



REPORT
2015

ESPORÃO

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CHAIRMAN'S STATEMENT

With a new strategic plan in its first year of implementation, in 2015 we sought to consolidate the results obtained during the period 2012-2014 and prepare our organization for new challenges and opportunities that may arise.

We are now a group which has sustainability at the heart of its operation and which continues to invest in the development of better agricultural practices, resource management and reduction of undesirable ecological and environmental impacts. We evolved positively towards the goals we set out to reach as, for instance, 300ha of organic vineyards and olive groves and reducing energy consumption per box sold by at least 15% in 2017, among others. For me, the continuation of these efforts is the assurance that Esporão has the resilience required to survive and thrive amid the different economic, social and environmental changes taking place.

During 2015, in truth, the Portuguese market remained stagnant in terms of private consumption. However, we were able to retain the leadership of our brands and our position on the market. Internationally, we had to find solutions for the challenges that local economic conditions presented to us, with particular relevance to important markets such as Angola and Brazil. Our ability to adapt enabled us to maintain positive indicators of our overall performance.

We continue to be recognized as a reference company both in the industry and by our customers. Among various awards won, we highlight the award given to our white wine Verdelho 2014, best national wine in all categories. It is demonstrative of Esporão's ability to innovate by investing in a white wine specialized winery in Alentejo, anticipating the growth of this category when it had not yet achieved a significant presence on the marketplace.

Another important prize was best Portuguese red wine, awarded by Wine & Spirits to our Quinta dos Murças Reserva 2010, confirming the quality of our project in the Douro region. Finally, our organic olive oil was chosen as the best of the northern hemisphere in the New York Olive Oil International Competition accentuating our firm commitment to organic and sustainable farming practices as not only environmentally responsible, but as resulting in high quality products.

Esporão is the reflection of the people who build it every day and I only ask of them to, as always, continue to demonstrate their commitment, dedication and determination to grow.

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José Alfredo Holtreman Roquette
Chairman of the board





IDENTITY

01

IDENTITY

Over 40 years making the best products from what nature provides in a responsible and inspiring way.

Esporão was born in Alentejo from the unconditional willingness to produce the finest wines. This remains the motivation behind everything we do, now extended to other products and regions. Everywhere, nature inspires us to do better. Hence, we respect the Rhythm of the Land, seek to understand the roots of our culture and the communities we belong to, and protect our common heritage, keeping in mind the broader ambition of helping to build a more promising future.

We believe that companies must strive to understand their role as entities in the service of society, as part of an extended organizational ecosystem in which all the elements are interdependent. We aim, therefore, to be responsible in the way we plan and conduct our activities. This responsibility is neither abstract nor merely collective. It is also personal and it is up to each of us to make Es-porão a part of our lives.

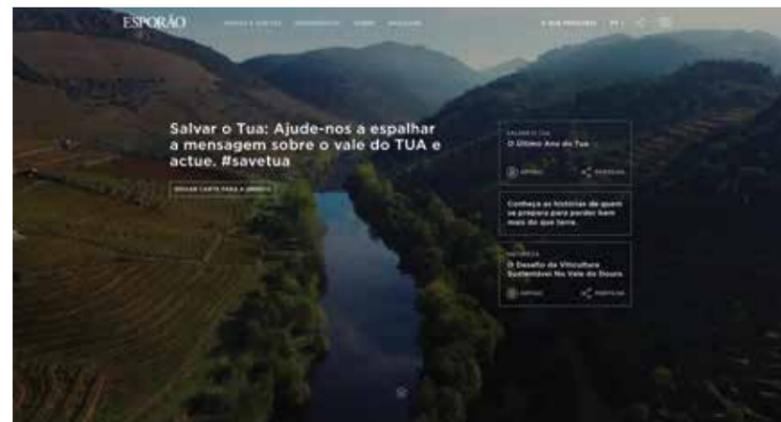


Image 1 Homepage of the new Esporão website www.esporao.com

VISION

"To be a family business that is economically, socially and environmentally sustainable, capable of providing unique products and experiences that improve people's lives."

MISSION

"To make the best products from what nature provides in a responsible and inspiring way."

RESPONSABILITY

We exist as a part of society, in the milieu that surrounds us and within a viable economic context.

NON CONFORMITY

We want a better world with opportunities and dreams to pursue.

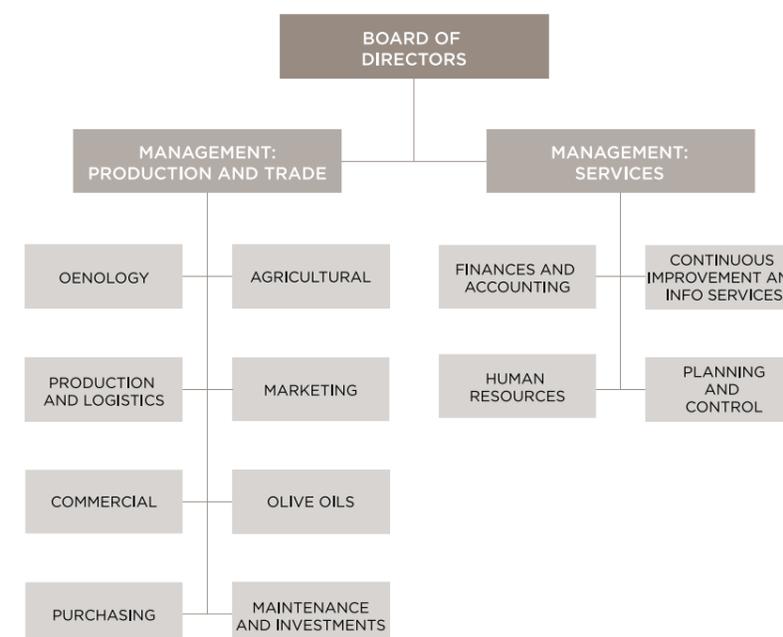
EXCELLENCE

First we do better, then we create more value. We do not accept that "near enough is usually good enough"

Image 2 Vision, Mission and Values

STRUCTURE OF THE ORGANIZATION

Esporão, SA is a producer of high quality wines and the leader of a business group with interests in several companies with complementary activities, which are interconnected in order to obtain mutual benefits, including those arising from economies of scale. As the head of the Es-porão, SA Group we present the consolidated data resulting of the activity of all the companies in which it participates with a qualified majority of vote. Es-porão, SA coordinates a group of companies whose sole shareholder is the Roquette family. These companies share a common governance model. (Image 4).



- 1973 Start of Finagra in Herdade do Es-porão. The first vineyards.
- 1975 Nationalization of Herdade do Es-porão.
- 1980 Finagra becomes a quoted company.
- 1985 First vintage and the creation of the Es-porão brand.
- 1987 Construction of the winery and cellars. The first Es-porão wine.
- 1989 Herdade do Es-porão begins exporting wines.
- 1992 The brands Monte Velho and Vinha da Defesa are presented to the market.
- 1995 Purchase of Herdade dos Perdigões. Expansion to Brazil.
- 1997 Purchase of SPAZA, which will become Es-porão Azeites. Inauguration of the Wine Tourism complex.
- 2003 Complete renovation of the Es-porão Tower (dated 1457).
- 2007 Market leadership in Portugal. Membership of Business & Biodiversity Initiatives.
- 2008 Purchase of Quinta dos Murças. Expansion to the US. New bottling line.
- 2009 Now Es-porão, SA. Awarded 'Company of the Year' for the 2nd time. Joins BCSD Portugal.
- 2010 Creation of an ampelographic field with 189 varieties. Beginning of organic certification.
- 2011 "Company of the Year" by Wine Magazine. First wines from the Murças land (Douro).
- 2012 Re-inauguration of the Wine Tourism complex, with restaurant and store improvements.
- 2013 40th anniversary. New strategic phase based on innovation and internationalization.
- 2014 Winner of the European Business Awards for the Environment and Green Project Awards.
- 2015 >1 million olive oil bottles sold. The largest organic vineyard area in Portugal.
- 2016 [to be continued]

Image 3 Milestones of a history under construction since 1973
Image 4 Governance Structure of the Es-porão Group

ESPORÃO SA GROUP STRUCTURE

ESPORÃO, SA

Parent company, founded in 1973, Lisbon.

MURÇAS, SA

Owns a 155 hectares farm in Covelinhas, Peso da Régua in the Douro Demarcated Region.

ESPORÃO AZEITES, LDA

Serpa, in the region of olive oil with Designation of Controlled Origin (DOC), in Moura.

ESPORÃO VENDAS E MARKETING, SA

Located at Herdade do Esporão, it manages the wine tourism unit and the warehouses of finished product.

ESPORÃO PRODUÇÃO BIOLÓGICA, SA

Located at Herdade do Esporão, concentrates and develops all activities of the group's agricultural production, based on methodologies and principles of organic farming.

QUALIMPOR

Headquartered in São Paulo (Brazil), imports and distributes wines and olive oils of Esporão, Crasto, Taylors and Freixenet in the Brazilian market.

PRIMEDRINKS, SA

Subsidiary, non-majority partner and with independent management, carries out marketing and distribution in the Portuguese market.

DBRANDS

Headquartered in Angola and managed by Esporão, SA. Conducts sales operations and marketing of our products

ESPORÃO WINES & OLIVE OILS

Subsidiary, headquartered in the United States of America, ensures the development of business partnerships and marketing activities to support our products.

Image 5 Subsidiaries and main activities



VOX ESPORÃO

JOÃO ROQUETTE

When, 10 years ago, I was challenged to lead Esporão, the attraction I felt for this project came from a vision I had of how the company could start a new development cycle. Because this has been my family's business since before I was born, while I was growing up and discovering the land and observing the great expansion and intervention that was happening in the vineyards, I would always have a feeling (and I say "feeling" because I knew nothing about agriculture) that there could be a different way of handling that ecosystem, one with less impact, which would value the territory, benefit the soil, plants, fruits and the products it provided.

Step by step I learned, by asking and defining with those who accompanied me on this journey a new way to produce in favour of the land, products and people. Step by step we built a vision of the future. And the future is quite demanding: to succeed in international markets, we have to compete with the best in the world.

In 2007 we accepted the European challenge to contribute to halting biodiversity loss. We built our first sustainability plan, very focused on protecting biodiversity. Of course, it was crucial to rethink the existing model of agriculture in order to promote biodiversity within the context of extensive agriculture conducted at the Esporão estate. Shortly after we came across the concepts of organic farming that fitted perfectly to our goals. We studied, researched, experienced and we failed. We tried again and, despite the challenges, we are closer to the dream of making Esporão 100% organic farming certified.

Along the way we learned that, beyond the vision, a big part of the leadership process is to build a culture. I understand culture as the particular way a group of people manifest themselves, behave or act. At Esporão, this culture is defined by a commitment to the quality of our products and to society. **I only believe in the future of companies which work in favour of society.**

I always thought that what we commonly call sustainability should be our culture and not merely a strategy or department. Even today we do not have a department of sustainability, as we do not have a quality department. They are intrinsic to our culture and, I believe, present in everything we do.

Projects flourished as well as the internal enthusiasm for Esporão to keep improving its products and stand out from its peers for the way it produces and relates to people. In 2011, we decided to change the mission of Esporão: "To make the best products from what nature provides in a responsible and inspiring way."

I believe that in these 10 years, some of our greatest achievements were having the greatest biological vineyard area in Portugal, the reduction of our carbon footprint by improving our components, cutting in half the water needed to produce each litre of wine, obtaining half of the electricity we consume from solar energy and reusing all organic waste from our production while dramatically reducing the non-inorganic waste.

But, undoubtedly, our biggest achievement was building a company we are proud to work at, a culture of quality and responsibility which enabled us to gain the people's trust, succeed in the market and look to the future with hope.





TERRITORY

02

TERRITORY

HERDADE DO ESPORÃO

Part of the Reguengos de Monsaraz DOC and the Alentejo's montado ecosystem (cork oak forests), Herdade do Esporão has extraordinary conditions for agriculture. It has approximately 700 hectares of vineyards, olive groves and other crops we grow using organic methods and integrated production. There are around 40 grape varieties, 4 types of olive, orchards and vegetable gardens planted in these lands.

Herdade do Esporão is located approximately at 170 kilometres southeast of Lisbon, near the historical city of Reguengos de Monsaraz. It consists of 1,830 hectares, 450 hectares of which are vineyards from the most diverse grape varieties, 80 hectares are olive groves and 600 hectares are meadows, scrublands and holm oak woodlands (*montado de azinho*). It is a landscape profiled by water, shaped in the west by the river Degebe, crossed from north to south by the Caridade stream and centred around a reservoir that occupies 120 hectares. The Esporão Tower is the most important and representative of the buildings that make up Herdade do Esporão. Today, it is the symbol of Herdade do Esporão's wines, having now regained its former splendour and importance. On the ground floor of the Tower visitors can enjoy the archaeological museum, where a number of objects found at Esporão and the Perdigões settlement are on display.



THE VINEYARDS

There are currently 194 grape varieties planted, of which 37 account for the bulk production. These are those best adapted to the Alentejo region. We have been pioneers in introducing certain varieties, which have become real ace cards of Alentejo's modern winemaking, such as Touriga Nacional and Verdelho. Now reaching the age of forty years old, some of these vines can be classified as old vines. Despite the vineyards' considerable dimensions, which cover a total of 450 hectares, we are gradually converting and certifying them to organic farming, with good results in terms of production control and quality of the grapes.



SPECIAL PROJECT: THE AMPELOGRAPHIC FIELD

At Herdade do Esporão there is an ampelographic field covering 10 hectares of land where we planted 2.222 plants in 189 parallel lines, each line representing a different grape variety, from both Alentejo and Douro as well as some varieties from other world iconic regions.

The goal is, besides preserving the national endogenous variety heritage, to test and monitor them regarding how they respond to different production methods as well as climate changes and other environmental factors. It is our 'natural capital safe', a guarantee for the future.



THE OLIVE GROVE

Although we began producing olive oil in 1997, at that time we did not have our own olive groves, except for a small century-old grove near the Tower. In 2006, we decided to plant an 80 hectare olive grove with exclusively Portuguese and Iberian varieties, already with an organic farming management model in mind. The idea was to insure both the quality and absolute consistency of our olive oils, which are made using natural methods and entirely traditional processes.



THE VEGETABLE GARDENS

The rich gastronomy of Alentejo is based on humble and fresh produce, linking its *terroir* to the timeless taste of true regional recipes. Because of this, knowing that the quality of ingredients was crucial to the authentic flavours of our food, we decided to plant two vegetable gardens in allotments covering three hectares where we grow seasonal produce, mainly fruits, vegetables and greens and also herbs, so important in the Alentejo gastronomy.

OTHER READINGS: HERDADE DO ESPORÃO'S WILD SIDE

Anyone who visits Herdade do Esporão knows what to expect in what regards wine tourism, wines, olive oils... but while calmly enjoying a wine tasting or the garden's cooler temperatures, there's a wild world beyond! Actually the right expression is sylvan, because we are talking about a Mediterranean landscape, here dominated by a very Portuguese feature, the holm oak 'montado', which includes biodiverse meadows and smaller patches of woodlands. It is precisely in this delicate and dynamic balance between the forested and farmed areas, namely the vineyards and olive groves, that the daily drama of life on the estate unfolds, beyond that which we are normally used to.





During the hot summer days, we often prefer the shaded retreats for escaping the blazing sun and hot air. But, while we seek shelter, there are other species roaming around... it is the rearing season for many birds and there are busy parents flying in search of healthy meals for their young. Also with a little luck, we can see the visiting osprey pick out a carp from the reservoir or the timid and rare black stork probe for frogs in wetlands. These are just two examples of how water plays a key role in the link between production and nature conservation. Without water it wouldn't be feasible to have the present extension of farmland, but it wouldn't also be possible to achieve the levels of environmental balance we aim for if the water wasn't conserved in its natural forms, i.e., in the reservoir, in the wetlands and streams of the Caridade riverine basin and in the river Degebe, a tributary of the Guadiana that borders the estate to the west and south. By protecting our water resources we guarantee the viability of production within the limits of sustainability and, at the same time, create habitats and conditions that ensure wildlife to thrive and develop.

full version: <https://goo.gl/QR8zQ5>

PORTALEGRE

The Portalegre unit includes the Lavradores and Machuguinho lands. Purchased in 2012, they cover 11 hectares which Esporão, SA assigned to organic production.

QUINTA DOS MURÇAS

Located in the centre of the Douro DOC region, Quinta dos Murças benefits of a *terroir* heavily influenced by the mountains, altitude, schist soils and a climate that is typical of the river Douro valley. In the vineyards, dozens of native grapes where planted, following organic and integrated production methods. Olive, orange and almond groves, as well as the Mediterranean forest help to maintain a balanced ecosystem.

Quinta dos Murças is a farm situated along 3.2 km on the right bank of the Douro River, near the Covelinhas train station. It is located at the upper Corgo's sub-region, between Peso da Régua and Pinhão, in an area of 155 hectares. The vineyards occupy an area of 48 hectares and they have different ages, altitudes and exposures. It has around 300,000 vines, some planted as far back as 1947. These are vertically-arranged or planted on terraces, occupying areas ranging from 300m altitude areas to those closer to the wide riverside. The vineyards benefit from different sun exposures. Separated by plots, varieties are predominantly indigenous - Tinta Roriz, Tinta Barroca, Tinta Amarela, Tinto Cão, Touriga Franca, Tinta Francisca and Touriga Nacional. In addition to the vineyard, there are also 6,000 olive saplings and a large grove with 800 orange, tangerine and lemon trees, as well as other fruit trees. The remaining land is occupied by forests.



Video Aerial sight Quinta dos Murças

VOX ESPORÃO

JOSÉ LUÍS MOREIRA DA SILVA

Since my first days at Quinta dos Murças I have felt attracted by its diversity, uniqueness and specificity. This multiplicity that defines the Murças' identity, is visible both in the vineyards, grapes and wines, and in all its flora and fauna.

The great challenge is to express and communicate this huge diversity in our products. In order to do this, it is essential to know the *terroir* in detail and in depth, each plot, each vine as well as Murças's biodiversity. The farm has about 50 plots, each with its own identity and features. The better we know each of these plots, in what characterizes and defines them, the better we will be able to understand them, interpret them and express their differentiation.

If we are, simultaneously, promoting biodiversity, the soil biome and the natural balance of the farm, with minimum interference in the ecosystem, I believe we are strengthening the expression of who we are. The goal, and also the challenge, is to practise a responsible and sustainable agriculture, following the principles of organic production. It is a way of working (that we build and assimilate) which began in 2008 and with which I identify myself completely.

Quinta dos Murças becomes even stronger when integrated in Esporão Group's sustainability policy. Today I am sure that this management strategy is a real concern across the entire Group, reflected in the high level of commitment of the whole team.

This challenge is not going to fade. There will always be room for progress, to do more and do better, and create sustainable products in a responsible and inspiring way.



SPECIAL PROJECT - RESTORATION OF THE MURÇAS MANOR HOUSE

The manor house of Quinta dos Murças has been recovered and restructured since its acquisition by Esporão, SA. In the first stage, we carried out the recovery and restructuring of the winery and vineyards, to revive the productive capacity of the farm. Having completed this phase, we intend to elevate the value of the residential area and farm support facilities. The intervention will maintain the architectural features of the existing buildings because of their historical interest, correcting some decontextualized changes which had been made such as the aluminum frames and exterior shutters in the office building. We will use the existing materials and maintain the implantation areas. The interior intervention will also keep all the existing features. The intervention in the main house will be mostly interior, changing its layout so that it can have a larger room and suites.

