debt increase in Wipro Limited.

As at 31 March 2017 and 2016, were recognized net impairment losses on receivables in the amount of EUR 66,797.25 and EUR 59,797.60, respectively, and the movement was as follows:

Captions	Opening balance	Increases	Reversal	Closing balance
impairment of receivables	59,797.60	8,924.65	1,925.00	66,797.25
Total	59,797.60	8,924.65	1,925.00	66,797.25

#### 14. DEFERRALS – ASSETS

As at 31 March 2017 and 2016, the captions of the current asset "Deferrals" were as follows:

Nature	3/31/2017	3/31/2016
Pluriannual costs	27,143.08	31,085.70
Insurances	238.13	8,846.31
Maintenance contracts	54,450.24	3,960.93
	<u>81,831.45</u>	<u>43,892.94</u>

#### 15. SHARE CAPITAL

As at 31 March 2017, the Company's share capital was represented by 10,278 shares with a nominal value of EUR 5.

The share capital issued by the Company at 31 March 2017 and 2016 is as follows:

	3/31/2017	3/31/2016
Share capital:		
Nominal value	51,390.00	51,390.00
Issue premium	658,610.00	658,610.00
	<u>710,000.00</u>	<u>710,000.00</u>

The Company does not hold own shares.

#### 16. OTHER CHANGES IN EQUITY

In the periods ended at 31 March 2017 and 2016, the captions "Adjustments in financial assets" and "Other changes in equity" were as follows:

	3/31/2017	3/31/2016
Opening balance		
MEP adjustment through equity	1,984,225.94	2,309,559.59
Appropriation of net income	(53,991.04)	(325,333.65)
	<u>3,283,010.93</u>	-
Closing balance:	<u>5,213,245.83</u>	<u>1,984,225.94</u>

In the period ended at 31 March 2017, "Share-based payments" did not present any movement:

	<u>Share-based payments performed to employees</u>
Amount in 31-03-2016	303,599.73
<i>Share-based payments</i>	-
Amount in 31-03-2017	<u>303,599.73</u>

## 17. RESERVES

In the period ended at 31 March 2017, the reserves had the following movements:

	<u>Legal reserve</u>	<u>Reserves</u>	<u>Total reserves</u>
Amount in 31-03-2016	10.278,00	42.110.861,96	42.121.139,96
<i>Appropriation of net income</i>	-	(2.771.474,23)	(2.771.474,23)
Amount in 31-03-2017	<u>10.278,00</u>	<u>39.339.387,73</u>	<u>39.349.665,73</u>

Legal reserve: in accordance with the current legislation, a legal reserve must be increased with a minimum of 5% of the annual net profit up to a minimal limit of 20% of share capital. This reserve is not distributable except in the event of liquidation of the company, but may be used to absorb losses after the other reserves have been exhausted or incorporated into capital.

## 18. GOVERNMENT GRANTS

During the period ended at 31 March 2017, the Company did not received any Government grant.

## 19. OPERATING LEASES

As at 31 March 2017 and 2016, the Company is a lessee in operating lease agreements related to passenger vehicles and buildings.

The minimum non-cancellable payments of operating leases as at 31 March 2017 and 2016 are as follows:

	<u>3/31/2017</u>	<u>3/31/2016</u>
Rentals:		
Until 1 year	468,570.51	505,710.75
From 1 to 5 years	1,287,317.15	1,357,105.62
	<u>1,755,887.66</u>	<u>1,862,816.37</u>

## 20. OTHER PAYABLES

As at 31 March 2017 and 2016 the caption "Other payables" is as follows:

	<u>31-03-2017</u>	<u>31-03-2016</u>
Other payables		
Accrued expenses - remunerations	1.398.266,32	1.469.403,92
Accrued expenses creditors	384.590,22	590.744,99
Invoices pending approval	69.265,43	-
Other	60.069,04	-
	<u>1.912.191,01</u>	<u>2.060.148,91</u>