The house on the ground floor will have five bedrooms (instead of nine), three of them en suite, two toilets (instead of four), two living rooms, a kitchen and a hall. The connection to the office building is closed, isolating it from the house. The basement (semi-buried floor) will have a multipurpose room for events which will also have a wine cellar, a toilet, a pantry and technical and storage areas. The idea is to adapt the house to new functions, keeping its architectural features and construction area.

The office building will have two distinct functions. The ground floor level of the main house will receive the administrative services of the farm and will have two rooms, a toilet and a small storage space. The top floor, connected to the caretakers house through the refectory, will have three bedrooms (currently it has five) to receive trainees during vintage season. In addition to the bedrooms, there will be two toilets.

At this stage the caretakers house and the ruins won't be intervened, with the exception of the inner connection between the refectory and the rooms for the trainees located on the first floor of the office building.



OTHER READINGS - MURÇAS' HIDDEN SIDE

It is the depth of night. It's a quarter to eleven and the sky is overcast, with the occasional pale beam of light from a slim crescent moon breaking through the clouds. The sound of snapping emanates from the woods on the slope opposite the Assobio vineyard. Strange noises echo from the ruins beneath the old vines. It is cold, but not excessively so. It is as if something, some presence, made the humid breeze from the north kinder.

The Douro reflects the lights of Folgosa and Covelinhas and, there in the distance, westward, you can see the wall of the Régua dam and we let our mind wonder: what was the wild Douro like in other times? A century ago, before the dams and roads, with the boats loaded with barrels descending the Douro transmontano towards the wine cellars in Gaia? However, it wasn't only the boats that went up and down the river. Many fish, some great migratory species like eels, lampreys - sea and river species -, shad, twait shad and even salmon from the Atlantic, swam in this magnificent river. Nowadays they are rare due to both successive dams being built and the huge changes those constructions made to their habitat, exacerbated by poorer water quality, pollution and, more recently, the introduction of exotic species, like pumpkinseed, common carp, largemouth bass or pike.

The once majestic Douro of other times flows slowly, less rich and between walls, silently gliding its memories submersed in the dark and cold waters towards the sea, under the cover of night.

Suddenly, we realise we are not alone. It seems that in the cork oak grove interlaced with arbutus and cistus, in the middle of the Assobio vineyard, protecting the entrances to the old, long-abandoned gold mines, something is moving. We listen. It must be big. It is making a lot of noise and the bushes are rustling.

There they are: a mother and her three young, stripes already fading. They are looking for mushrooms, roots and acorns to fatten themselves. The cold weather is perceptible due to the circle of sparkling ice around the crescent moon and the fog that covers the highest slopes in the area, hours after dawn. The wild boars, also known as porcos do mato (forest pigs), are an integral part of the agroforestry ecosystem at Quinta dos Murças and very important in terms of biodiversity. They revolve the superficial layers of the ground, aerate the soil and reintroduce the organic matter that will sustain new plant and animal cycles. For us, it is positive to imagine a world like this, where people and woodland animals can coexist in harmony and where the howl of the wolves can be heard again, harking back to ancestral imagery, when humans were still in search of their place in this fascinating landscape.

It is past two in the morning and the cold that should be felt is disguised by something that makes the humid northern wind kinder: the satisfaction of discovering the marvellous, dark side of Quinta dos Murças.

full version: <https://goo.gl/WH6r7L>





QUATRO CASTAS
ARAGONEZ
TINTA MIUDA
TINTA CAIADA
ALFROCHEIRO
2010



R A P



QUATRO CASTAS
ARAGONEZ
TINTA MIUDA
TINTA CAIADA
ALFROCHEIRO
2010



R A P

WINES AND
OLIVE OILS

03

WINES AND OLIVE OILS

Our main activity is the production, marketing and export of the finest wines and olive oils, produced from grapes and olives coming from our olive groves and vineyards, as well as from third parties with whom we keep contracts for supply and monitoring of the various stages of agricultural development. This business model allows the application of modern methods and techniques and complete control over the production process, by intervening at all stages of the productive, agricultural, industrial and commercial process.

WINES

ALENTEJO / HERDADE DO ESPORÃO

Part of the Reguengos de Monsaraz DOC and the Alentejo's *montado* ecosystem (holm oak forests), Herdade do Esporão has extraordinary conditions for agriculture. It has approximately 700 hectares of vineyards, olive groves and other crops we grow using organic methods and integrated production. There are around 40 grape varieties, 4 types of olive, orchards and vegetable gardens planted in these lands.



RED TORRE



RED WHITE ESPORÃO PRIVATE SELECTION



RED WHITE ESPORÃO RESERVE



RED WHITE MONTE VELHO



RED WHITE ROSE DEFESA DO ESPORÃO



RED VINHA DAS PALMEIRAS: ALICANTE BOUSCHET



RED VINHA CANTO ZÉ CRUZ: ARAGONEZ



RED VINHA DO BADECO: TOURIGA NACIONAL



RED VINHA DOS ANDORINHOS: PETIT VERDOT



RED VINHA DO TELHEIRO: SYRAH



WHITE SPARKLING



WHITE LATE HARVEST

DOURO / QUINTA DOS MURÇAS

Located in the centre of the Douro DOC region, Quinta dos Murças benefits of a *terroir* heavily influenced by the mountains, altitude, schist soils and a climate that is typical of the river Douro valley. In the vineyards, dozens of native grapes were planted, following organic and integrated production methods. Olive, orange and almond groves, as well as the Mediterranean forest help maintain a balanced ecosystem.



MURÇAS RESERVE



RED WHITE ROSE ASSOBIO



LIQUIRISH TAWNY 10 YEARS



LIQUIRISH VINTAGE

VARIETALS

Created from unique locations or from grape varieties with singular features, these products are perfect reflections of *terroir*.

A conjunction of natural factors, such as geology, topography and climate, are combined with grape varieties ideally suited to the land and the interpretation we make of them.



WHITE
DUAS CASTAS



RED
QUATRO CASTAS



WHITE
VERDELHO

OTHER PROJECTS AND REGIONS

Portugal is characterized by a huge diversity of wine and olive oil production traditions and methods, yielding diverse products based on this 'Portuguese art' of blending. Hence, these products are a translation of the regions that originated them and of our historical and cultural heritage. Our technical team's studies, trials and tests may be found here too, since we seek constantly new paths, driven by our determination to find the wines and olive oils of the future.



WHITE
TRIAL 2.1



WHITE
TRIAL 3.1



RED
TRIAL 4



RED
TRIAL 5



RED WHITE ROSE
ALANDRA



SPIRIT
MAGISTRA



HONEY
ROSMANINHO

AMPHORA

Wines which reflect the characteristics of carefully selected vineyards and grape varieties, vinified in old clay amphorae (*talhas* as we call them in the Alentejo), using ancient techniques brought to the Alentejo by the Romans. Natural wines that are straightforward, authentic and vibrant, without the use of yeasts, sulphurs or any other winemaking additives.



RED
AMPHORA WINE

OTHER READINGS - TERROIR ALCHEMY

Organic farming or the ecological variations of production methods contribute for the balance and richness of the microorganisms found in the soil and the ecosystem, increasing the resilience of underground root networks, bacteria colonies and mycelia, algae, insects, and other lesser-known organisms. There is a fight for survival and, through natural selection of the organisms which contribute the most to environmental stability, peculiar alliances between soils, microclimates and biodiversity are created.

In Esporão we have been carrying out substantive work in the study of soil and biodiversity. We relocated vineyard blocks to restore original watercourses, we installed thousands of shrubs and trees to increase the resilience of the productive ecosystem and increment beneficial biodiversity and conservation value, we discussed and learned from our employees and consultants how to develop the best sustainable management practices in vineyards and olive groves, and we are - literally - collecting the fruits of our investment, with wines and olive oils that render us extremely excited about our commitment to this vision of the future.

At Quinta dos Murças we are at an earlier stage of development of this vision. After all, we only got here in 2008 and have a new oenologist who brought fresh ideas and relevant questions that need answering. The land in Murças is particular. In terms of rocks and minerals, there are some surprising elements being studied and forming soils which are giving us very complex wines with interesting aromas. Similarly, the surrounding biodiversity, with dozens of mushrooms species, cork and holm oak thickets with high incidence of rockrose and strawberry tree and many other annual shrubs and trees, brings very particular notes to these wines. The micro-organisms of the soil, the rich habitats with both Mediterranean and Atlantic influences and the careful management of new and old vines is, undoubtedly, the origin of the terroir we sense in the laboratory and, later, in the bottle which will be opened and appreciated.

OLIVE OILS

The production of Esporão's olive oils comes from the will to apply the knowledge obtained in the production of wines into the production of high quality olive oils. Thus, as in wines, we seek that our olive oils are the expression of the land. From varieties from the Alentejo and the Douro regions, from our properties or partnerships with Alentejo olive growers, we strive to enhance the qualities of the indigenous varieties of these regions.

All oils, exclusively extra virgin or virgin, are produced using natural methods and entirely traditional processes, preserving the pure juice of the olives we harvest.



EXTRA VIRGIN OLIVE OIL
QUINTA DOS MURÇAS



EXTRA VIRGIN OLIVE OIL
BIOLÓGICO
OLIVAL DOS ARRIFES



EXTRA VIRGIN OLIVE OIL
SELEÇÃO



EXTRA VIRGIN OLIVE OIL
GALEGA



EXTRA VIRGIN OLIVE OIL
DOP MOURA



EXTRA VIRGIN OLIVE OIL
CORDOVIL



EXTRA VIRGIN OLIVE OIL
VIRGEM EXTRA



WINE
WINE VINEGAR

OTHER READINGS - AN "OLIVEOLOGIC" JOURNEY

In ancient times, during the rise of the great Mediterranean civilizations, olive trees were an early symbol of fortune and legacy. One has only to recall the importance that the olive oil had in the everyday life and after death of the great Egyptian monarchs. Further north, in the land which today constitutes Turkey, it is said that Thales of Miletus, the father of classical philosophy, owed his wealth to olive oil. He used scientific reasoning to predict how the agricultural year would turn up and, after anticipating an abundant olive harvest, bought the largest number of mills he could at a low price, which allowed him to reap such profit he was able to spend the rest of his days philosophizing. From Judaea to Rome, investments in olive groves grew and in a particular hill near the holy city of Jerusalem part of the history that would change the world was made.

With some thousand-year-old specimens surviving to the present day, olive trees have embedded in their cells the genetic message that turns these living beings into witnesses of the ever-changing times. They provided the olive oil which illuminated the golden age of Al-Andalus, underwent the first agricultural reforms that marked the low European Middle Ages, fuelled boilers during the era of coal and steam, propelled the Mediterranean diet for global stardom and watched the rise and predictable fall of rock oil.



MAJOR AWARDS AND ACKNOWLEDGEMENTS

From the 50 prizes won by our wines in 2015, we highlight:

WINE	CATEGORY	VINTAGE	ORGANIZATION	AWARD / RANKING	NOTES
Verdelho (Alentejo)	White	2014	Wines of Portugal Challenge	Best wine	Best wine of the competition / best single varietal
Touriga Nacional (Alentejo)	Red	2011	Wine Enthusiast	93	Cellar Selection
Quinta dos Murças Reserva (Douro)	Red	2010	Wine Enthusiast	94	Cellar Selection
Esporão Reserva (Alentejo)	Red	2011	Wine Enthusiast	93	Editors Choice
Quinta dos Murças Reserva (Douro)	Red	2010	Wine & Spirits	91	Year's best Portuguese Reds

From the 14 prizes won by our olive oils in 2015, we highlight:

OLIVE OILS	COMPETITION	AWARD / RANKING	NOTES
Biológico	New York International Olive Oil Competition (NYIOOC)	Best in Class	Best olive oil in the Northern Hemisphere category the only Portuguese olive oil to achieve this result
	Concurso Nacional Azeites de Portugal	Medalha de Ouro	Best Portuguese organic olive oil
Seleção	TerraOlivo 2015 (Israel)	Prestige Gold	
	Concurso AVPA 2015	Medalha de Ouro	
	Concurso Nacional Azeites de Portugal 2015	Medalha de Ouro	
	Olive Japan 2015	Medalha de Ouro	
Virgem Extra	TerraOlivo 2015 (Israel)	Prestige Gold	

For the full list of awards see Annex 3



WINE
TOURISM

04



WINE TOURISM

At Herdade do Esporão we respect the Rhythm of the Land and the flowing of the seasons, conducting all activities in full harmony with the cycle of nature and what it offers. Here, we combine modern knowledge with traditional wisdom and respect for nature and reflect it in a cycle of experiences present in all oenotourism services.

At Herdade do Esporão we respect the Rhythm of the Land and the flowing of the seasons, conducting all activities in full harmony with the cycle of nature and what it offers.

Every year we review the diverse activities we offer in order to give our visitors a wider range of choices, according to their profile. A careful management of suggestions and complaints, transversal to the entire organization, collects valuable feedback from our suppliers and clients which we use to continuously improve the quality of our services and proposals. Developing a positive relation with the visitors also depends on how we build an ongoing dialogue with the front office staff. They are the face of Esporão, the ones who welcome our guests, accompany them on their experiences and, of course, serve them in the restaurant. There has been a remarkable evolution in this area, with our most experienced employees taking an increasingly decisive role in captivating, informing and accompanying all the visitors, including those in more sophisticated or demanding groups.



WINE AND OLIVE OIL TASTING

The key point is to explain and demonstrate how our wines are produced. Visitors are invited into the wineries and cellars where they can discover the different wines, as well as the expressions of each variety. Wine tastings are often accompanied by our selection of traditional delicacies and olive oil tastings as well. Olive oil tasting is an innovation brought to life four years ago. Herdade do Esporão was the first producer to invest in this way of showing olive oil to visitors. Our olive oils have distinct features, from the bitter and spicy feeling of 'Cordovil' to the slightly astringent dried fruit aftertaste of 'Biológico'.

VOX ESPORÃO

ANTÓNIO ROQUETTE

I accompanied an English couple who had visited us before the last intervention in the wine tourism unit and whom, having enjoyed the experience, decided to repeat it and challenge some friends to come along. They made a reservation for six people in the beginning of October 2013, with the vintage season still underway. Upon arriving, they went to the restaurant and commended the differences found in the building and view. Unfortunately, at that time, I could not follow the visit through.

A few months later we received an email from a Mr. Peter Weaver, where, with a very accurate British humour, he described the bad experience he had had in the restaurant. Everything had gone wrong: getting the wrong order, cold food, wine served out of time and an insect falling on his dessert. For his wife and friends things were fine, but for him it had been a disgrace. At the time we had new staff being trained. English language skills were not perfect and it was a succession of misunderstandings. The waiter who served them had been unable to communicate properly, which eventually resulted in the bad experience then reported by email.

I wrote a response in which, obviously, I apologized for what had happened, explained the situation and assured them we had made improvements to prevent such episodes from happening again. I invited the couple to return to Esporão upon their next visit to Portugal and have a meal in our restaurant, with our compliments, in order to verify the improvements implemented and compensate them for the bad experience. They appreciated the gesture but they didn't know when they would return to Portugal.

A few months later they wrote to us, announcing they would return to our country in October 2014 and that they would pay us a visit then. And so it was. Things went beautifully and they were delighted with everything. We ended up talking for a while and I explained to them the projects we had for the future, the Lagares winery, the olive oil mill, the visitors' circuit and, possibly, a small hotel. They were excited, made suggestions and definitely approved these projects which they regarded as the obvious next step to take. I had the feeling that we had created a bond with this couple.

Since then they have visited us three more times and decided to buy a house in Portugal, where they spend part of the year. Whenever they come to our country they do not fail to visit us and follow with interest Esporão's dynamics and projects. They're like family, the Weavers. This year we hope to see them a couple more times, in the late summer and autumn.





VEGETABLE GARDEN

Knowing that the quality of ingredients is crucial to the authentic flavours of our food, we decided to plant two vegetable gardens where we grow seasonal produce. Here we can find fruits, vegetables, greens and herbs. In the kitchen, our chefs free their creativity using elements of the seasonal cycle of crops.

OTHER READINGS - THE TASTE OF THE LAND

On a visit to the vegetable garden after a spring shower, you can feel the scents of the land and herbs like mints, parsley, coriander and oregano. In front of you there is an array of colours and textures. Your eyes move over the tomatoes, peppers, pumpkins, beans, carrot and turnip greens, cabbages and the bright colours of courgettes, aubergines, watermelons and melons.

Everything that grows here follows the pace of the land and organic farming. Nature sets the tone. We plant, grow and care for, but not without the help of soil organisms such as bacteria that help the roots to protect themselves from predators and diseases and to assimilate nutrients; an army of allies such as spiders and beetles; pollinators such as wild bees and butterflies; and those almost invisible auxiliaries such as tiny wasps which parasite the eggs and larvae of potentially harmful insects. In the evening hedgehogs, shrews and bats come around and give us a helping hand with the snails, slugs and moths.

Your senses begin to elaborate on the endless possibilities we spoke about. Your brain is inspired by stimuli that promise you delicious meals and the comfort of good homemade ingredients. Reach out and you will feel the water droplets on the cauliflower, the rough touch of tomato leaves and the dirt attached to freshly picked carrots. More than a simple vegetable garden, you are now emerged in a multisensory laboratory and the anticipation of what lays ahead triggers good feelings. Shall we go to the restaurant, now?

Attention, there is life on your plate and glass ..

Nowadays there is much talk about healthy diets but, as the ancient Greeks said, the secret is in colour and texture: the greater the diversity of colours, flavours and textures included in your food, the more likely you are to be following a healthier diet, enriching for both the body and soul. This concept is also present in the restaurant space. The architecture blends the landscape of the estate with the materials and forms used to design the building, using the garden terrace as an interpreter between the two dominant realities: the open landscape dominated by the reservoir surrounded by holm oak forest, and the built area, where great attention was given by architects and designers to the sustainability of materials and construction techniques.

On your plate you will surely recognize some of those ingredients you just saw on the vegetable garden. Next comes a tasting of our olive oils, produced organically or under high standards of environmental protection, accompanied by regional bread. With the arrival of the first wine to be served, familiar aromas and notes flow. The vineyards you have been seeing since you entered the estate are represented here on our wine portfolio, diverse and with that touch of exclusivity and eccentricity that defines the personality of our brand.

As you glance at the menu you will notice that from appetizers to main courses and, obviously, wines and olive oils, everything vibrates with the life, texture and colour you were promised. In the kitchen, the chefs and their teams exceed themselves in the creation and preparation of such infinite possibilities and our best reward is the moment you close your eyes to enjoy the meal.

RESTAURANT

Integrated on the peaceful landscape of Herdade do Esporão, the restaurant opens to the outside, using local materials for the architectural definition of its space, focusing on authenticity and the comfort of our visitors. On the main restaurant wall, and throughout the building, you can admire the original paintings commissioned for some of Esporão's wine labels since 1985. The focus is on simple flavours, high quality seasonal ingredients and a unique cuisine in perfect harmony with what nature provides. It's very contemporary, combining modern knowledge with respect for tradition.

The menu takes a new approach to traditional Alentejo recipes, some of which almost forgotten, made almost exclusively from local ingredients. The menus are designed to provide a unique experience, so the dishes are prepared with products from the estate and local producers (following seasonal cycles). They are, therefore, reviewed and changed frequently.



WINE BAR AND STORE

This wide comfortable space was designed to maximize the experience of tasting and choosing products and provide a connection when visiting the cellars. The furniture was exclusively designed and rediscovers Portuguese raw materials, specially local ones. The two outdoor terraces are ideal for mild days.

At the store we can find exclusive Esporão products and rare harvests from Herdade do Esporão and Quinta dos Murças which can be only purchased here.

NATURE AND HISTORY

The guided tours also take visitors to the Esporão Tower, the most emblematic historical building at Herdade do Esporão (which also houses the Archaeological Museum of Perdigões) and Nossa Senhora dos Remédios Chapel.

During the visits to the vineyards and olive groves, one can see various sustainable soil and biodiversity management techniques, the different appearance of organic vineyards and olive groves and the Ampelographic Field special project. Our main nature trails, especially important for bird and flora watching, are located around the Caridade reservoir, visible from the terrace and restaurant. There are, however, almost a thousand hectares of oak forests and woods to explore south of the dam. At the reception there are bicycles available to cycle the trails. We are currently on the process of creating sign posts and interpretative material.



VOX ESPORÃO

MÁRIO CARMO

When we think of Herdade do Esporão (HE), what automatically comes to mind is wine and grapes ... The vineyards are a strong presence in the landscape, but there is a multiplicity of geographical and biophysical influences shaped by human intervention over the years which brought a wealth of fauna and flora associated with this diversity of ecosystems. Through our public commitment, inscribed in the Esporão philosophy, which translates into recognizing the importance of combining biodiversity and ecosystems with economic activity in every task, we have developed a decision-making model based on the best information available, in order to maintain the flow of goods and services necessary to the welfare of society.

All the harmony we find at Herdade do Esporão potentiates quality ecotourism. At the estate, the reservoir is clearly an important area both because of the availability of water in a semi-arid environment, increasing relative humidity, and because of the diversity of water birds which makes it a birdwatching hotspot in ornithological routes. In a small island, species like the gull-billed tern, colored pratincole, and black-winged stilt build their nests. Along its bank we can find egrets, herons, little ringed plovers and the common sandpipers. The body of water is visited by a reasonable number of aquatic species which include, among others, the little grebe, the gadwall, the common teal, the mallard, the common pochard and the coot. In this area it is also common to see a family of otters, as well as the golden eagle and the osprey.

Using 'photographic traps' (i.e., animals are captured only in photographs) we found out that in the vineyards, olive groves and in the nearby forest areas, rabbits and hares are often seen, as well as some of their predators, such as foxes, genets, weasels, martens and mongooses. But there are also many reptiles like the rat snake, the ocellated lizard and many other lizards. Badgers and wild boars are common presences in the vineyard and some of them have been seen feeding on organic grapes. Isn't it a sign of good taste? We also found a rather curious eagle owl taking a peek at a machine in the southern area.

As for the bats project, it should be noted that, besides the common species of vesper bats (*Pipistrellus kuhlii*) and serotine bats (*Eptesicus sp.*) we had two special occurrences of the lesser noctule (*Nyctalus leisleri*) staying in the boxes located in the organic vineyard.



WHO VISITS US?

More than 22.000 people visited the Esporão wine tourism unit in 2015, which means that there was a slight decrease when compared to 2014 (Image 6). This may be explained by lower domestic demand and the Brazilian recession (Image 7).

HE WINE TOURISM: PORTUGAL & OTHER COUNTRIES

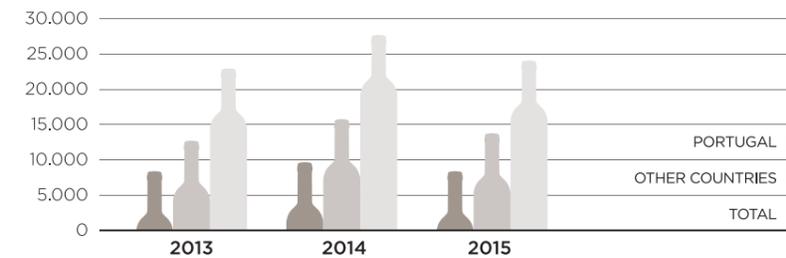


Image 6 Total annual visitors of the Wine Tourism unit at Herdade do Esporão

We must point out the importance of visitors from top wine-producing countries (from the neighbouring Spain and France to the United States) whom are often very well informed about the world of wines. These visitors are determinant (enabling continuous benchmarking) and represent a very stimulating opportunity to exchange ideas. In addition to the top 15 shown in Image 7, we are visited by people from all over the world, namely Japan, Thailand, Argentina, South Africa and from a hundred other different nationalities.



HE VISITORS WINE TOURISM: INTERNACIONAL TOP 15

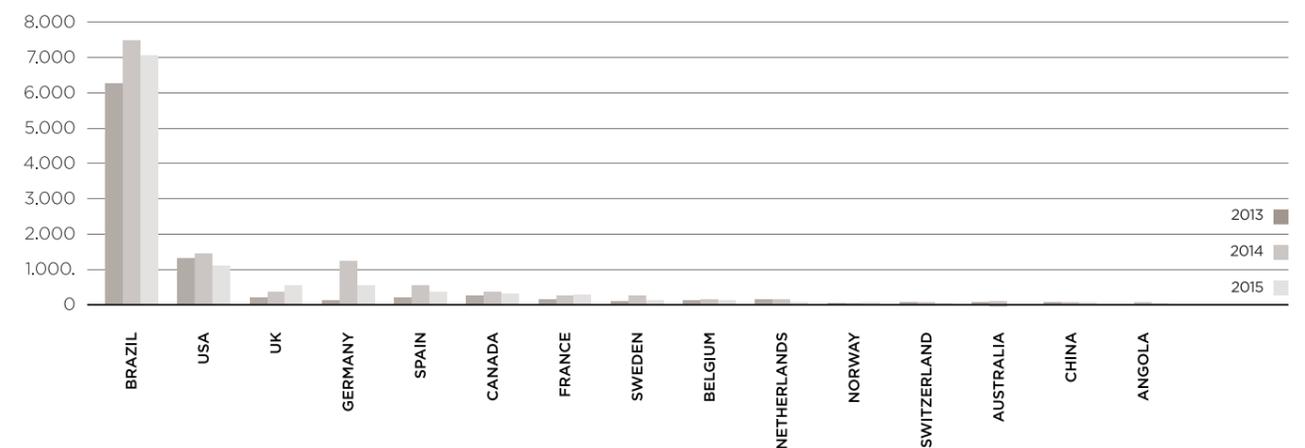


Image 7 Total annual visitors of the Wine Tourism unit at Herdade do Esporão from the 15 top countries

We must point out the importance of visitors from top wine-producing countries (from the neighbouring Spain and France to the United States) whom are often very well informed about the world of wines. These visitors are determinant (enabling continuous benchmarking) and represent a very stimulating opportunity to exchange ideas. In addition to the top 15 shown in Image 7, we are visited by people from all over the world, namely Japan, Thailand, Argentina, South Africa and from a hundred other different nationalities.

**SPECIAL PROJECT:
BIG DAY (DIA GRANDE)**

The expression 'Big Day' (Dia Grande) has roots in the Alentejo community. It refers to the summer solstice, the longest day of the year. The night is so short it seems that the day before and the next day merge into one. In 2015 Esporão's "Big Day" took place on the 20th and 21st June and was celebrated with gastronomy, nature, wine, culture, Alentejo's traditions, performances and debates. From morning to night, every hour was lived to the fullest.

For the first time, Esporão opened the doors of the *Herdade* for more than 24 hours straight, inviting all who wished to experience its culture. More than forty activities were organized to create a memorable day, night and dawn. Those who wanted to spend the night had the opportunity to do so in an area with tents specially created to enjoy nature and the quietness of Alentejo's dawn with all the comfort.

During the "Big Day" it was possible to observe, sow, harvest and create. The meals were served alfresco, with the best the land has to offer. For those who prefer a late afternoon conversation, the cellar was opened for three open debates about food, lifestyles and oenology. Pedro Penas Bastos (Chef of the Wine Tourism restaurant), João Roquette (CEO) and Luís Patrão (oenologist) moderated the conversations.

There was time to enjoy nature and take a nap in the open air. The sounds of the field harmonized with the traditional songs of the Cante Alentejano group "Os Alentejanos" and the urban sounds of Bruno Pernadas and Mario Franco, Suzie's Velvet and DJ Set Fat & Slim.

Devised as a family program, Esporão's "Big Day" aims to become a reference in experiences with plenty for everybody. Children have room to play and lots of nature to discover, in a region where freedom remains untouched. The children's programme, the babysitting service and the possibility of spending the night in tents with all the comfort, turns it into an event the whole family can fully enjoy.

In 2016, the event will take place on the 18th and 19th June.

**SPECIAL PROJECT:
ESPORÃO & A COMIDA PORTUGUESA A GOSTAR DELA PRÓPRIA**

Following "A música portuguesa a gostar dela própria", filmmaker Tiago Pereira bonds with Esporão in "A Comida Portuguesa a Gostar dela Própria", a new project to raise awareness to the Portuguese gastronomy heritage.

Together, we embrace the challenge of building a digital library as a result of an ethnographic approach to Portuguese cuisine. This project fulfils another step in our mission to preserve the memory and the Portuguese intangible heritage, with the sharing of the traditions of our gastronomy and a new contemporary look: 15 Portuguese chefs are invited to create their original and creative version of traditional and regional recipes.

Tiago Pereira and Esporão revisited the regions of the country, unmasking the hidden wealth of cultural and culinary diversity and giving it the deserved visibility through Youtube, Facebook and Instagram.

To know more: <https://goo.gl/nbLtyC>

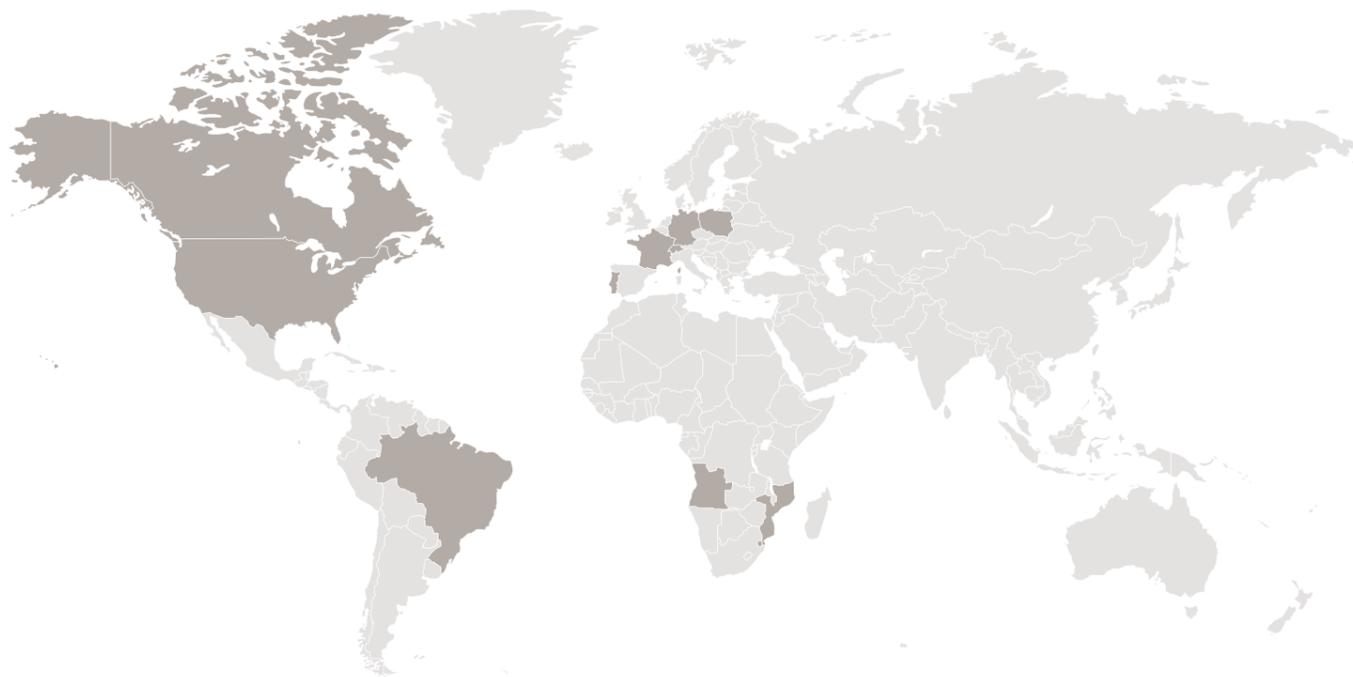


RESULTS OF
THE PERIOD

05



RESULTS OF THE PERIOD



Map 1 Top Markets

MARKET OUTLOOK

- **The sales volume amounted to € 42.8 million**, which represented an annual reduction lower than 1% in value and of 6% in volume.
- **Monte Velho remains the best-selling brand** of the entire portfolio of Esporão, totalling 606.164 9L cases, an increase of 1% when compared to the previous year. These sales account for 46% of the total sales volume, accounting for 7.3 million bottles from the total 15.7 million.
- **After Monte Velho, the brand with the highest sales volume is Alandra (30%)** followed by the olive oils (6%) and the wines Esporão Reserva and Private Selection (5%).
- 453.000 bottles of **Defesa** were sold, with an annual growth of 3.5%.
- **Single varietals and varietals had an outstanding performance** with a growth of 80% when compared to the previous year. 275.000 bottles were sold.
- **The sales of 'Esporão Reserva' and 'Private Selection' amounted to 786.000 bottles**, a little below 2014, due to its limited production. However, this volume is still particularly relevant because of the high value of these wines and the present economic situation which decreases sales in the *ultra-premium segments*.
- The wines produced at **Quinta dos Murças exceeded for the first time the barrier of 300.000 bottles** (table wine and Port).
- **'Murças Reserva' grew 42% and the range of wines 'Assobio' grew 4%**.
- **Very good performance of olive oils**, both in value and volume, maintaining its results in a year when there was a significant increase in prices, with impact on consumer availability.

KEY ECONOMIC RESULTS

- The consolidated business volume grew by 11% in the 2012-2015 four-year period, amounting to 42.8 million euros in 2015. This global performance was achieved by growth in both the domestic and foreign markets.
- GVA (gross value added) has been stable over the past years and this means a significant creation of value within the company, which is included both in the products and services.
- The operating result established for this financial year amounts to EUR 8.7 million, with an annual growth of 2%.
- The profitability indicator (EBITDA) shows consistent growth, reflecting the increase in sales volume and sales margin, as well as the change of all the operating costs of the company.
- There was improvement of gross and trade margins which resulted from price increase of the main brands and changes in the mix of products sold, with a higher share of our brands and a smaller contribution from the brands represented in Brazil.
- Increase in operating subsidies coming from the State, mainly due to the extension of marketing costs eligible for these subsidies as support for internationalization.
- Personnel costs grew by approximately 6% over the previous year, due to the extension of social benefits to all employees of the Group and strengthening the team in key areas for the development of new business according to the 2015-17 Strategic Plan;
- Supplies and services showed an increase of 6%, reflecting the growth of business development costs, sales and marketing, which aim to support the opening and growth of new strategic foreign markets.

INDICATOR	2013	2014	2015
ECONOMIC DATA			
Sales Value	40.179	43.167	42.813
Case sales unit	1.266.969	1.356.975	1.349.566
EBITDA	8.488	8.495	8.693
Net profit	2.718	3.304	6.619
Cash Flows	5.378	5.880	4800
Headcount	262	265	259
FINANCIAL DATA			
Total Assets	140.235	137.224	155.494
Share Capital	5.000	5.000	5.300
Equity (EV)	72.765	72.621	82.991
Net Debt (ND)	40.774	29.275	33.016
Investment	920	1.661	2.244
ND/EV	0,54	0,40	0,40

Image 8 Summary of the main economic progress indicators between 2013 and 2015



KEY FINANCIAL RESULTS

- **The assets of the Group grew from 137 to 155 million euros**, showing an enhanced structure of applications and funding when compared to the previous year.
- **There is a great stability of the productive, tangible fixed and biological assets**, resulting of some restraint in the volume of annual investment.
- The value of **current assets shows an increase of 31% compared to 2014**, as a result of granting an interest-bearing loan to shareholders.
- **Improvement in asset management**, particularly in reducing the volume of stocks and receivables from customers.
- **Significant growth of over € 10.1 million of funding sources at the level of the equity value**, by way of net income and by increasing capital and supplementary payments made by the shareholders.
- **Stabilization of consolidated net debt** despite the increase in bank debt.
- **Significant reduction in financial costs** by restructuring of the debt profile, with a consequent renegotiation of the associated cost.
- **Containment of funding costs resulted in a 29% reduction in the net value of costs and financial charges**, especially due to the search for lower cost financial instruments and opting for financial products with short-term rates review, preferably using credit lines with lower spreads.
- **Renegotiation of the terms of credit lines supported by public funds - SME INVEST - used in previous years.**
- **The ratio NET DEBT / EBITDA amounted to 3.8, remaining below 4.** The rate of coverage of financial costs by EBITDA improved significantly, from 3.25 to 4.70.
- **In terms of investment, 2015 saw the continuation of several projects initiated in previous years**, namely: improving the quality and service of the wine tourism unit; improvement of both the red and white wineries and filling areas; reconstruction of the manor house at Quinta das Murças; improvement of information and digital communication infrastructures; adjustment of agricultural production; adequacy of olive oil production and several specific applied sustainability projects.
- Emphasis on **investment incentive programs, in the approximate annual amount of € 1 million**, in particular under PDR2020.
- **Donations were made to charities in the amount of € 57.418** within the frame of relations with the community. This support is completely free and without any counterparts, except for the ones predicted on the social patronage legislation.
- **There are no overdue debts to the state.**

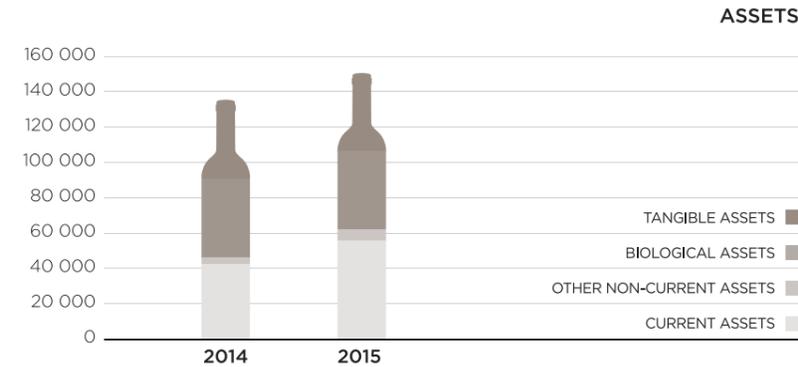


Image 10 Comparative analysis of financial resources 2014-2015

For a complete and extensive analysis of economic and financial results refer to the Financial Report attached.