## 21. SUPPLIERS

As at 31 March 2017 and 2016 this caption is analysed as follows:

	<u>3/31/2017</u>	<u>3/31/2016</u>
Suppliers - Non-group	10,625.17	9,303.38
Suppliers - Group (Note 23)	8,684,235.70	9,287,792.80
	<u>8,694,860.87</u>	<u>9,297,096.18</u>

## 22. STATE AND OTHER PUBLIC ENTITIES

As at 31 March 2017 and 2016, this caption is analysed as follows:

	<u>3/31/2017</u>		<u>3/31/2016</u>	
	<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>	<u>Liabilities</u>
Income tax				
Advance tax	-	-	1.282,730.00	-
Taxes estimated	(811,719.34)	-	(414,481.74)	-
Withholding tax	1,084,585.96	-	814,897.24	-
Personal income tax	-	192,783.00	-	185,292.00
VAT	58,441.31	-	179,971.25	-
Contributions to Social Security	-	204,738.38	-	214,954.96
	<u>331,307.92</u>	<u>397,519.38</u>	<u>1,863,116.75</u>	<u>400,246.96</u>

As at 31 March 2017 there are no debts to Social Security or to the State and Other Public Entities.

## 23. DEFERRALS – LIABILITIES

As at 31 March 2017 and 2016, "Deferrals – Liabilities" is analysed as follows:

	3/31/2017	3/31/2016
Income to be recognized	405,312.48	-
	<u>405,312.48</u>	<u>-</u>

## 24. RELATED PARTIES

### Stakeholders

The Company is fully owned by Wipro Information Technology Netherlands B.V., based in the Netherlands and its financial statements are consolidated in the Wipro Limited, based in Bangalore.

The Company also presents consolidated financial statements in Portugal of the subgroup that includes Wipro Portugal and its subsidiaries mentioned in Note 8.

### Transactions with related parties

During the periods ended at 31 March 2017 and 2016, the following transactions were performed with related parties:

Related party	3/31/2017			
	Services purchased	Interest expenses	Services rendered	Interest received
Wipro Information Technology Netherlands B.V.	-	-	-	-
Wipro Limited	923,828.55	-	10,569,134.56	-
Wipro Retail UK	380.34	-	3,309,112.41	-
Wipro do Brasil Tecnologia	-	-	873,320.66	-
Wipro Technologies GmbH	-	-	-	49,428.46
Wipro Travel Services Ltd	807.89	-	-	-
Wipro Cyprus	-	-	-	357.74
Wipro Mexico	-	-	182,932.05	-
	<u>925,016.58</u>	<u>-</u>	<u>14,934,499.68</u>	<u>49,786.20</u>

Related party	3/31/2016			
	Services purchased	Interest expenses	Services rendered	Interest received
Wipro Information Technology Netherlands B.V.	-	14,211.10	-	-
Wipro Limited	680,944.95	-	4,549,206.52	-
Wipro Retail UK	5,335.86	-	6,771,699.39	-
Wipro do Brasil Tecnologia	-	-	623,776.16	-
Wipro Technologies GmbH	-	-	164,796.10	-
Wipro Cyprus	-	-	-	697.81
Wipro Mexico	-	-	732,905.62	-
	<u>686,281.81</u>	<u>14,211.10</u>	<u>12,842,383.79</u>	<u>587.81</u>



Balances with related parties

As at 31 March 2017 and 2016, the balances with related parties were as follows:

Related party	3/31/2017			
	Current accounts receivable	Total accounts receivable	Current accounts payable	Total accounts payable
Wipro Limited	44,665,506.07	44,665,506.07	8,684,235.70	8,684,235.70
Wipro Retail UK	259,279.38	259,279.38	-	-
Wipro do Brasil Tecnologia	58,103.95	58,103.95	-	-
Wipro Technologies GmbH	7,427,386.55	7,427,386.55	-	-
	<u>52,410,275.95</u>	<u>52,410,275.95</u>	<u>8,684,235.70</u>	<u>8,684,235.70</u>