PRODUCTION RESULTS

	AREA (HA)	HERDADE DO ESPORÃO (INC. PERDIGÕES)		PORTALEGRE		QUINTA DOS MURÇAS	
		2014	2015	2014	2015	2014	2015
VINEYARD	ORGANIC	137,0	149,4	11,0	11,0	4,4	4,4
	TOTAL	605,6	605,6	11,0	11,0	44,3	44,3
OLIVE GROVE	ORGANIC	80,4	80,4	-	-	15,0	15,0
	TOTAL	80,4	85,4	-	-	15,0	15,0

Table 1 Comparative data from the production areas (hectares)

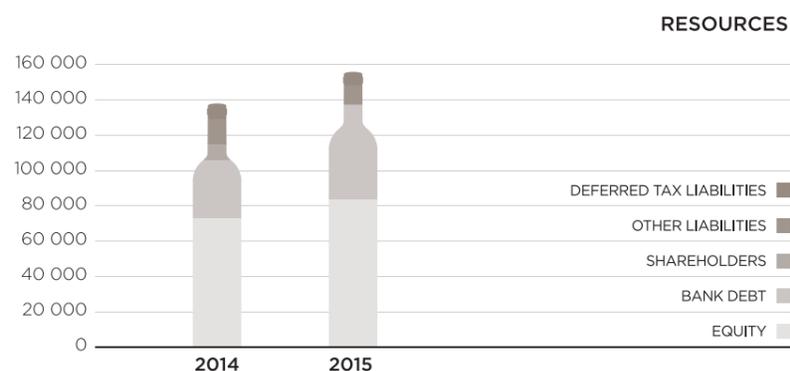


Image 9 Comparative analysis of assets 2014-2015

TOP 5 VARIETIES	HERDADE DO ESPORÃO (INC. PERDIGÕES)	TON.	PORTALEGRE	TON.	QUINTA DOS MURÇAS	TON.
1	ARAGONEZ	513,7	ARAGONEZ	44,1	TINTA RORIZ/ARAGONEZ	66,4
2	SYRAH	339,3	TRINCADEIRA	10,4	TOURIGA FRANCA	29,3
3	ALICANTE BOUSCHET	310,1	ALICANTE BOUSCHET	8,6	MISTURA TINTA/VINHA VELHA	22,7
4	ANTÃO VAZ	284,9	-	-	TINTA BARROCA	18,7
5	TOURIGA NACIONAL	242,6	-	-	TOURIGA NACIONAL	16,4

Table 2 Top grape varieties by production area (tons)

TOP OLIVE VARIETIES	HERDADE DO ESPORÃO	TON.	QUINTA DOS MURÇAS	TON.
1	COBRANÇOSA	67,4	GALEGA	
2	ARBEQUINA	18,2	NEGRINHA DE FREIXO	
3	GRADA	1,8		
4	GALEGA	887		
5	TOURIGA NACIONAL	242,6	-	

Table 3 Top olive varieties by production area (tons)



	HERDADE DO ESPORÃO (INC. PERDIGÕES)			QUINTA DOS MURÇAS			TOTAL		
	2014	2015	VAR 2014-2015	2014	2015	VAR 2014-2015	2014	2015	VAR 2014-2015
AGRICULTURAL PRODUCTION (TON)	11.945,4	12.963,8	8%	378,3	398,4	5%	12.323,7	13.362,2	8%
OWN GRAPES	3.795,9	3.614,9	-5%	159,3	187,1	15%	3.955,1	3.802,0	-4%
SUPPLIED GRAPES	5.629,5	6.603,7	15%	211,3	199,4	-6%	5.840,8	6.803,1	14%
OWN OLIVES	163,6	88,4	-85%	7,7	11,9	35%	171,3	100,3	-71%
SUPPLIED OLIVES	2.356,5	2.656,8	11%	0,0	0,0	-	2.356,5	2.656,8	11%
CELLAR/PRESS (THOUSAND L)	11.007	12.958	15%	182	319	43%	11.189	13.277,1	16%
OWN WINE	6.899	7.236	5%	180	287	37%	7.079	7.523,0	6%
SUPPLIED WINE	3.721	4.978	25%	1	30	97%	3.722	5.008,0	26%
OWN OLIVE OIL	370	572	35%	0,785	1,823	57%	370	574,1	35%
SUPPLIED OLIVE OIL	18	172	90%	0	0	--	18	172,0	90%
BOTTLING (THOUSAND L)	11.579	11.376	-2%	260	-	-	11.945	-	-
WINE	10.863	10.730	-1%	260	282	8%	11.242	11.012,0	-2%
OLIVE OIL	716	646	-11%	0,744	N.D.	-	703	N.D.	-

Table 4 General and comparative data on olive oil and wine agricultural production



BUSINESS ECOSYSTEM

06

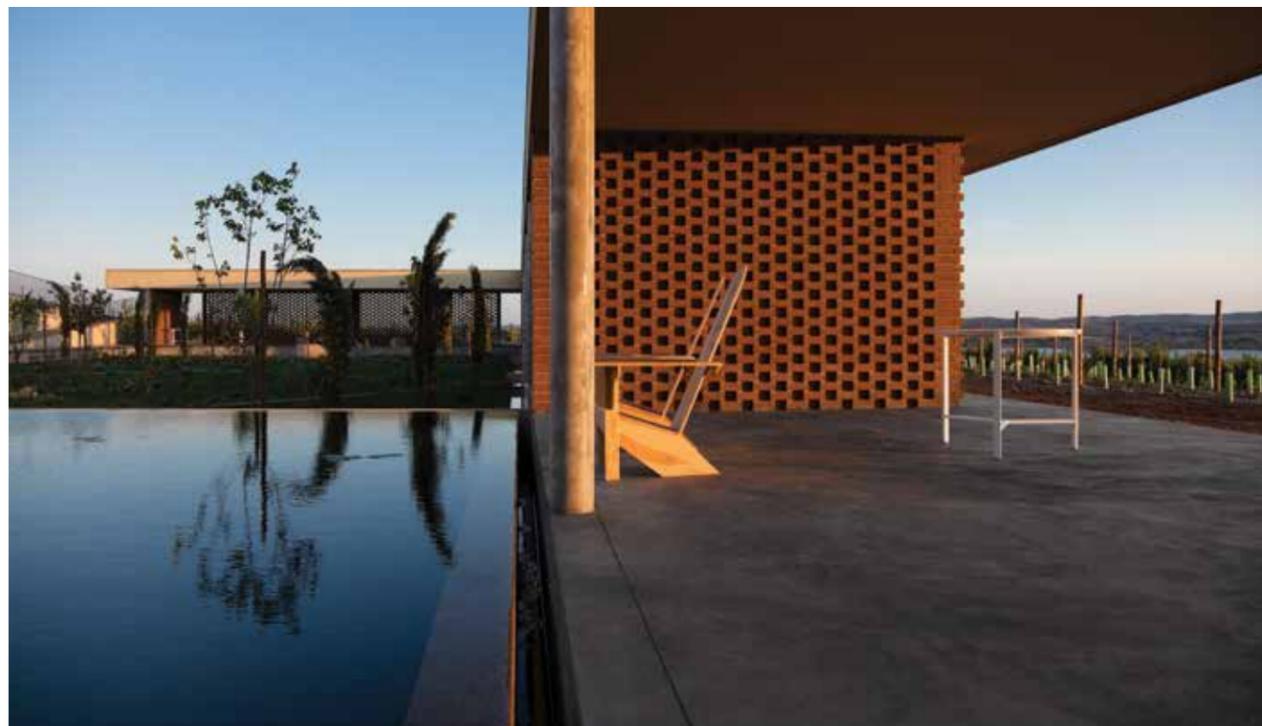
BUSINESS ECOSYSTEM

A business ecosystem represents the multidimensional relationships between multiple agents which, by cooperating and interacting with each other, generate the organizational governance model of the company. These agents include stakeholders, which can be groups or organizations representing one or more actors (Image 11) with direct or indirect stake in the company. They may affect or be affected by the actions, policies and objectives defined and implemented by the company, in a logic similar in everything to the constitution of a biological ecosystem, where these stakeholders benefit from the success of an organization in the same way they can be harmed by its failure.

BUSINESS ECOSYSTEM / TAXONOMIC LEVELS	AGENT	STAKEHOLDER	ACTOR
DEFINITION	Combination of the level of influence it has in planning the strategy and the ability to execute it	Collective entity easily identifiable in terms of its connection to the value chain and which may be comprised of one or more actors	Specific entity legally defined as such. It can be a person, an organization or a company / firm

Image 11 The 3 levels of the Esporão Organizational Ecosystem

Because there are common factors between some of the agents, they are classified based on their strategic proximity to Esporão. The various stakeholders are distributed according to the agents which most appropriately represent them. If we analyse the stakeholders in more detail, the “suppliers” for instance, we find that there are several types of suppliers. The same goes for “customers” or “competitors”. It is, thus, necessary to expand the first level of analysis into a narrower and more informative second level. (Image 12).



AGENTS	FINANCIAL INSTITUTIONS	STAKEHOLDERS: LEVEL 2
DECISION MAKING With direct action in the definition and implementation of business strategy	SHAREHOLDER	General Meeting of Shareholders
	ADMINISTRATION	Board of Directors Governing Board
	COLLABORATORS	External Collaborators and Subcontractors Employees
	SUBSIDIARIES	Subsidiaries: Distribution Subsidiaries: Production
PRODUCTION CHAIN With indirect influence on the definition and implementation of the strategy. They facilitate the generation of symbioses and synergies.	COMPETITION OF SUBSTITUTE PRODUCTS	Beer and <i>soft drinks</i> producers Cooking Oils Producers
	DIRECT COMPETITION	Olive Oil Producers
		Wine Tourism Companies
		Wine Producers
	CONSUMERS	General Consumer
	DISTRIBUTORS	Own Channels
		Off-Trade Distributors
		On-Trade Distributors
	AGRICULTURAL SUPPLIERS	Olive Suppliers
		Grape Suppliers
		Farming Operation Services
	FOOD SUPPLIERS (OTHERS)	Wine Tourism Food Suppliers
TECHNICAL AND SERVICE PROVIDERS	Auditors, Consultants, Laboratories, other suppliers...	
	Architecture and Building	
	Bottling and Storage Suppliers	
IMPORTERS	General Wine and Olive Oil Importers	
	Specialised Importers	
	Reference Restaurants	
FINANCIAL INSTITUTIONS	Banks	
	Investment Funds	
COMPLEMENTARY PRODUCTS	External brands distributed by Esporão	
	Tour operators	

<p>PROGRESS AND GOODWILL with a sectoral role and/or in contexts that influence strategy, but are not involved in its definition and implementation..</p>	STATE	Internationalization Support Agencies
		Tax and Contributory Agencies
		Legislators and Regulators
		Local and Regional Authorities
	FACILITATORS	External Trade Promotion Agencies and Organizations
		Sustainable Development Promotion Agencies and Organizations
		Ambassadors
		Paladins
		Bloggers
		Followers on Social Media
	EDUCATION AND R&D INSTITUTIONS	Primary and Secondary Schools
		Vocational Schools
		Academia and Institutes
	MEDIA	Specialised Media
		General Media
	NGOS AND SOCIAL WELFARE ORGANIZATIONS	Environmental NGOs
		Development NGOs, Charities and Social Welfare Associations
	REGULATORY AGENCIES : AGRICULTURE IN GENERAL	General agencies
REGULATORY AGENCIES : WINE SECTOR	Wine Sector International Regulatory agencies	
	Wine Sector National Regulatory Agencies	

Image 12 The agents are comprised of one or more interested parties who, in turn, may be composed of one or more actors.

This way of approaching and structuring Esporão's business ecosystem in agents, stakeholders and actors allows us to develop a comprehensive strategic approach to stakeholder engagement, fundamental in the sustainability management process.



OTHER READINGS - AN OPEN BOOK: OUR EXPERIENCE IN SUSTAINABILITY REPORTING

A company is a living organism that depends on the surrounding environment and the multiple stakeholders with which it interacts and creates relationships. Nothing is static, and yet, as the company grows, some connections reveal themselves to be fundamental in the maturation of the organization and the people who make it up. Sometimes this 'natural history' of the superorganism company gets lost in cold numbers, facts and events. So, in 2010, we decided to come up with different ways to tell what is happening and how the company has evolved. In order to create greater transparency and consistency in the way we communicate, we decided to use sustainability reports as a support tool. But that's only a small part of the story...

On the importance of 'domestic work'

Vineyards, olive groves, suppliers, clients, institutional partners, employees ... there is a lot at stake when we want to understand exactly where we are in the evolution of the organization and what is our response to the stimuli, needs and ambitions of the various components that make up what Esporão is today .

The careful and attentive management of economic, environmental and social information has always been a priority at Esporão but, sometimes, it can be a complex task to analyse the various sources of information in order to articulate the results with the strategic guidelines and isolate causal links between aspects as diverse as investment needs, customer satisfaction, conservation of biodiversity and reduction of greenhouse effect gas emissions, among many others.

Fortunately, there are 'domestic work' tools to reduce complexity and help the company on the analysis and interpretation of the multiple factors which condition it. One of these tools is the sustainability report. Basically, the sustainability report helps the company in three ways:

- 1. Acquisition, organization and analysis of information from a multiple of sources related to the various sectors of internal and external activity of the company. Since 2013, we started to combine the Financial Statement and the Sustainability Report in an Integrated Report;*
- 2. Internal and external communication tool which enables greater self-knowledge, as well as the development of a continuous improvement process and greater engagement with stakeholders;*
- 3. Strategic management working basis by integrating the risk and performance indicators results and presenting the projects the company is developing at various levels, thus providing us with a macro view of the company in terms of sustainability.*

STAKEHOLDER ENGAGEMENT

ELEMENTS OF COMMUNICATION WITH STAKEHOLDERS	INTERNAL	HYBRID	EXTERNAL
GENERAL	Board Meetings, Intranet	Digital Marketing, surveys, studies	Website, Social Media, press releases, Big Day
DIRECTED	Performance notebooks , management review, strategic Scoreboard	Integrated Report, complaints and suggestions, training and workshops, projects in partnership	Brand activities, meetings with local authorities, school visits, participation in causes, relation with specialized media

For more information about our relationship with suppliers and service providers refer to annex. **Image 13** Communication with stakeholders

SPECIAL PROJECT: BIZSYSTEM: GETTING TO KNOW THE BUSINESS ECOSYSTEM

Following our research on the nature of the company's relationships with its stakeholders, we developed project 'BizSystemEsporão', coordinated by Sergio Pereira with the consultancy support of Nuno Gaspar de Oliveira, which intended to provide answers to four important questions:

- What is our knowledge of stakeholders, who they are and how they relate to us?
- From our point of view, are we in tune with stakeholders on critical factors?
- What happens if we aggregate stakeholders based on the way we perceive their concordance with us?
- How far and who we want to reach when we communicate our strategy and practices?

The theoretical and conceptual basis of the project was organizational ecology, which assumes that the company and its stakeholders behave like species in an ecosystem and that the business ecosystem is dynamic. This means that the interaction with stakeholders will influence the way it operates both in terms of survival of the species and their evolutionary success.

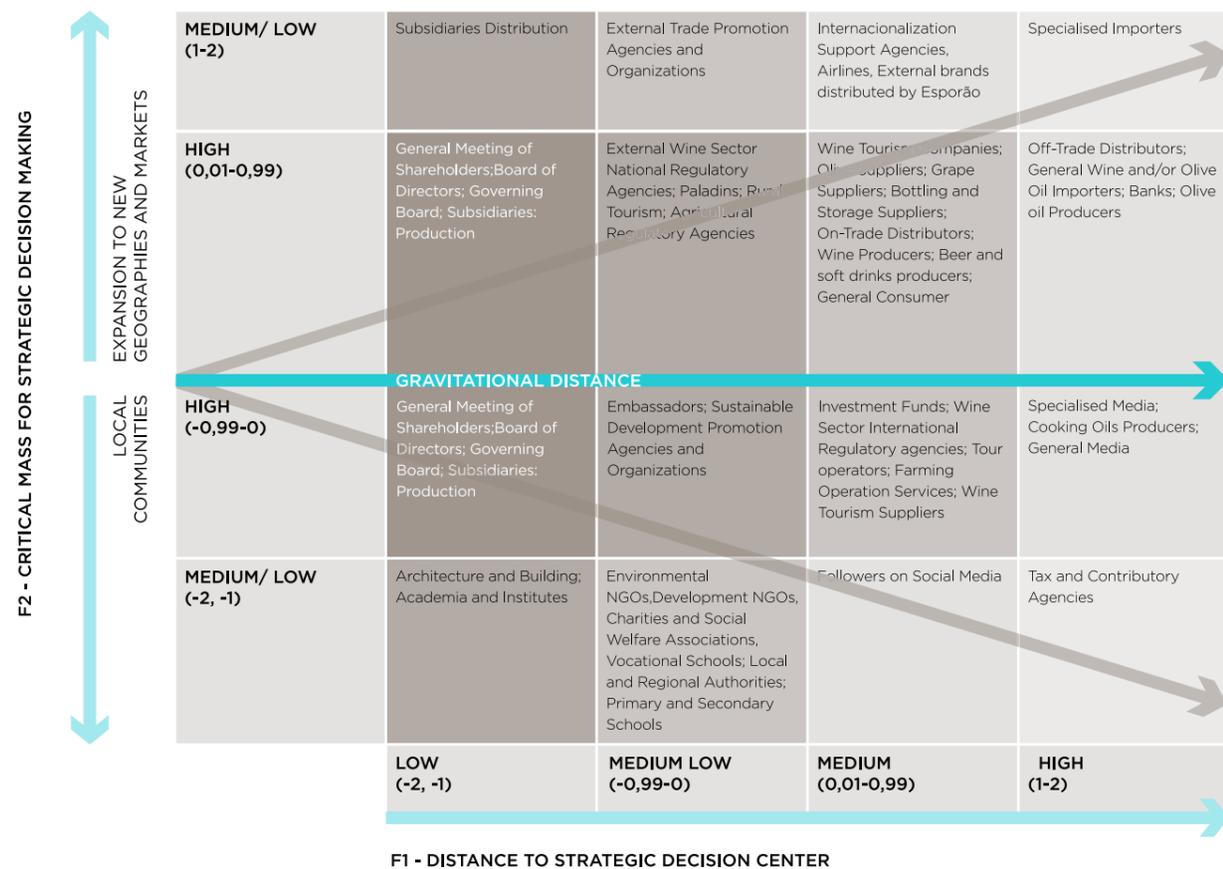
In the development of the project we defined five critical factors considered strategic to Esporão's alignment with its stakeholders:

- **FCAE1 Vision and Mission:** strategic similarity between Vision and Mission of a given stakeholder;
- **FCAE2 New Projects and Business:** potential to innovate in products and services in cooperation;
- **FCAE3 Social and Environmental Responsibility:** similarity between the social and environmental responsibility practices;
- **FCAE4 Expansionary Force:** potential to add expansion strategies in segments or geographies;
- **FCAE5 Intergenerational Legacy:** potential to create a lasting legacy of goods or public benefits

The two major results of project 'BizSystem' were:

- **Gravitational Field Map** (Image 14) indicating the proximity of each stakeholder holder to the company's decision-making centre in conjunction with its weight (critical mass) in the decision-making process;
- **Map of Ecological Niches** (Image 15) showing the positioning of each stakeholder as a "species" in the Esporão's ecosystem in what concerns the optimal conditions in which the relationship between the parties can occur.

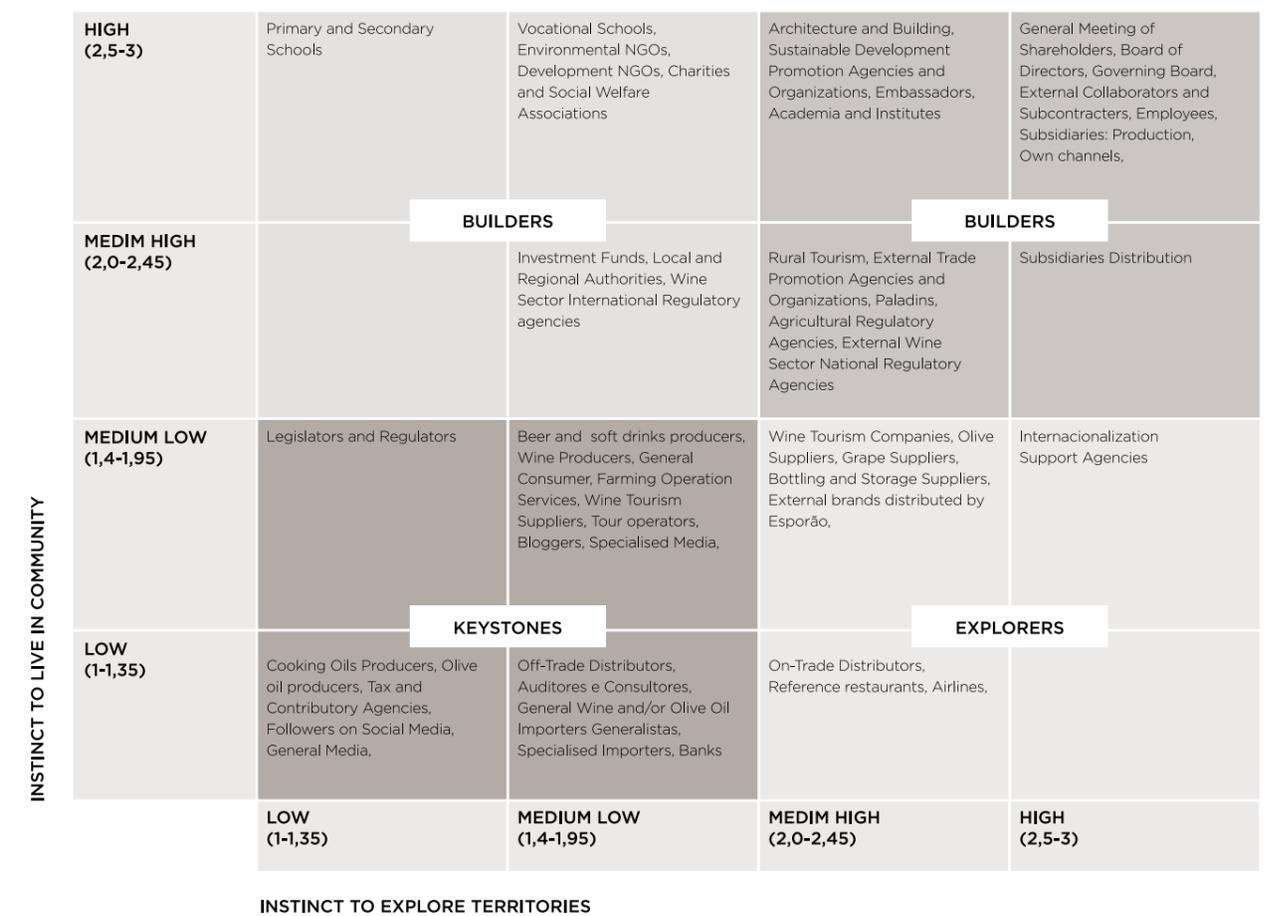
Image 14 Gravitational Field Map of stakeholders in terms of distance from Esporão's decision making centre



In terms of general conclusions, the 'BizSystem' project contributed, among others, for an increased ability to:

- Understand the limits of the company and know stakeholders in depth, beyond their formal 'socio-economic' definition;
- Detect and explore the nature of the strengths and weaknesses in strategic alignment with stakeholders;
- Include specific groups of stakeholders in the decision-making processes, depending on the strategic orientation;
- Understand in greater detail how to establish and develop relations between Esporão and its stakeholders;
- Plan proximity and involvement actions with stakeholders in differentiated manners;
- Develop actions and communication tools for specific stakeholder niches;
- Map stakeholders along the value chain for risk assessment.

Image 15 Map of Ecological Niches. Stakeholders as 'species' which interact in the Esporão business ecosystem. Legend:
Foragers - live on abundant resources with easy access to them, they feel little need / desire to change their survival strategy
Prospectors - need diversity of resources and territory, develop strategies of adaptation to the limitations of the ecosystem, explore various habitats
Builders - require valuable resources to live, protect and manage these resources, develop strategies designed to adapt to the ecosystem and create value for the community
Regulators - depend on a rich and resilient ecosystem to thrive, use territories and resources in phases, their adaptation strategies are the regulators of the value of the ecosystem.





HUMAN
RESOURCES

07

HUMAN RESOURCES

Esporão has a team of 265 employees, classified according to the following information:

Table 5 Total number of Employees

LOCALIZATION	2014	2015
Portugal	249	251
Brasil	14	14

Table 6 Total number of Employees by Gender

LOCALIZATION	GENDER	2014	%	2015	%
Brasil	Women	6	42,9%	6	42,9%
Brasil	Men	8	57,1%	8	57,1%
Portugal	Women	150	60,2%	144	57,4%
Portugal	Men	99	39,8%	107	42,6%
Total	Women	156	59,3%	150	56,6%
	Men	107	40,7%	115	43,4%
	ABSOLUTE	263		265	



SPECIAL PROJECT - ONE BY ONE WE ARE ESPORÃO

- We developed a project through which the **community is heard** when devising the social strategy;
- We started an **internal diagnosis of organizational culture** with the support of external consultants;
- We implemented a **wellness program** that includes Pilates classes and individual specialized monitoring of a nutritionist;
- In cooperation with external consultants we developed, the **SInBEoSE project - Simulation of Information about Wellness with Socio-economic Origin**, which listened to Esporão's employees in order to know how the company can contribute to options that will improve their quality of life.

To learn more about our human resources management rules refer to annex.

HEALTH AND SAFETY AT WORK

WORK ACCIDENTS

GENDER	DAYS WORKED		WORK ACCIDENTS		LOST DAYS		ABSENCE DAYS	
	2014	2015	2014	2015	2014	2015	2014	2015
Women	36208	38427	10	4	89	238	2656,25	2770
Men	23897	29318	7	9	115	223	545,5	1247,5

TRAINING

Annual training programs are defined according to individual needs and the organization's guidelines. We don't conduct training programs for employees in transition to retirement.

Table 9 Number of Days Worked, Work accidents, Lost days and Absence days by Gender



Image 1 Total hours of training from 2013 a 2015

GENDER	2013	2014	2015
Women	221	309	268
Men	362	272	524

Table 10 Hours of training per gender



Table 7 Total number of Employees per Gender and Contractual Bond

LOCALIZAÇÃO	CONTRACTUAL BOND	GÉNERO	2014	%	2015	%
Brasil	Permanent	Women	6	2,41%	6	2,40%
Brasil	Permanent	Men	8	3,21%	8	3,18%
Portugal	Fixed Term	Women	11	4,10%	16	6%
Portugal	Fixed Term	Men	8	2,99%	17	7%
Portugal	Indefinite Duration	Women	4	1,49%	1	0%
Portugal	Indefinite Duration	Men	8	2,99%	1	0%
Portugal	Permanent	Women	135	50,37%	125	50%
Portugal	Permanent	Men	83	30,97%	89	36%
TOTAL		Women	150	55,97%	142	57%
		Men	99	36,94%	107	43%

Table 8 New entries and exits - 2015 review

GENDER	ENTRIES	EXITS	VARIATION
Homens	54	63	-4%
Mulheres	82	71	4%
Total	136	134	1%

CATEGORY	2014	2015
Senior Managers		
Middle Managers		
Supervisors and Team managers		
Highly qualified Professionals		
Qualified Professionals		
Senior Managers	16	288
Middle Managers	134	450
Supervisors and Team managers	32	5
Highly qualified Professionals		
Qualified Professionals	245	22
Semi-qualified Professionals	135	27
Unqualified Professionals	19	

Table 11 Hours of training per category

VOLUNTARY BENEFITS

- The Esporão Group grants tolerance for missing work in some days that are not national holidays, such as Carnival Day and December 24th.
- To each of the permanent employees, on their birthday, the board offers a box of wine and congratulations.
- Company transport is available to the collaborators working on the vineyard, winery, production and logistics in Herdade do Esporão.
- There are several cafeterias available to collaborators, located next to the various workplaces.
- The canteen of the wine tourism unit started to produce, every day, about 100 takeaway meals for the agricultural staff.
- An event celebrating Children's Day is usually held and collaborators and their respective families participate. This event is also used to promote a culture of sustainability among us all.



SPECIAL PROJECT - SINBEOSE - SIMULATION OF INFORMATION ABOUT WELLNESS WITH SOCIO-ECONOMIC ORIGIN

Esporão created project SInBEoSE - Simulation of Information about Wellness with Socio-economic Origin, in order to find out more about how the company can proceed further and voluntarily in the fulfilment of its legal obligations to its employees. The project was coordinated by Elsa Ramos with the consultancy support of Cândida Rocha and Nuno Gaspar de Oliveira.

The core axis of the project was to know what the aspirations of the Esporão employees are and how the company can contribute to options that will improve their quality of life. We interviewed several collaborators in leading positions, supervision, customer service and administrative support in order to assess their perceptions and expectations

In general, employees appreciated the following actions:

- Remuneration always paid in due time;
- Free lunch;
- The shuttle bus for employees;
- The birthday and Christmas "gifts";
- Nutrition appointments
- New company mobile phones with Internet access;
- The 'Big Day' event



The actions that have been developed but weren't regarded as an important asset include:

- Pilates classes
- English classes, because there were problems assessing the initial level of the trainees, resulting in classes with a degree of difficulty which rendered them impossible to follow for employees with a basic knowledge of the language.

The actions which would be highly appreciated by employees:

- **Input:** suggestion box and participatory budgeting;
- **Bonuses and incentives:** Visits to other Esporão projects (exchanges between the employees of the Douro and Alentejo units); productivity bonuses related to the increase of sustainability; merit scholarships for the employees' children; annual farewell party / tribute to retired employees.
- **Training:** training in advanced topics of sustainable management; extraprofessional training in the areas of environment, information technologies and languages; training on topics such as arts and crafts, natural medicine, organic farming, vegetable garden maintenance; meditation and yoga, among others;
- **Health and quality of life:** 'health voucher'; 'new baby kits'; nursery; stress management, nutrition and dentistry consultations; supplementary retirement plan by helping in managing the application of savings.

A wide-angle photograph of a hillside covered in terraced vineyards. The rows of grapevines are neatly planted in a grid pattern across the slope. The sky is a clear, bright blue. The overall scene is a classic representation of a wine-growing region.

MARKETING & COMUNICAÇÃO

08

MARKETING & COMMUNICATION

MAIN ACTIVITIES

- We reviewed the current value propositions of some brands and the way we communicate their differentiating features, as well as the activities in our estates and production facilities; also how we conduct sales support in the countries where we distribute our products;
- We reworked our main asset, **the Esporão brand**, in order to shorten the distance between the company and people who may be interested in knowing who we are, what we believe in, what we stand for, but also what we do and how we do it ;
- We revisited our portfolio of wines, which now includes the new Esporão brand as a transversal signature;
- Among the various activation measures, we held **the 3rd Gastronomic Festival Monte Velho** which gathered 80 restaurants in Portugal and 8 in Mozambique for 3 days;



- We worked on increasing brand awareness of our Douro project, Quinta dos Murças, based on its differentiation;
- Revisiting the legacy left by the Romans in Alentejo more than 2,000 years ago, **we launched our first Talha / Amphora wine** (2014 harvest), for exclusive sale in the wine tourism unit;
- We launched the wines **Esporão Reserva and Private Selection**, which involved the collaboration of the Portuguese artist, João Queirós;
- We continued the work on **positioning and differentiating our olive oils**, emphasizing their unique heritage (olives from Alentejo, 100% produced in our mill and exclusively virgin and extra virgin);
- We promoted Agenda **Esporão 2015**, designed by Madalena Martins, which carries the Esporão culture and results from the reuse of waste coming from its operations, carefully transformed by the hands of people presently in correctional facilities, and users of the reintegration workshop of the Family Assistance Office.

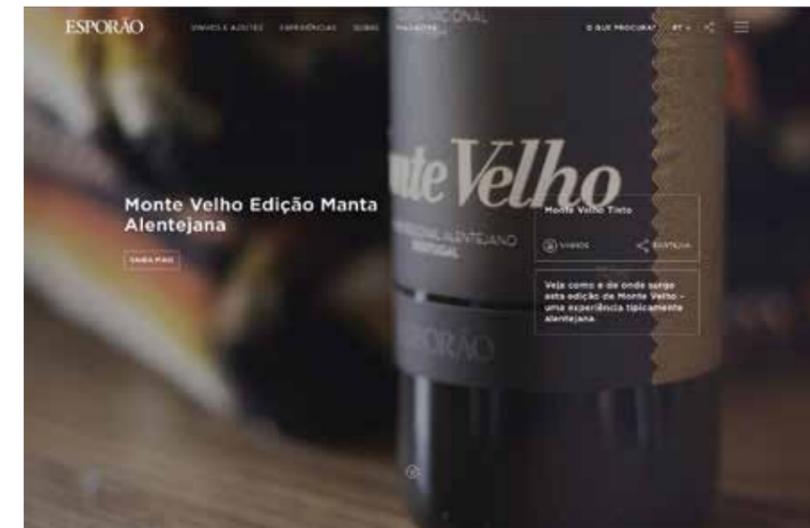
VOX ESPORÃO

AFONSO SOUSA

I have the feeling that sustainability happens naturally in Esporão, amid the people of the company. Sometimes sustainability is not thought nor taught and, perhaps, these are the most interesting cases, because we can see sustainability gain a sense of affection, deep care for what belongs to all of us and what our legacy is.

When we see and hear Olinda declare her love for the vineyard, how she likes to watch it grow green and strong and how she feels every first vintage day as if it were the first ever though she has repeated it for several decades, we realize that there is true affection for that place. When we hear Ana Maria talking about the orange orchard at Murças and, afterwards, taste the oranges, we realize that those oranges can only be organic and sustainable.

My work has a short-term goal but, on the long run, it becomes a memory and a piece of history. It's good to make sure that what I'm filming now will still make sense in 20 or 30 years. It is good to know that the stories we try to tell about ladybugs, bats, soil, biodiversity, vineyards and olive groves, are a page of history that the company can continue to be proud of.



MARKETING DIGITAL

- We have activated the website and our **social media** platforms, especially Facebook, Youtube and Instagram, named @esporaoworld;
- We produced about **80 videos** (which got over 50 thousand views), complemented with **over 2000 photos** (only some of the many which were taken);
- We have reached **120,000 fans on Facebook** in December 2015, an increase of 85% compared to the 65,000 fans registered in January;
- The US Facebook Esporão page was integrated to the global page and we increased support of **Twitter** management (local management and central support);
- We created the **Brazil Facebook** (with central support and local management);
- The **Instagram** account (bilingual) reached 3000 followers;
- Development of the new website which will be coordinated by the Marketing Department in alignment with DMCSI.

COMMUNITY ENGAGEMENT

- Several actions were carried out to **generate awareness in strategic contexts**, focused on set priorities - origin and product sustainability, gastronomy, tourism and culture - always seeking the materialization of our mission;
- The recognition of **specialised and renowned critics** was promoted through visits and contacts with national and international journalists;
- The new **Wine Tourism proposal - The Pace of the Land** - was presented and we also **promoted activities and events** such as “Pôr-do-sol na Herdade” (sunset), musical open debates, relevant visits (e.g. Chef Westermman, event #winelovers na Herdade, Caffeine Birthday in Porto) or moments like the vintage and olive harvest;
- The first edition of the **‘Big Day’** took place on the 20th June (see ‘Special Project - Big Day’)
- Esporão supported and participated in several special events like, for instance, Greenfest, in the area of sustainable practices and concerts and CD



recording of Grutera, Lisbon Living Room Sessions and Outjazz, in music. In the area of local culture, we supported the celebration of the traditional Alentejo rugs, at the Reguengos Wool Factory and we have also sponsored Chef José Avillez's TV programme (Combinações Improváveis - Season 2);

- As a member, Esporão participated actively in the permanent work group dedicated to saving the Tua River - **Plataforma Salvar o Tua**. Throughout the year, we collected contents and produced documentaries for the communication campaign which will be implemented in 2016. We also gave support on public relations and online platforms to amplify the message and raise awareness for this cause. (Including publicity in the first ‘Big Day’, with the projection of the film ‘DAMnation’, “Conversations about lifestyle”, among others).

SUPPORT FOR INTERNATIONALISATION

- We developed communication tools (off and online), activation concepts, merchandising, packaging and other materials to increase sales and visibility in order **to better communicate and give visibility to Esporão** and its brands;
- In Portugal, we participated in 17 business fairs and trade events and we are also **present in several countries** such as USA, Brazil, UK, Germany, etc.





WHAT DOES
'SUSTAINABILITY'
MEAN FOR EACH
ONE OF US?

09

In order to have a broader view of what is the perspective of our collaborators about the process of reporting sustainability and the impact it has on Esporão, we asked three questions:

1. What does "sustainability report" mean to you?

2. In what manner did reporting sustainability (through the publication of annual reports) changed your perspective of the company?

3. How can the sustainability report influence the company's relationship with its stakeholders?

These were some of the answers:



MAURO BRANDÃO
PRODUCTION DIRECTOR

1. For me sustainability is the path society has to follow to keep the planet's reserves balanced for future generations.
2. Sustainability got into the company's DNA and transformed our culture and our decision-making at various levels.
3. Consumers are increasingly aware and value environmentally friendly products. These products are differentiators in the decisions and lifestyles of consumers.



JOÃO ROQUETTE
CEO

1. It means to share and be transparent about the work done and improvements yet to be done.
2. It allowed us to systematize and understand more efficiently where we are and where we want to go.
3. Sharing information and asking stakeholders to get involved and contribute with their feedback to improve our activity and relationship with society.



PEDRO REIS
PLANNING AND CONTROL MANAGER

1. It means thinking of the present and future balance of the entire surrounding environment of the company.
2. It clarified that no one can live isolated in an environment which suffers the impact of one's presence.
3. As a catalyst that joins forces in a common purpose.



ANTÓNIO ROQUETTE
WINE TOURISM MANAGER

1. Talking about sustainability is part of my daily life, of my work. That is, besides being a responsibility, it's a fantastic opportunity to share with people something I believe in and I am fully aware that is essential to take into consideration for the future of humanity.
2. In reality it has not changed much because I already had this awareness and this perspective. However, it made it possible to have a more active attitude towards these issues, both outside and inside the company.
3. It can, and in two fundamental ways. First, because it generates in clients the perception that this is a company that produces in a responsible and respectful manner, i.e., it's not concerned with quality but with a kind of quality that is not achieved at any "price". It is a quality that ensures future continuity and a rational and balanced management of resources. And, second, because it creates pride and confidence.

JOSÉ LUÍS MOREIRA DA SILVA
MANAGER QUINTA DOS MURÇAS

1. It means to share and transmit our identity and mission. It means reassessing the previous year, looking for the most impactful actions.
2. More than change, in the beginning it helped me to realize that the Esporão mission is shared by all. I understood that the concern with sustainability is real and you can feel it across the entire Group. It helped me to better understand the company.
3. The sustainability report could / should be the business card of the company, revealing its identity. As a result, there will hopefully be greater sharing, connection and identification of the stakeholders with the Company.



CLÁUDIA FERNANDES
AUDITS AND CERTIFICATION MANAGER

1. Protection of the environment and better management of natural resources.
2. In what concerns the commitment to continuously improve at environmental and social level, ensuring greater involvement and concern with stakeholders.
3. Enables us to make our constant concern known, as well as the initiatives developed for environmental, social and economic improvement.



MIGUEL JORGE
MAINTENANCE DIRECTOR

1. It means to report the level of modernity, environmental and social concern the company has achieved.
2. It made the path we have followed become more conscious and clear. It allows me to perceive the company as an organization which cares about future generations, the environment and the people around us.
3. If the companies I work with identify with this mode of action, it can be a facilitator in the negotiation of proposals.