Related party	3/31/2016			
	Current accounts receivable	Total accounts receivable	Current accounts payable	Total accounts payable
Wipro Limited	37,789,818.67	37,789,818.67	9,287,792.80	9,287,792.80
Wipro Retail UK	562,504.71	562,504.71	-	-
Wipro do Brasil Tecnologia	84,932.38	84,932.38	-	-
Wipro Technologies GmbH	7,578,986.22	7,578,986.22	-	-
Wipro Cyprus	27,316.90	27,316.90	-	-
Wipro Mexico	426,115.25	426,115.25	-	-
	<u>46,489,674.13</u>	<u>46,489,674.13</u>	<u>9,287,792.80</u>	<u>9,287,792.80</u>

	31-03-2017		
	Loans obtained	Loans granted	Cashpooling
Wipro Cyprus	-	-	1,138,668.92
Wipro Technologies GmbH	-	2,549,428.46	-
	-	<u>2,549,428.46</u>	<u>1,138,668.92</u>

	31-03-2016		
	Loans obtained	Loans granted	Cashpooling
Wipro Cyprus	-	-	4,087,718.17
Wipro Technologies GmbH	-	-	-
	-	-	<u>4,087,718.17</u>

As at 31 March 2017, Wipro Portugal had a net trade balance with Group companies in the amount of EUR 43.8 million, of which EUR 39 million have a seniority of more than one year. The Group is currently making efforts to settle these balances among the companies of the Group, especially the balances with Wipro India (EUR 31Mio) and Wipro GmbH (EUR 7 Mio).

Due to some procedural requirement of Central Bank of India, payment is being delayed. All clarifications and support documentation requested was provided and Wipro Limited expects it to be reverted in short term and confirms that there is no settlement risk related to Payable Balance to Wipro Portugal. Therefore, Wipro Limited intends to perform the payment to Wipro Portugal in the next twelve months, as soon as it gets the required clearances.

With regards to Wipro GmbH, Wipro Limited will ensure that necessary funds will be made available for the open balance of EUR 9.5 million (related to EUR 7 million trade receivable and EUR 2.5 Mio loan ) to be settled in the short term.

## 25. Provisions:

Provisions, as at 31 March 2017 and 2016, is analysed as follows:

	<u>31-03-2017</u>	<u>31-03-2016</u>
Provision for severance	360.000,00	-
	<u>360.000,00</u>	<u>-</u>

## 26. REVENUE

Revenue, as at 31 March 2017 and 2016, is analysed as follows:

	<u>3/31/2017</u>	<u>3/31/2016</u>
Services rendered:		
Internal market:	362,092.43	987,596.05
External market	16,747,249.69	14,642,059.10
	<u>17,109,342.12</u>	<u>15,629,655.15</u>

Services rendered in Internal Market decreased 63% compared with 2016. More than 97% of Wipro's turnover depends on abroad.

This decrease is mainly due to the decrease in invoices issued to Sonae Center Serviços II, S.A.

## 27. EXTERNAL SERVICES AND SUPPLIES

As at 31 March 2017 and 2016, external services and supplies are analysed as follows:

	3/31/2017	3/31/2016
Subcontracting	156,724.71	41,382.83
Electricity	45,626.26	43,024.83
Fuel	116,941.23	128,580.40
Office equipment	11,540.70	17,745.53
Other equipment	62,063.42	-
Telecommunications	325,710.64	384,204.21
Insurances	225,439.83	261,173.43
Travel and accommodation	2,387,828.19	2,841,353.88
Repair and maintenance	116,608.66	119,095.28
Advertising	0.00	1,447.50
Rentals	723,302.44	764,721.79
Advisory	-	3,156.99
Licences	2,666.89	5,474.91
Cleaning	62,718.30	63,670.11
Books	87.55	-
Bank services	11,562.12	18,355.07
Specialized jobs	963,603.96	794,187.53
Supervision and safety	66,181.45	66,090.11
Fees	-	677.60
Water	1,571.37	1,773.65
Legal services	10,644.64	7,143.95
Representation expenses	20,007.44	30,293.66
Other expenses	1,640.97	2,842.53
	<u>5,292,357.77</u>	<u>5,586,395.79</u>