INÊS ARANHA
LAB MANAGER

1. Communicate in detail the good practices and the economic strength of the company; show how we try to mitigate the negative impact of our actions on the environment; communicate our interest and concern for the community around us.
2. It helped me realize all the efforts carried out and understand the link between the various initiatives and decisions.
3. It is a business card and, more than that, it defines well what kind of company we are and our mind set.



FILIPE CAETANO
MARKETING AND COMMUNICATION DIRECTOR

1. Reporting sustainability means sharing all actions that we take in all the dimensions of our business in a transparent way. It is also to give visibility to our mission "To make the best products from what nature provides in a responsible and inspiring way."
2. It enables us to see the materialization of Esporão's commitment to adopt responsible practices in the development of our activity and the degree of integration and depth with which we do it.
3. It is one of the instruments that allow stakeholders to have an accurate image of what the company is, beyond the brands and products, the side most visible to everyone. In this sense, I think this image creates the foundation for the establishment of a much closer, solid and lasting relationship between the stakeholders and Esporão.



GOOD FARMING PRACTICES

10

GOOD FARMING PRACTICES

Looking to the future, we make an optimal management of natural resources in order to eliminate the use of synthetic materials. We want to enhance the quality of our fruits naturally.

Agriculture is responsible for some imbalances in ecosystems, changing the relationship between living beings and the environment. The expansion of viticulture in Alentejo led to considerable changes in ecosystems because the installation and maintenance techniques used don't always respect the soil and its environment.

The will to continue to improve the quality of our products and our concerns about the environmental, economic and social sustainability of the entire production process led us to look at everything in a more integrated way, which contemplates a greater interaction between viticulture and the surrounding ecosystems.

The main goals of sustainable agricultural management techniques used at Herdade do Esporão are:

- To recover, maintain or increase soil fertility;
- Promote balance between pests and their natural enemies such as predators and parasites;
- Reduce the amount of water used in irrigation;
- Take the by-products generated in our activity and produce fertilizers to be used in our cultures;
- Maintain and promote animal and plant variability of ecosystems;
- Preserve plant material in danger of disappearing from the national grape vine variety catalogue



SPECIAL PROJECT: GOOD PRACTICES FUNDAMENTAL IN THE SUSTAINABLE MANAGEMENT OF VINEYARDS

- Sowing of pulses in between vineyard lines to improve the chemical and physical properties of the soil;
- Acquisition of implements to cut weeds in the vineyard line and reduce the use of herbicides;
- Treatments with low volume spraying (150 litres / ha) and application of a lower amount of product per hectare;
- Increased use of natural products such as copper, sulphur and others;
- Test to reuse stalks;
- Acquisition of implement to make woodchips and reuse of woodchips to improve soil quality and prevent burning;
- Integrated Pest Management, treatments when the cost of treatment is smaller than the damage caused by the pest, constant monitoring of pests with sexual traps;
- Reducing the area of mobilized vineyard;
- Landscaping project based on the placement of ecological corridors in the vineyard with trees, hedges and shrubs to increase shelter and food for the auxiliary animals and other wildlife;
- Placement of boxes for bats, as they feed on small insects;
- Tests on ampelographic field with 189 varieties to evaluate oenological potential and the effect of climate change.

SPECIAL PROJECT: HERDADE DO ESPORÃO'S STOCK

Since 2014, we started introducing stock on the farm, including sheep and pigs. Sheep play a very important role in controlling weeds in the vineyard, during winter dormancy, and on neighbouring land, thus preventing forest fires.

Their morning strolls are of the utmost importance to maintain our soils and cultures because they help to avoid the need for mechanical and chemical means. In the olive grove it is not possible to let the animals roam because they might eat the plant.

The Alentejo pig is raised in traditional fashion at Herdade do Esporão, on holm oak and cork oak *montado*. Here, the tradition of *montanheira* (the last fattening stage of the black pigs of this breed) is celebrated in February, when our pigs freely graze on what they can find at the *montado*.



OTHER READINGS - A 360° VISION OF THE VINTAGE

There is a special moment that precedes the vintage. It is the coldest night, hidden among the shortest day of the year, in the middle of winter. That's where it all starts. The field appears to be asleep under the cover of morning frost and one can only hear the wind whisper and raise the dead leaves that still persist. It is in this magic moment that under our feet - literally - the plants receive a sign that the new cycle is starting. The vines show shy signals that they are about to restart their growth cycle. On the ground, the roots that withstand the physical hardship of the season find precious allies - the microbiome. They are millions of bacteria, fungi and other beneficial microorganisms that were protected by minimum tillage techniques and the use of green covers and maintained the ecological integrity of the soil. Here, even under the rain, frost and wind, the dormant soil lives and breathes. It is the basis of the ecosystem. Later, it will be this living soil that will contribute decisively to the terroir, the key element of the alchemy of our wines.



A question of landscape architecture

With the end of winter and the arrival of the first warm days of March, another important stage begins - the protective effect of ecological infrastructures as a determining element of landscape architecture of vineyard blocks. Some of the greatest dangers to their healthy development comes from fungi that benefit from moisture accumulation and lack of ventilation or light in the most protected areas of the plant, as in the case of downy mildew, powdery mildew and botrytis. Here, the ecological infrastructure acts as a first line of defence. In the last five years the whole area of vineyards was re-evaluated in order to realize how we could restore the original water lines that crossed the estate in the northeast-southwest direction and that, in many cases, were buried under plots of vines which, unsurprisingly, showed signs of chronic diseases associated with excessive humidity. By stepping back and redesigning several instalments and by creating barriers of trees and shrubs that have helped us to control the levels of shade and ventilation, we can recreate a living structure that functions as regulator of ecological environmental health.



Meanwhile, in the allies' barracks...

But these infrastructures are not reducible to physical presence. The choice of the species of trees and shrubs in these protective lines is meant to create the effect of 'barracks'. Several species of parasitic and predatory wasps, that will strongly contribute for the control of potential pests such as the green leafhopper and grape berry moths, as well as natural pollinators that play a decisive role in the floristic composition of protection and soil cover plants find shelter and provisions to survive the winter in this 'living citadel'. On the brambles and blackthorns lurk tiny wasps that measure just over 1mm and parasitize the eggs of the green leafhopper. Hidden in torpor state, under the protection of the trunks and roots, are ladybugs and other predator beetles as well as some net-winged insects and mantis who will feed on the eggs and larvae of yellow spider mites, aphids, scale insects and other 'vegetarians' that, despite being part of this healthy ecosystem, may pose a danger to production if their numbers increase too much. Right there, next to a touriga nacional ou rabo-de-ovelha field we can find a number of hungry allies ready to close ranks. These will provide a vital service in protecting the production ecosystem. And they do it for free!

Here come the infantry and the air force

With the arrival of spring, the lizards awaken. These small reptiles will take position next to the vines to ambush moths and flies, as well as pick up some snails and slugs which might venture into the new leaves. Beneath them, the soil-factory comes into full operation, develops mycelium fungi circuits which thrive only in living soils protected from the plow drag. They create a vital network among the vines and plant cover which will redistribute crucial nutrients and, more importantly, will keep rainwater to optimum levels for good root development and functional capacity. Above ground, well above, bats spread their wings after spending winter in shelters placed by Esporão in recent years. Many species of insectivorous birds chirp away as they arrive from distant places or increase their activity with the days growing longer. Swallows, robins, larks, hoopoes, they are everywhere, flying over ponds and water streams, looking for opportunists trying to poke leaves and nibble flower buds. Further up, the buzzards hover, searching for a distracted mouse or mole.



When spring is almost gone and we can feel summer coming, the plots have already rediscovered their ecological balance. Water, soil, biodiversity and light in certain doses tested by years of trial and error, help to close the clusters and bring colour to the berries. One more year free from herbicides (all maintenance of the interspace and between the vines was made mechanically or by hand) during which the use of pesticides decreased once more (always as a prevention measure or emergency treatment). When the Big Day arrives, the field team is already looking at Excel projections and the oenologists scribble on their field books, thinking about this year's plan.



The highest time

It took us months to get here, but upon the first days of August, everything combines for that moment when the first cluster from the first field is cut. Resources and logistics are optimized. Here comes the highest time of the year, about nine absolutely critical weeks, during which many less publicized issues are carefully analysed and dealt with. Does our field team have good working conditions, with protection against heat strokes and dehydration? Are we all in sync with the coordination plans and reporting internally to those responsible for agricultural production, the oenology laboratory, grape reception, wineries, WWTP, etc.? Are we monitoring in detail all the water - 25% of annual expenditures concentrate in these nine weeks - and energy consumed by our operations? Nothing is left to chance and all the errors that may occur are carefully noted down. This is our nature, to keep this pace of continuous improvement in pursuit of excellence and efficiency.



Liquid landscape

When the vineyard landscape is already showing autumnal colours and the days dawn with haze, it's time to taste the results of another year of work. Some wines will be ready to leave in a few months; others will know the cold of stainless steel, the aromatic sleep of oak barrels or the earthy touch of the amphora or cement. Some will only come to live on the following summer or several years from now, at your table, with the soothing sound of the uncorking. At this point remember everything that made that moment possible. People who harvested and prepared the grapes, plants and animals that were part of the theatre of operations, the water that was managed carefully and the rich, living soil that supported the vines. All of it - all of us - will be there again when that cold and wintry day happens again.





ENVIRONMENT AND NATURAL RESOURCES

ENVIRONMENT AND NATURAL RESOURCES

WASTE MANAGEMENT

There was a significant reduction of the total amount of waste produced, although it doesn't include sludge from WWTP, contaminated packaging, absorbents and laboratory chemicals (only collected in early 2016). Selling the Serpa olive press in July also contributed to the reduction of waste.

The city council waste collection is not taken into account because there is no volume control (ex.: 'ecopontos' of Lisbon, Murças, etc.). The exception is for 'ecopontos' located in Esporão, as the company responsible for collecting, since March 2014 has the 'ecopontos' geo-referenced, which allows access to the quantities collected of each type of waste (paper, plastic and glass).

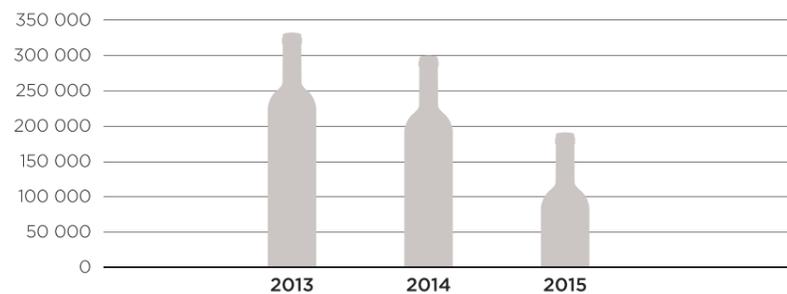


Image 16 Annual evolution of the amount of waste produced (kg)

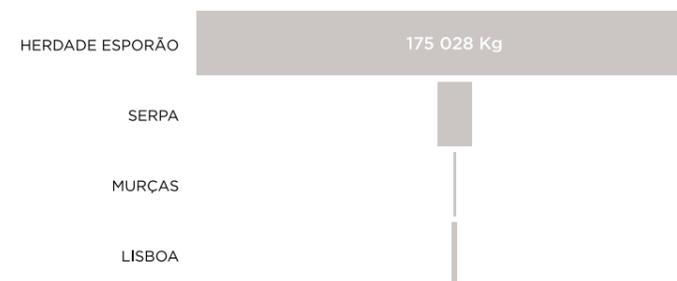


Image 17 Amounts of waste generated (kg) by territorial management unit



Around 60% of the waste produced was destined to recycling and waste valorisation processes.

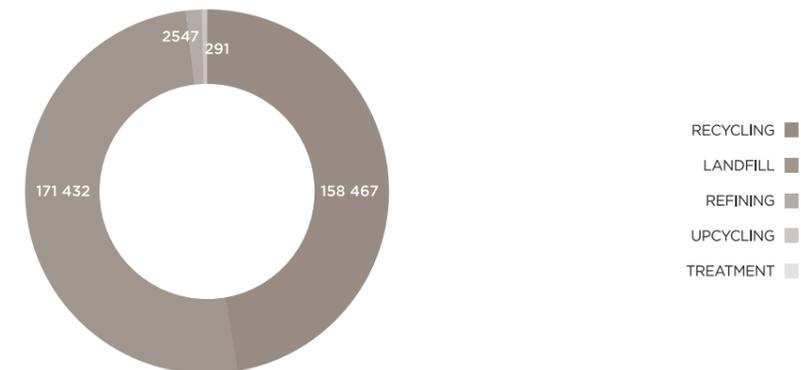


Image 18 Destination of the waste produced.

SPECIAL PROJECT: SMALL GESTURES THAT MAKE THE DIFFERENCE

Our routines incorporate, whenever possible, actions to mitigate the impact directly associated to our products and services:

- The coils of non-recyclable waxed paper labels were changed to recyclable plastic;
- We return capsules, labels, back labels and tags to our suppliers;
- The blue and white soap that we use comes from our used oils;
- Old cardboard and wood packages are reused by the Wine Tourism sales service and also for internal transport;
- We are constantly raising awareness among our collaborators to share transportation to work or use bicycles;
- We rejected plastic water bottles and use water from our well in reusable bottles. Our wine tourism clients appreciate the gesture;
- We use rechargeable batteries in all the wine tourism equipment..

ENERGY AND ECO-EFFICIENCY

In total, there was a reduction in electricity consumption, namely:

WINERY

Significant reduction in consumption as the result of a number of initiatives arising from the Energy Rationalization Plan, greater control and daily monitoring of consumption. Several counters were installed and monitor separately the consumption of various equipment and areas;

ESPORÃO OLIVE OILS

The Serpa mill was sold in July 2015, hence the energy consumption was only considered until then;

VINEYARDS

There was an increase in electricity consumption due to increased watering;

WINE TOURISM

There was a decrease in electricity consumption because we implemented

measures associated with lighting control and better management of the HVAC system (air-conditioning and ventilation);

MURÇAS

Increased consumption due the use of underfloor heating in the cellar.

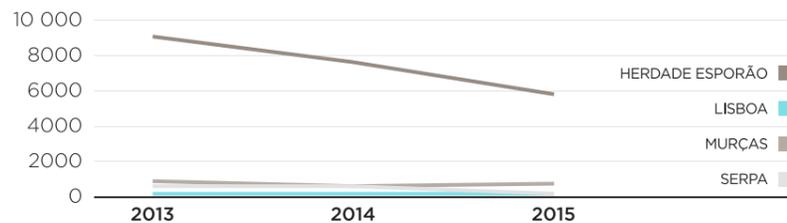


Image 19 Indirect Energy Consumption (GJ) - Electricity Purchased

RENEWABLE ENERGY	LOCATION	2013	2014	2015
OLIVE PITS_HEATERS	SERPA	623	844	436
SOLAR PANELS_WINERY	HERDADE DO ESPORÃO	-	375	-
SOLAR PANELS_DAM WALL	HERDADE DO ESPORÃO	-	465	-
TOTAL		623	1.684	436

Table 12 Consumed (GJ) non-renewable energy per territorial management unit

Until the report closing date, it was not possible to obtain the values of solar energy production in 2015

OTHER READINGS - GALILEO'S GRAPES AND THE SOLAR PATH

Legend has it that, one late summer afternoon, the celebrated 16th-century Italian scientist and philosopher, Galileo Galilei, was looking at how the light fell on golden bunches of grapes on the slopes of Tuscany, and, experiencing an epiphany, uttered the following words:

"The sun, with all those planets revolving around it and dependent on it, can still ripen a bunch of grapes as if it had nothing else in the universe to do."

Galileo was right, the generous sun has always created the finest winegrowing regions in the world, and for many years, we wasted much of that great generosity. Due to technological shortcomings and a certain inertia lurking amongst our day-to-day work, we totally depended on electricity supplied from outside Herdade do Esporão, from the very beginnings of the company until 2013. However, the opportunity for was staring us in the face. Those who visit the forested area on the south side of the estate can see the reservoir wall on their return to the wine tourism unit. And, at that moment, it dawns on them.

In 2013, we installed the estate's first solar panels at the Caridade reservoir wall. The 865 panels covering an area of 720m² provide peak power of 100kW, with annual production levels of 180 kWh. After the results of 2013, there was only one thing to do - invest further.

In August 2014, a second set of solar panels was set up, this time at one of Esporão's most iconic places - the winery. The south-southwest orientation and ample space was ideal, leading to the installation of almost 1900m² of electric-solar panels that provide peak power levels of 250kW, which is reflected in a return of over 440 kWh annual power.

What is the impact of this investment in solar energy? Today, we are 50% self-sufficient when it comes to electricity use, and we want to improve these figures.

GREENHOUSE GASES

Regarding CO2 equivalent emissions:

- There was an increase in CO2 emissions, primarily related to the purchase of raw materials, including about one million kg of grapes;
- As the Serpa mill was sold in July, the olives bought during the 2015/2016 campaign were no longer taken into account;
- In terms of components, there was a reduction in CO2 emissions because our purchases diminished due to the reduction of bottled litres;
- There was a decline of 24% in emissions associated with electricity consumption.

EMISSIONS	T CO ₂ EQ			VARIATION
	2013	2014	2015	
PACKAGING	14.451	16.219	14.985	-7,6%
PURCHASED RAW MATERIALS	3.746	2.273	2.451	7,8%
ELECTRICITY	1.234	965	732	-24,1%
FOSSIL FUELS	358	314	307	-2,2%
WASTE	395	264	234	-11,5%
STATIONARY COMBUSTION	114	116	116	0,3%
SECONDARY MATERIALS	54	49	48	-1,3%
HIRED EQUIPMENT	9	-	-	0,0%
EMISSIONS FROM LEAKAGE	-	4	-	-100,0%
TOTAL	20.361	20.204	18.873	-6,6%

Table 13 Emissions of CO2 equivalent (ton) per accumulated article



EMISSIONS	g/Bottle (0,75L)		
	2013	2014	2015
PACKAGING	980	1.033	955
PURCHASED RAW MATERIALS	254	141	156
ELECTRICITY	84	62	47
FOSSIL FUELS	24	22	20
WASTE	27	17	15
STATIONARY COMBUSTION	8	7	7
SECONDARY MATERIALS	4	3	3
HIRED EQUIPMENT	1	-	-
EMISSIONS FROM LEAKAGE	-	0	-
TOTAL	1 381	1 286	1 203

Table 14 Emissions of CO2 equivalent (g) per article compared to the reference value of a 0,75L bottle

ORIGIN	2013	2014	2015	%
HERDADE DO ESPORÃO	18.234	18.129	16.986	90%
SERPA	1.955	1.486	816	7%
MURÇAS	153	554	743	3%
LISBOA	19	18	16	0%
TOTAL	20.361	20.187	18.561	100%

Tabela 15 Scope of the origin of CO2 equivalent emissions (kg) per territorial management unit

WATER AND WATER RESOURCES

Although water consumption associated with the bottling process has fallen by half in five years, general consumption of water increased over the past year in most locations:

LOCATION	ORIGIN	USE	CONSUMPTION (m ³)		
			2013	2014	2015
Herdade Esporão	Lençol freático	Winery, Wine Tourism, Filling, Offices	16.772	15.044	17.845
Herdade Esporão_Irrigation	Alqueva / Lençol freático	Agricultural irrigation, Offices	709.775	795.753	1.266.054
Quinta Murças	Rio Douro	Winery, Offices	1.077	1.913	2.314
Quinta Murças, Rega	Rio Douro	Agricultural irrigation	1.150	910	500
Restelo	EPAL	Offices	442	473	317
Serpa	Ground Water	Press, Filling, Offices	2.343	2.116	385
		Total	731.559	780.209	1.287.415

Table 16 Water consumption (m3) per origin and territorial management unit

WINERY

There was an increase of 1 million kg of grapes processed during vintage season when compared to last year (10.282.ton vs 9,243 ton) and acquisition of new equipment that influence consumption (Lagares winery, whites press, tangential lees filter);

PRODUCTION

Filling washings became more frequent because we changed the product (SKUs costumed made);

WINE TOURISM

There was an increase in consumption associated with several factors, including the fact that they serve three times more meals in the cafeteria, a washing machine was installed in the cafeteria, there was osmosised water consumption, a cooling coverage for the outdoor units was installed in the HVAC system and the frequency and thoroughness of cleaning routines increased, especially on the terrace and the kitchen.