## 28. PERSONNEL COSTS

As at 31 March 2017 and 2016, personnel costs are analysed as follows:

	<u>3/31/2017</u>	<u>3/31/2016</u>
Staff remuneration	8,017,591.11	8,095,728.57
Termination benefits	544,867.79	297,413.35
Social security	1,564,915.59	1,613,911.38
Insurances	13,688.61	30,114.40
Compensations		
Other	118,354.35	107,304.02
	<u>10,259,417.45</u>	<u>10,144,471.72</u>

As at 31 March 2017 and 2016, the average and final number of employees of the Company was as follows:

	<u>31-03-2017</u>	<u>31-03-2016</u>
Average number of employees	163	172
Final number of employees	156	172

## 29. OTHER INCOME AND GAINS

As at 31 March 2017 and 2016, the caption "Other income and gains" was as follows:

	<u>3/31/2017</u>	<u>3/31/2016</u>
Re-invoicing of expenses	1,500.41	3,900.74
Exchange differences	2,311,224.30	-
Gains on disposal of property	930.88	-
Other	157,559.63	4,064.70
	<u>2,471,215.22</u>	<u>7,965.44</u>

The large fluctuation of this caption from 2016 to 2017 is due to the increase in the exchange rate differences determined in the update of the debt of Wipro Technologies and the reversal of the provision of 20% of the value of customers withholding.

### 30. OTHER EXPENSES AND LOSSES

As at 31 March 2017 and 2016, the caption "Other expenses and losses" was as follows:

	<u>3/31/2017</u>	<u>3/31/2016</u>
Taxes	12,027.58	171,541.81
Exchange differences	37,867.52	2,057,408.28
Insufficient CIT estimate	61.63	1,583.35
Losses on disposal of property	2,061.41	62.00
Levies	2,512.29	3,736.34
Other	9,091.83	145.08
	<u>63,622.26</u>	<u>2,234,476.86</u>

The variation in "Other expenses and losses" is mainly due to the decrease in exchange rate differences in the debt update of Wipro Technologies.

### 31. DEPRECIATION AND AMORTIZATION EXPENSES / REVERSALS

In the periods ended at 31 March 2017 and 2016, the caption "Dépreciation and amortization expenses / reversals" is analysed as follows:

	<u>3/31/2017</u>	<u>3/31/2016</u>
Tangible fixed assets (Note 5)	222,798.19	193,757.16
Intangible assets (Note 6)	1,438.00	3,871.00
	<u>224,236.19</u>	<u>197,628.16</u>

### 32. INTEREST AND SIMILAR INCOME

As at 31 March 2017 and 2016, interest and similar income is analysed as follows:

	<u>3/31/2017</u>	<u>3/31/2016</u>
Interest income:		
Other investments in net financial assets	73.78	-
Financing granted to subsidiaries	49,428.46	-
Financing granted to associates and jointly controlled entities	357.74	587.81
	<u>49,859.98</u>	<u>587.81</u>

### 33. INTEREST AND SIMILAR EXPENSES

As at 31 March 2017 and 2016, interest and similar expenses is analysed as follows:

	<u>3/31/2017</u>	<u>3/31/2016</u>
Interest expenses:		
Loan granted by the Group (Note 23)	-	14,211.10
Compensatory interest and default interest	0.24	52.69
	<u>0.24</u>	<u>14,263.79</u>

### 34. RESEARCH AND DEVELOPMENT

During 2016 there was no expenditure with Research and Development.