VOX ESPORÃO

INÊS ARANHA

It is a well-known fact that Alentejo has a water shortage problem. It is also general knowledge that laboratories spend lots of water! Although we tried to close the taps as much as we could, it was heart-breaking to see so much water sent down the drain.

20 years ago, in order to produce distilled water, we used a bi-distiller which spent about 120L per hour! Since then, we abandoned this equipment and, for some years, we bought distilled water. In this case we had the problem of the amount of waste we produced in the form of plastic bottles.

In 2005 we acquired an equipment to produce Type II water to prepare solutions and for general use in the laboratory that spends only 18L to produce 3L. For the same reason, we were delighted to acquire equipment that refrigerates and recirculates water or antifreeze liquid and cools the columns of condensation during distillations so that no water is used.

No more taps open for hours!
And we keep on trying to find more sustainable alternatives for our lab.





ECOSYSTEMS AND BIODIVERSITY

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ECOSYSTEMS AND BIODIVERSITY

The commitment to protecting biodiversity has been formalized in 2007 with the signed commitment to the “Business & Biodiversity” project and “Count-down 2010” initiative, under which a code of good practices for winemaking, olive growing and forestry was defined. The goal was to promote biodiversity as an asset, develop strategies concerning ecotourism and leisure services that value the entire ecosystem, enhancing environmental management as a part of agricultural management and nature conservation.

Some of the core activities and processes in the management of ecosystems and biodiversity of Herdade do Esporão are:

FOREST AREA AND NATURAL HABITATS

In addition to the vineyards and olive groves, beyond the dam, there are 1000 hectares of forest area and semi-natural habitats with conservation value, and some of these areas are already listed for ecological restoration projects and conversion of forest plantations of stone pine for holm oak and biodiverse grasslands;

AFFORESTATION OF DRAINAGE DITCHES AND PROTECTION HEDGES

The afforestation of open trenches is essential to avoid the collapse of its banks and soil erosion. The protective hedges are fundamental to creating ecological corridors within the vineyard, promoting fixing natural enemies and creating excellent nesting sites for birds;

PROJECT ‘MINIMUM ECOLOGICAL FLOW’

We carried out a placement of equipment for control of minimum ecological flow rate that would provide the release of water from the breakwater during the months of summer (between spring and autumn, when appropriate) in order to maintain acceptable levels of water in the Caridade stream;

PROJECT “BATS”:

We resorted to the installation of bat boxes, so that they use them as shelter and reproduce themselves near our crops. Thus, we now have one more natural pest control tool.



SPECIAL PROJECT: MUSHROOMS AT HERDADE DO ESPORÃO

In collaboration with Natur Boscus, we created Herdade do Esporão’s Mycological Resources Management Plan based on a preliminary autumn-winter survey. The main focus was on mushrooms with gastronomic interest, as well as the presence of species of particular relevance for ecotourism.

Three main habitats were defined: helm oak forest with cistus, mixed pine and holm oaks forest and turf areas present in the vineyard and olive grove areas. In the first two mentioned habitats, potential species are closely linked to the tree cover. In the turf areas saprophyte species prevail, with no direct association to the existing flora.



In the beginning of the season we detected several fungi that, although with no gastronomic value, proved to be very interesting as bio-indicators of the environmental health of the woods and holm oak forests. In mid-November, with the beginning of the wet season, there was a wider variety, with various mushrooms with better economic potential such as the *Boletus* genus. Agaricus mushrooms, species of great gastronomic interest, also sprout naturally in Herdade do Esporão. The *Agaricus Bernardii* and *Agaricus arvensis* species were abundantly found in the vineyard areas and groves. There were also other species which, though inedible, are important for the interpretation of the fruiting sequence, as are the cases of the *Russula* and *Amanita* genera. In the middle of winter some *Lepista nuda* were discovered, mushrooms with undeniable gastronomic value. The presence of the *Tremella* sp., species should also be noted because of its importance for the recycling of organic matter.



Image 21 Some of the species detected at Herdade do Esporão during the autumn visits

1. *Agaricus arvensis*
2. *Volvopluteus gloiocephalus*
3. *Astraeus hygrometricus*
4. *Lepiota* sp.
5. *Clitocybe dealdata*
6. *Boletus impolitus*
7. *Crucibulum laeve*
8. *Tremella mesenterica*

FOREST MANAGEMENT PLAN

The landscape of Esporão is dominated by the holm oak forest (*montado de azinho*), meadows and pastures, the Caridade stream, the reservoir and by patches of forest groves and also a few areas of stone pine tree plantations, now being converted to *montado*. According to the Forest Management Plan Esporão adopted in November 2015, the forest area is 60% of the estate, an area considered unsuitable for farming but very prone to the development of forest management activities oriented for nature conservation and ecotourism.

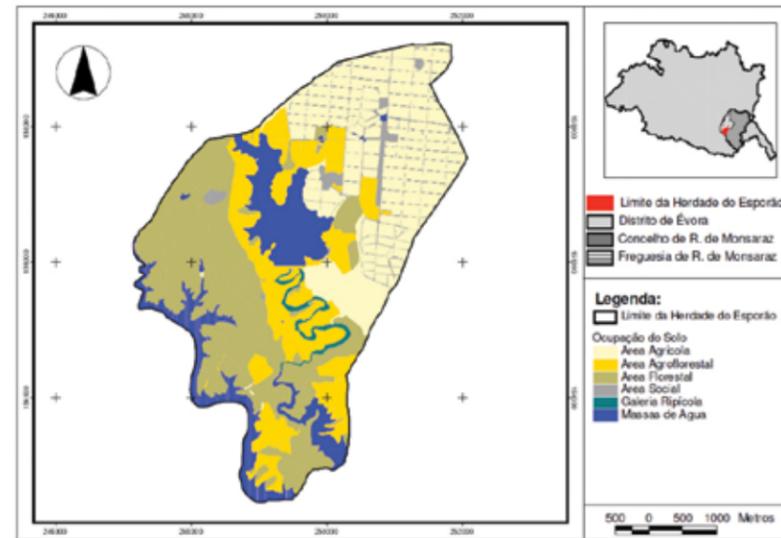


Image 22 Land occupation systems (FMPHE, 2015)

In terms of biodiversity, although there is still much work ahead in the management of semi-natural and natural habitats, we can confirm that, in a universe of about 400 species of fauna and flora, 90% of the bird species of Alentejo have been sighted at the estate.



OTHER READINGS – DEAD LEAVES, LIVING FORESTS

Autumn smells of wet earth, homemade food that comforts the stomach, mushrooms and new wine. Even when the sun shines and we can leave the coats at home, there is a sweet nostalgia hanging in the air. We smile when we see the children's footprints marked in dry puddles and take a deep breath when we admire the way the vines change colour, telling the red and white varieties apart by the way the leaves change and reveal their oxidized pigments. The days shorten; temperatures lower and nights grow longer. In the woods, however, there is a new peak of activity...

Swallows bid farewell to Esporão...

It is a well-known saying. After the autumn equinox, the skies bid farewell to the fast and voracious swallows which took hundreds of thousands of insects from the vineyards and olive groves and now carry with them a new generation that promises to return from Africa as soon as the wild orchids start to sprout in those longer spring days. At Herdade do Esporão sedges and reeds now spread their pollen near the slow waters of the Caridade stream, while on the hills the oak trees open their autumn catkins and the heather, gorse, myrtle and wild-olives bring warm tones to the woods amid the holm oak forest - where the acorns begin to fall and attract jays, wild boars and wood mice - and the ash trees, willows and oleanders along the Caridade and Degebe riverbanks.

At night we now hear a hiss, like a brief whistle, coming from the wetlands. This is the call of the Iberian midwife toad, an indicator of good ecological management of these sensitive habitats, extremely important for the biodiversity of the estate. For amphibians this is a critical time. In most cases, juveniles are coming into maturity and seek shelter to survive the winter that will soon come. Large hollow holm oaks hide fire salamanders while the newts prefer the ravines where the roots of ash trees intertwine. During the hot sunny days, the olive groves are hunting ground for ladder and rat snakes, which will be hidden and alert, looking for seed collecting mice and famished shrews distracted by the abundance of grasshoppers, crickets and spiders. In the vineyards, foxes and badgers wonder at dusk, stuffing their stomachs with grapes fallen from the vines.

For those who always welcome a hike, there is the option to take a walk by the reservoir. The route between the wine tourism unit and the dam is very rich in surprises, especially because of the diversity of birds that choose the calm waters and isolated peninsula to hunt for frogs and carps or to just clean the



feathers and prepare for other flights. Storks, herons, cormorants, golden plovers and common terns roam around, aware of the otter cubs, occasionally seen in joyful run. Soon, a wide variety of aquatic birds will arrive such as gadwalls, por-chars, widgeons, pied avocets and, later on, the popular lapwings.

The red setting sun and bright aura around the full moon announce that the weather is changing. Autumn showers will soon start to fall. In the pine and holm oak forests we expect another year of good surprises in terms of wild mushrooms. Last year we had porcini, chanterelles and parasols, among many other species less suitable to the plate. This year, will our chef have these delicacies made in Esporão ready to match the rich diversity of wines that wait for you?



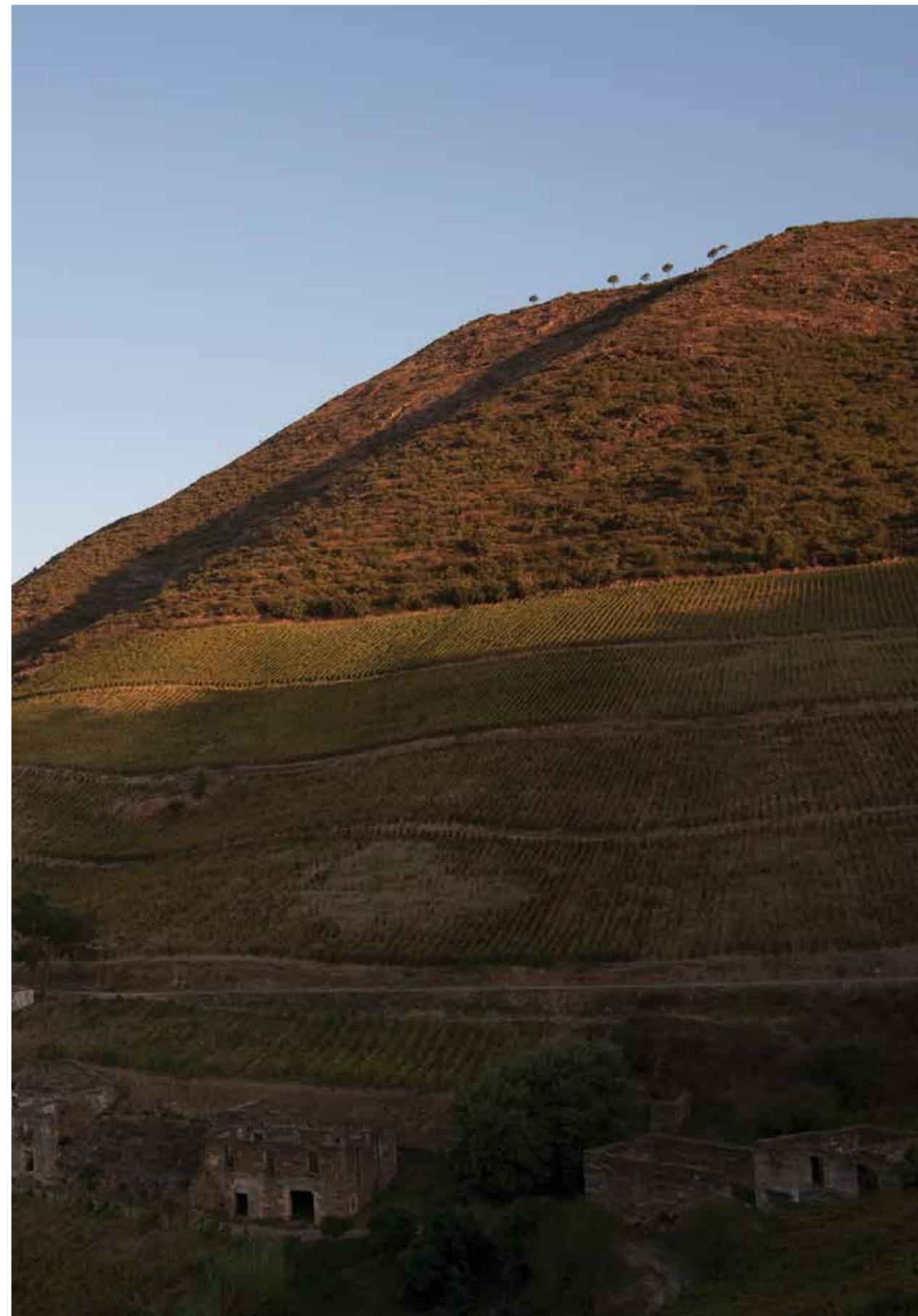
... and at Quinta dos Murças it's time for the kites ...

Further north, in Quinta dos Murças, the transmontana night is harsh and leads to mornings covered in dew. But as soon as the sun warms, the days become glorious with dozens of species of birds chirping, from tits to warblers, nightingales, larks, flycatchers, robins and many other actors of the Douro Valley stage, one of the European wine-growing regions where there is still room for wildlife. Here, we have to look up frequently as griffins, golden eagles and Egyptian vultures still circle the skies, the latter preparing to pack up to leave towards the south. Very early in spring, however, they will be the first to return. Here in the north they call them *almocreve do cuco* (cuckoo's mule drivers), because they arrive before this well-known bird and their plumage resembles the ancient bearers of merchandise and news.

In mature fruit orchards, wild bees are busy and so are bee eaters filling their gizzards before they leave the Douro summer. Under the falling leaves and on the stone walls, wandering lizards feed and do us the favour of keeping insect populations at healthy levels for the vines and for the well-being of people who come by. The smell of macerated grapes fills the air and everywhere you will see the black and yellow wasps that played a key role in another successful vintage. Few people know that these winemaker allies have a decisive role in the formation of the so coveted unique terroir.

Wasps are wild animals which enjoy thickets, copses and riverine woods, where they spend most of their time and nest. In these natural habitats they come in contact with native yeast, natural strains that are specific to each region. During the summer, when they visit the ripe berries and stick their jaws into them, they leave behind some of these yeasts that will contribute to the fermentation process. Oddly enough, those same wasps that sometimes ruin picnics and scare those less daring in all things of nature, play a key role in that Assobio or Quinta dos Murças Reserva bottle you will open after you finish reading and fill your palate with the layers of flavours that make every good wine a unique wine.

Mid-Autumn will bring the odours of the smokehouse and roasted chestnuts. The oak forest will soon reveal its wealth of mushrooms, some of them of great gastronomic interest as the porcini, the black chanterelles and the much sought Caesar's mushrooms. We are in the Upper Corgo, a phenomenal region in terms of wines, olive oils and nature. Take a deep breath, inhale the bouquet of unique scents that this land gives you and feel as free as the iconic red kite, one of the symbols of the cold season in this region. It is also popularly known as *milhafre-rabo-de-bacalhau* (cod fish-tail kite), precisely because of its long forked tail. When you leave Murças, you will take home the sound, smell and visual wealth that will make your experience absolutely memorable.





A FINAL
THOUGHT

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Look again at that dot. That's here. That's home. That's us. On it everyone you love, everyone you know, everyone you ever heard of, every human being who ever was, lived out their lives. The aggregate of our joy and suffering, thousands of confident religions, ideologies, and economic doctrines, every hunter and forager, every hero and coward, every creator and destroyer of civilization, every king and peasant, every young couple in love, every mother and father, hopeful child, inventor and explorer, every teacher of morals, every corrupt politician, every "superstar," every "supreme leader," every saint and sinner in the history of our species lived there-on a mote of dust suspended in a sunbeam.

Carl Sagan

in 'Pale Blue Dot: A Vision of the Human Future in Space', 1994



**COMMITMENTS
AND GENERAL
OBLIGATIONS**

COMMITMENTS AND GENERAL OBLIGATIONS

GENERAL STATEMENTS

ESPORÃO STATES:

- Not having conducted direct contacts or pressures to any governmental entity. All actions related to our economic sector, either by sharing information or by stimulating institutional dialogue with the government and other institutions operating in the economic, financial and social policy areas, are carried out by the various organizations representing our industry, namely:
 - > **Viniportugal** - Interprofessional Association of Wine Sector
 - > **ACIBEV** - Association of Traders and industrials of Spirits and Wines
 - > **ALABE** - Association of Oenology Laboratory
 - > **BCSD** - Business Council for Sustainable Development
 - > **House of Olive Oil Portugal**
 - > **CEPAAL** - Centre of Study and Promotion of Alentejo Olive Oil
- Not having performed risk assessments of corruption in the locations where Esporão operates.
- Not having developed, promoted or sponsored any activity or political entity, internal or external.
- Not having been subjected to any kind of legal action due to unfair competition, monopolistic practice or other related.
- Not having been subject to sanctions and / or fines for non-compliance with environmental laws and regulations.
- Not having been subject to sanctions and / or fines for non-compliance with laws and regulations relating our products.
- Having considered not necessary to conduct a formal review in our locations on human rights. In Portugal there are guarantees, both legislative, judicial and social, to ensure the observance of human rights in our locations.
- Not having received any complaint from any part on the violation of human rights in the course of our business.
- Not having done any relocation of our activity, or created new locations, so there was no need impact studies of those actions on local communities, and thus no such damage exists

LIFE CYCLE CONTROL OF OUR PRODUCTS

The life cycle of the products of Esporão Group takes into account all legal considerations in the various markets in which operates and strictly complies with all safety provisions. Special attention is given to all labels, back labels and different shipping boxes, so that they contain all the indications and inscriptions relating to the various markets in which operates. It is reviewed annually for each crop.

During production, several control procedures are established that ensure compliance with the criteria of food and environmental security. Analyses are performed for contaminants and pesticides, evidence of dangerous or prohibited substances, elimination of risks resulting from glass breakage or other bodies, following the methodology of HACCP. Records with full traceability are kept, including the components supplied by external entities and their respective food certificates, whenever applicable.

Corks are tested for their mechanical properties to ensure a correct and easy extraction at the time of use.

All components are marked with symbols indicating the type of separation and recycling to which they should be subjected.

Logistics requirements are also analysed, with special attention to the correct packing and preparation of cargo for transport. The pallets are reused throughout the transport chain, the strapping tapes that we use on pallets are of the lowest possible weight and the number of turns on each pallet is studied and controlled to achieve a balance between the necessary security packing, using the minimum materials possible. The ratio between the gross weight of the various logistics transport units and the net weight of the final product is also controlled, in order to reduce the environmental impact of the distribution of our products throughout the supply chain.

During the reporting period no incidents referring to legal requirements related to our products, environmental impacts or to any incident of food-nature in every market that we operate, were recorded.