### 35. KEY MANAGEMENT PERSONNEL

The remunerations of the Company's key management personnel for the periods ended at 31 March 2017 and 2016 are as follows:

<u>Description</u>	<u>3/31/2017</u>	<u>3/31/2016</u>
Other key management personnel:		
Fixed remunerations:	442,419.81	165,452.45
Variable remunerations	64,647.08	56,366.99
	<u>507,066.89</u>	<u>221,819.44</u>
Total remunerations key management personnel:	<u>507,066.89</u>	<u>221,819.44</u>

The increase in "Key Management Personnel" is due to an internal restructuring of the company since in 2015 this caption considered 2 people and, in 2016, 5 people.

### 36. SHARE-BASED PAYMENTS

Wipro Limited (holding company) has established a share-based payment scheme that allows key employees of subsidiary companies to purchase shares from the parent company. Based on this scheme, the option is exercised at 2 INR, resulting on a settlement through equity, not compelling employees to any payment.

According with the policy adopted, the Company measures and recognizes the compensation costs for the amount of the premiums based on shares, which are defined and valued at fair value at the date of allocation.

The options are available for a period of five years from the date of the assignment, and it is possible to obtain a share for each option. The right to the purchase option ceases if the employment relationship is terminated in the meantime. The difference between the market price on the date of allocation and the strike price on the purchase date is recognized in the income statement for the period.

The terms and conditions of the defined share-based payment scheme are as follows:

3/31/2017

Date of allocation	Accounting method	Number of instruments	Term	Contractual life of options
1 August 2006	Suppliers	98,300	60 months from the date of issue	72 months from the date of allocation
1 November 2007	Suppliers	24,000	60 months from the date of issue	72 months from the date of allocation
1 April 2008	Suppliers	67,300	60 months from the date of issue	72 months from the date of allocation
1 July 2010	Suppliers	24,070	60 months from the date of issue	72 months from the date of allocation
1 April 2015	Suppliers	1,750	60 months from the date of issue	72 months from the date of allocation

3/31/2016

Date of allocation	Accounting method	Number of instruments	Term	Contractual life of options
1 August 2006	Suppliers	98,300	60 months from the date of issue	72 months from the date of allocation
1 November 2007	Suppliers	24,000	60 months from the date of issue	72 months from the date of allocation
1 April 2008	Suppliers	67,300	60 months from the date of issue	72 months from the date of allocation
1 July 2010	Suppliers	24,070	60 months from the date of issue	72 months from the date of allocation
1 April 2015	Suppliers	1,750	60 months from the date of issue	72 months from the date of allocation

The table below shows the movements occurred based on the defined scheme:

3/31/2017

Description	Strike price	3/31/2017						
		2016/17	2015/16	2014/15	2013/14	2012/13	2011/12	
		N° options	N° options	N° options	N° options	N° options	N° options	
N° options available (open balance)	INR 2.00	6,383	5,735	-154,610	-155,610	-126,050	-80,548	
Options granted during the period	INR 2.00	-	1,750	-	-	-	-	
Options forfeited	INR 2.00	4,633	-	-	-	-	-	
Options exercised in the period	INR 2.00	0	1,103	504	18,000	2,000	15,580	
N° options available (final balance)	INR 2.00	1,750	6,383	-155,113	-154,610	-136,610	-129,856	

3/31/2016

Description	Strike price	3/31/2016						
		2015/16	2014/15	2013/14	2012/13	2011/12	2010/11	
		N° options	N° options	N° options	N° options	N° options	N° options	
N° options available (open balance)	INR 2.00	5,735	6,240	24,240	31,994	80,202	136,780	
Options granted during the period	INR 2.00	1,750	-	-	-	-	24,070	
Options forfeited	INR 2.00	-	-	-	-	-	-	
Options exercised in the period	INR 2.00	1,103	504	18,000	2,500	15,580	27,814	
N° options available (final balance)	INR 2.00	5,883	5,735	6,240	24,240	31,994	80,202	

As at 31 March 2017 and 2016, the RSU's are analysed as follows:

RSU's	3/31/2017	3/31/2016
Personnel expense	4,912.53	6,391.53
Equity	-	-
Suppliers	4,912.53	925,343.07

At the end of March 2015, the Company signed a Redebit Agreement with Wipro Limited, under which Wipro Portugal will contribute financially to the share-based payment scheme at the amount charged by Wipro Limited. Thus, the liability associated with this agreement was reclassified from equity to suppliers. (see also note 15).

37. SUBSEQUENT EVENTS

After the balance sheet date no significant events occurred that could give rise to any adjustments.

CERTIFIED ACCOUNT

Claudia Sofia de Jesus Pitrez Magalhães

SD/-

BOARD OF DIRECTORS

Ashish Chawla

SD/-





KPMG & Associados - Sociedade de Revisores Oficiais de Contas, S.A.  
Edifício Burgo – Avenida da Boavista, 1837 – 16º Andar  
4100-133 Porto  
Portugal  
+351 22 010 23 00 / www.kpmg.pt

## STATUTORY AUDITOR'S REPORT

(This report is a free translation to English from the original Portuguese version.  
In case of doubt or misinterpretation the Portuguese version will prevail.)

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinion

We have audited the accompanying financial statements of **Wipro Portugal, S.A.** (the Entity), which comprise the balance sheet as at 31 March 2017 (showing total assets of Euro 61,272,991 and total equity of Euro 49,503,107, including a profit of Euro 4,230,196), the income statement by natures, 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 that include a summary of the significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **Wipro Portugal, S.A.** as at 31 March 2017, of its financial performance and cash flows for the year then ended in accordance with the Accounting and Financial Reporting Standards of the Portuguese Accounting Standards System ("Normas Contabilísticas e de Relato Financeiro do Sistema de Normalização Contabilística").

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA) and further technical and ethical standards and guidelines issued by the Portuguese Institute of Statutory Auditors ("Ordem dos Revisores Oficiais de Contas"). Our responsibilities under those standards are further described under Auditor's responsibilities for the audit of the financial statements section below. We are independent of the Entity in accordance with the law and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants of the Portuguese Institute of Statutory Auditors.

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



### **Emphasis of matter**

We draw your attention to, as mentioned in note 24 of the notes, as at 31 March 2017 the Entity has a net trading receivable balance of approximately Euro 44 million from Group companies. The majority of this amount is owed by the parent company Wipro Limited (India) and Wipro Technologies GmbH (Germany), which payment is depending of funds from Wipro Limited (India), being that, as a result of recent contacts held by Wipro Group with the Reserve Bank of India, it is Management's expectation that these amounts are regularized in the short term. Our opinion is not modified in respect to this matter.

### **Responsibilities of management for the financial statements**

Management is responsible for:

- the preparation of financial statements that give a true and fair view of the financial position, the financial performance and the cash flows of the Entity, in accordance with the Accounting and Financial Reporting Standards of the Portuguese Accounting Standards System;
- the preparation of the management report in accordance with the applicable legal and regulatory requirements;
- the implementation and maintenance of 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 policies and criteria adequate to the circumstances; and
- the assessment of the Entity's ability to continue as a going concern, disclosing, as applicable, matters that may cast significant doubt on the going concern of the operations.

### **Auditor's responsibilities for the audit of the financial statements**

Our responsibility is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements whether due to fraud or error, and to issue a report comprising 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 taken by users on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit and 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 auditor's 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; and
- communicate with those charged with governance, among other matters, the scope and planned timing of the audit, and significant audit findings including any significant deficiency in internal control identified during our audit.

Our responsibility also includes the verification of the consistency of the information included in the management report is consistent with the financial statements.

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

### **About the management report**

In compliance with the applicable regulatory requirements, we are of the opinion that the management report has been prepared in accordance with the applicable legal and regulatory requirements, the information contained therein is consistent with the audited financial statements and, taking into account the knowledge and assessment of the Entity, we have not identified material inaccuracies.

Porto, 2 June 2017

---

**KPMG & Associados**  
**Sociedade de Revisores Oficiais de Contas, S.A. (nr. 189)**  
represented by  
Adelaide Maria Viegas Clare Neves (ROC nr. 862)