**STATEMENTS
TO THE REPORT**

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STATEMENTS TO THE REPORT

STRUCTURE AND SCOPE

The report of Esporão Group has been synthesized in an integrated report, comprising the sustainability and financial reports. In the perspective of sustainability Esporão prepared this report according to strict criteria and standards, and to this end adopted the Sustainability Reporting Guidelines 3.1 as a guide to developing the perspective of sustainability and stating level A.

The table of contents for the various requirements of the GRI Reporting Guidelines 3.1 is presented in the attachments to this report. This report analyses the year 2015 and every year we will publish a new report for each subsequent period being this the 5th consecutive year of issuing a Sustainability Report.

Any questions about this report may be addressed by email to esporao@esporao.com or by mail to the following address:

ESPORÃO
 Av. do Restelo 44
 1400-315 Lisboa Portugal



The content was defined using the principles outlined by the GRI Reporting Framework 3.1 and targeting all stakeholders in our business. Its structure is therefore well oriented for each of these parts and the information was grouped according to their particular interests. To prepare this report, we did not formally consult our stakeholders.

We decided not to include the full information concerning our businesses DBrands and Esporão Wines & Olive Oils. However, whenever possible, information regarding these companies is given, although these cases have to be explicitly identified. We assume the future commitment to include these companies comprehensively in the report.

The reported data were collected directly from official and commercial documents, from the records generated directly from our quality and environment management system, by other documents generated internally or by third parties during related activities. Whenever it was necessary to convert data or calculations on existing data, coefficients, formulas and/or methodologies, generally accepted by recognized entities were used.

APPLICATION OF THE PRECAUTIONARY PRINCIPLE

According to the formulation of the precautionary principle written on the number 15 of the Conference on Environment and Development in Rio de Janeiro in 1992, our activities and our products do not ignore or embody significant environmental risks and refuse to use the impossibility of demonstration of impact as justification. We ensure the scrupulous and verified compliance of all European and Portuguese legislation applicable to our activities, with special focus on environment and public health, with legislation in line with the precautionary principle. For this purpose we have implemented and documented management tools with this explicit resolution.

We also keep a risk assessment of environmental impacts of all our activities, including a mitigation plan based on actual measurements of relevant environmental parameters. Any action or new product that Esporão Group decides to launch is evaluated in accordance with this methodology.

TEAM RESPONSIBLE FOR THE COMPILATION OF THIS REPORT

Coordination: Sérgio Pereira (DMCSI)
Consultants: Nuno Gaspar de Oliveira e Cândida Rocha
Designer: Mariana Aires Pereira
Translation from Portuguese: Sandra Monteiro





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GRI INDEX

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HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	n/a
ASPECT: NON-DISCRIMINATION		

HR4	Total number of incidents of discrimination and corrective actions taken	n/a
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ASPECT: ANTI-COMPETITIVE BEHAVIOR		
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ANNEXES

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1. IDENTITY

BOARD OF DIRECTORS

It is the hierarchically higher executive body of Esporão S.A. (Mother Company) who reports directly to the board of directors of JHR SGPS, through its subsidiary Gesparte. All the boards and managements of the subsidiaries report to this Board and are constituted, to this date, by the President of the board of directors and the executive directors of Esporão S.A. There is still a General Meeting of Shareholders (the highest body) which sets the overall company strategy, approves the action plans and elects the members of the board, and a Statutory Auditor that evaluates and certifies the accounts of the Group. The Board of Directors, which acts for terms of three years implementing a strategic plan presented and ratified by JHR SGPS, consists of:

Chairman of the Board José Roquette

Leads the Board of Directors and reports to the Board of Directors of JHR SGPS, which he also presides.

CEO João Roquette

Responsible for general leadership and company's strategy, accumulates the administration of the areas of production, processing, sales, marketing and distribution.

CFO Diogo Corrêa Mendes

Diogo Corrêa Mendes. Responsible for leading the financial, administrative and human resources areas, information systems and continuous improvement.

Non-Executive Director José Pedro Roquette

Accumulates the position of Purchasing Manager.

GOVERNING BOARD

Supporting Body to the Board frequently reunites with executive directors and all directors, to monitor, discuss and decide on the company's strategic and executive issues, composed by:

CEO João Roquette

CFO Diogo Corrêa Mendes

Agricultural Director Amândio Rodrigues

Commercial Director Diogo Melo e Castro

Procurement Director José Pedro Roquette

Oenology Director David Baverstock

Financial Director Manuel Cabaço

Maintenance Director Miguel Jorge

Marketing Director Filipe Caetano

Continuous Improvement and Information Systems Director Sérgio Pereira

Production Director Mauro Brandão

Our activity does not present significant risks of conflicts of interest and is therefore not implemented a formal mechanism for conflicts' verification. The method of selection of these constituents is prerogative of JHR, SGPS and of the Chairman of the Board. There are no restrictions of any kind, positive or negative, on gender, ethnicity or religion.

SUBSIDIARIES AND MAIN ACTIVITIES

The group led by Esporão, SA is a public limited company under Portuguese law, with capital of € 5,000,000.00 (five million Euros), founded in September 1973 and registered at the Commercial Registry of Reguengos de Monsaraz under the number 500116377.

The company **Esporão, SA** is headquartered in **Herdade do Esporão em Reguengos de Monsaraz**, where it focuses its agricultural and industrial activity, and its offices are in Lisbon, at Avenida do Restelo 44, where the commercial, marketing, financial, administrative, HR, continuous improvement and information systems departments are placed, as well as the Board. Esporão, SA also includes the following subsidiaries:

- **MURÇAS, SA:** public limited company with capital of € 110,000.00 (one hundred and ten thousand Euros), registered at the Commercial Registry of Peso da Régua under the number 500569401. It owns a 155 hectares farm in Covelinhas, Peso da Régua in the Douro Demarcated Region.
- **ESPORÃO AZEITES, LDA:** limited liability company with capital of € 250,000.00 (two hundred and fifty thousand Euros), registered at the Commercial Registry of Serpa under the number 504021036, owns an oil mill in Serpa, in the region of olive oil with Designation of Controlled Origin (DOC), in Moura, Beja district.
- **ESPORÃO VENDAS E MARKETING, SA:** public limited company, with capital of € 10.000.000 (ten million Euros), registered at the Commercial Registry of Reguengos de Monsaraz, where it is located, under the number 500254869, and manages the wine tourism facilities and two warehouses of finished product.
- **ESPORÃO PRODUÇÃO BIOLÓGICA, SA:** public limited company, registered under the number 510354068, founded in 2012 and operating since 2013. Concentrates and develops all activities of the group's agricultural production, based on methodologies and principles of organic farming.
- **QUALIMPOR:** with CNPJ 00.479.756/0001-65, founded in 1995 and located in São Paulo (Brazil), imports and distributes wines and olive oils of Esporão, Crasto, Taylors and Freixenet in the Brazilian market.

Esporão, SA also includes participation in the following major companies for the good functioning of international business:

- **PRIMEDRINKS, SA:** Subsidiary, non-majority partner and of independent management, carries out marketing and distribution in the Portuguese market.
- **DBRANDS:** Headquartered in Angola and managed by us, they are operating and commercializing our products.
- **ESPORÃO WINES & OLIVE OILS:** Headquartered in the United States of America, this subsidiary acts on a perspective of business development in partnership with our importer for this market, where we also carry out marketing activities to support our products.

2. TERRITORY

FACILITIES

LISBOA

The facilities consist in a 1000 m² house converted into an office space and warehouse. Here we can find the Support Departments (Financial and Accounting, Sales, Procurement, Marketing, General Services and Human Resources, Planning and Management Control and Continuous Improvement and Information System) in addition to the Administration.

HERDADE DO ESPORÃO

OFFICES

Support the Wine Cellar, Agricultural Production and Maintenance departments, as well as the employees of the Continuous Improvement and Information Systems, General Services and Human Resources departments.

OENOLOGY LAB

Equipped with state of the art scientific equipment, the laboratory work is based on analytical control of all wines from the cellar, from the harvest (or purchase of wine) until bottling.

PRODUCTION STRUCTURE

- **Filling Pavilion, Warehouses and Aging Cellars:** After stabilizing and certifying the wine batches, we proceed to the bottling according to the Annual Production Plan. The wine is stored in the vats placed next to the filling room. The filling pavilion and the new bottles' aging cellar were built in 2008 and divided into six functional units.
- **Red Wine Winery:** It is equipped with different technologies and adapted to the particular wines being produced. One of the sections is reserved for the wine Monte Velho, where the wine ferments in 44,000-litre vats with an automatic pumping system, while a second section has 31,000-litre fermentation vats and different pumping options for the Monte Velho and Defesa wines. A third section has a number of mechanical 16,000-litre presses equipped with automatic robotic presses which were specifically developed for intense maceration and to optimise extraction. These are reserved for Esporão Reserva and single-varietal wines.
- **White Wine Winery:** It was designed to condition two different vinification lines, one for the highest volume wines such as Defesa and Monte Velho and another aimed at a higher segment comprising the single-varietal wines, Esporão Reserva and Private Selection. Equipped with an efficient cooling system, pneumatic presses and stainless steel vats of various capacities, this winery lets you work the grapes respecting and enhancing the natural characteristics of the fruit. The white wine cellar has a basement where the fermentation and aging of white wines in barrels occurs.
- **Lagares Winery:** Lagares Winery is the latest addition and can be seen as the ideal place for new experiences. Built using the so traditional - and almost extinct - rammed earth technique, we installed five marble wine presses for treading. Here we will test the production of wine in large clay (terracotta) pots adequately prepared for storing and ageing the wine.
- **Aging Cellars:** Esporão's large barrel tunnel is buried twelve metres deep, providing the best natural temperature and humidity without the need for artificial control or energy and environmental costs. It houses approximately 1,500 bordalesa wood barrels. There are also side niches where we keep and age wine after it has been bottled, plus a room where we keep a collection of our best vintages and a refrigerated cellar for stabilization and storage.
- **The Olive Oil Press:** The olives are selected and separated according to variety, quality and origin. Next, they are weighed and washed before centrifugal extraction. After being milled and during beating we are careful to protect and restrict the contact of the olives with the air, to avoid oxidation. The paste is softly beaten at low temperatures (maximum 27°C) ensuring the aromas and flavours are maintained and then the oil is rapidly extracted. We use ecological horizontal centrifuges that limit the production of effluents and are equipped with automatic cleaning that ensures the process is totally hygienic. At this stage, the Esporão olive oil is ready to be stored in 22,000 and 55,000-litre insulated tanks, awaiting the final phase which consists of creating the different blends of virgin and extra-virgin oil before bottling.

WASTE WATER TREATMENT PLANT (WWTP)

Esporão's WWTP is planned and designed to deal with the charges of seasonal effluents, although technical and operational improvements are predicted.

WINE TOURISM FACILITIES

Designed by architects Miguel Oliveira and João Botelho, it uses traditional techniques and materials of the region. The exclusive furniture makes use of materials found locally like cork, cloth, clay, Estremoz marble and Portuguese pine, renovating and reinventing some traditional furniture in the process. The Wine

Tourism facilities comprise the following infrastructure: Restaurant, Wine Bar and Shop, Multipurpose Room and Gardens.

THE HISTORICAL CENTRE

THE TOWER, THE ARCH AND THE CHAPEL

Since it was founded in 1267, the boundaries of Herdade do Esporão have remained virtually unchanged. In the centre of Herdade do Esporão, three historic monuments were constructed: the Esporão Tower, the Esporão Arch and the Nossa Senhora dos Remédios Chapel.

QUINTA DOS MURÇAS

THE HOUSE

The manor house was built in the early nineteenth century and submitted to renovation work in 1940 and 1980. Furthermore, in addition to their architectural features, the nineteenth-century building is valued for its stunning panoramic views of the Douro River and the surrounding vineyard landscape.

THE WINERY

With around 2,000 m2 of total area, the winery has a grape reception area, with two separate lines: one with manual selection of grapes oriented for the cellar of the wine presses, to produce the finest wines and a second receiving line, oriented to the cellar of the vintage wines. The lagares (wine press) winery, where Quinta dos Murças Reserve and Ports are made, has seven traditional granite wine presses, with temperature control. The maceration of the grapes is made by using the traditional treading method and the pressing is done slowly and gently in an old vertical press. The winery of the vintage wines, where Assobio is produced, is equipped with a pneumatic press and a series of small, stainless steel vats. In the ageing area you will find tuns and barrels for Port maturation, barrels for ageing Reserve and concrete tanks and stainless steel vats for vintage wines. The current capacity of the cellar allows the production of about 300,000 litres of wine.

WWTP

The Wastewater Treatment Plant (WWTP) has been designed to treat an annual volume of about 1,200 m3 of wastewater. The process for the treatment of effluents coming from the winery is a set of sequential steps: sieving; Nutrient correction; Homogenization / aeration; biofiltration; decantation; discharge; filtering; Mineralization of sludge.

SERPA

In 2015, the Serpa olive oil press was sold and its production was transferred to the new press at Herdade do Esporão.

3. WINES AND OLIVE OILS

ORIGIN	WINE	CATEGORY	VINTAGE	ORGANIZATION / PUBLICATION	AWARD / RANKING	NOTES
Alentejo	Syrah	Red	2011	Wines of Portugal Challenge	Silver	
Alentejo	Private Selection	Red	2011	Wines of Portugal Challenge	Silver	
Alentejo	Touriga Nacional	Red	2011	Wines of Portugal Challenge	Silver	
Alentejo	Petit Verdot	Red	2011	Wines of Portugal Challenge	Gold	
Alentejo	Esporão Reserva	Red	2012	Wines of Portugal Challenge	Gold	

Alentejo	Esporão Reserva	Red	2012	Concours Mondial Bruxelles	Silver	
Alentejo	Vinha da Defesa	Red	2013	Uva de Ouro	Prémio Região	
Alentejo	Private Selection	Red	2011	Revista Wine	18,5	
Alentejo	Monte Velho	Red	2014	Asia Wine and Spirits Awards	Gold	
Alentejo	Esporão Reserva	Red	2012	Asia Wine and Spirits Awards	Silver	
Alentejo	Touriga Nacional	Red	2011	Wine Enthusiast	93	Cellar Selection
Alentejo	Esporão Reserva	Red	2012	Wine Enthusiast	92	
Alentejo	Esporão Reserva	Red	2011	Wine Enthusiast	93	Editors Choice
Alentejo	Private Selection	Red	2011	Wine Enthusiast	94	
Alentejo	4 Castas	Red	2013	Wine Enthusiast	90	
Alentejo	Petit Verdot	Red	2011	Paixão pelo Vinho	17	
Alentejo	Touriga Nacional	Red	2011	Paixão pelo Vinho	17,5	
Alentejo	Esporão Reserva	Red	2012	Prodexpo Tasting Contest	Gold	
Alentejo	Monte Velho	Red	2013	Prodexpo Tasting Contest	Silver	
Alentejo	Esporão Reserva	Red	2012	Mundus Vini	84	
Alentejo	Monte Velho	Red	2014	Mundus Vini	82	
Alentejo	Pé	Red	2014	Mundus Vini	85	
Alentejo	Private Selection	White	2014	Wines of Portugal Challenge	Premium Gold	
Alentejo	Verdelho	White	2014	Wines of Portugal Challenge	Best wine	Best wine of the competition / best single varietal
Alentejo	Esporão Reserva	White	2013	Wines of Portugal Challenge	Gold	
Alentejo	2 Castas	White	2012	Concours Mondial Bruxelles	Silver	
Alentejo	Vinha da Defesa	White	2014	Uva de Ouro	Prémio Excelência	
Alentejo	2 Castas	White	2014	Uva de Ouro	Prémio Excelência	
Alentejo	Monte Velho	White	2014	Asia Wine and Spirits Awards	Silver	
Alentejo	Esporão Reserva	White	2014	Asia Wine and Spirits Awards	Silver	
Alentejo	Esporão Reserva	White	2013	Wine Enthusiast	90	
Alentejo	Esporão Reserva	White	2013	Mundus Vini	83	
Alentejo	Verdelho	White	2014	Mundus Vini	Gold	
Alentejo	Monte Velho	White	2014	Mundus Vini	84	
Douro	Quinta dos Murças Reserva	Red	2010	Concours Mondial Bruxelles	Gold	
Douro	Quinta dos Murças Reserva	Red	2010	Asia Wine and Spirits Awards	Double Gold	
Douro	Assobio	Red	2013	Asia Wine and Spirits Awards	Gold	
Douro	Quinta dos Murças Reserva	Red	2010	Wine Enthusiast	94	Cellar Selection
Douro	Quinta dos Murças Reserva	Red	2011	Wine Enthusiast	94	
Douro	Quinta dos Murças Reserva	Red	2010	Wine & Spirits	91	Year's best Portuguese Reds
Douro	Assobio	Red	2012	Wine Enthusiast	88	

Douro	Quinta dos Murças Reserva	Red	2010	Prodexpo Tasting Contest	Gold
Douro	Assobio	Red	2012	Prodexpo Tasting Contest	Silver
Douro	Assobio	Red	2012	Mundus Vini	Gold
Douro	Assobio	White	2014	Wines of Portugal Challenge	Gold
Douro	Assobio	White	2014	Asia Wine and Spirits Awards	Silver
Portugal	Alandra	Red	2014	Asia Wine and Spirits Awards	Silver

Table 17 Wine sector Awards

CATEGORY	ORGANIZATION	AWARD / RANKING	NOTES
Organic	New York International Olive Oil Competition (NYIOOC)	Best in Class	Best olive oil in the Northern Hemisphere category (the only Portuguese olive oil to achieve this result)
Organic	TerraOlivo 2015 (Israel)	Gran Prestige Gold	
Organic	Olive Japan	Medalha de Ouro	
Organic	Concurso AVPA 2015 (França)	Menção Honrosa	
Organic	Concurso Nacional Azeites de Portugal	Medalha de Ouro	Best Portuguese organic olive oil
Selection	New York International Olive Oil Competition (NYIOOC)	Medalha de Prata	
Selection	TerraOlivo 2015 (Israel)	Prestige Gold	
Selection	Concurso AVPA 2015 (França)	Medalha de Ouro	
Selection	Concurso Nacional Azeites de Portugal	Medalha de Ouro	
Selection	Concurso Internacional de Azeites Virgens Extra – Beja 2015	Menção Honrosa	
Selection	Olive Japan	Medalha de Ouro	
DOP Moura	Concurso AVPA 2015 (França)	Medalha de Prata	
DOP Moura	Olive Japan	Medalha de Prata	
Extra Virgin	TerraOlivo 2015 (Israel)	Prestige Gold	
DOP Moura	Olive Japan	Medalha de Prata	
Virgem Extra	TerraOlivo (Israel)	Prestige Gold	

Table 18 Olive Oils sector Awards

6. BUSINESS ECOSYSTEM

The Esporão Group implements a policy of requirements to suppliers that depends on the type of services or raw materials that they provide:

- **Grapes and olives:** suppliers should provide only raw materials from the region in which we operate. Additionally, there are food safety requirements, certification standards (integrated production) and environmental conditions that are recommended. There is a manual available that details all selection requirements and the method of evaluation.
- **Wine:** suppliers are also specifically evaluated by Esporão, based on very specific controls for each delivery such as contaminants, pesticides, origin, inter alia.

- **Components:** There is also a specific manual for our components' suppliers that, in addition to identifying and detailing the form of evaluation and selection of these providers indicates a preference or need for food and environmental certifications.
- **Wine Tourism Food Products:** these suppliers are also subject to specific selection and evaluation.
- All remaining suppliers are evaluated globally as to its quality by the ones responsible for buying their products.

ESPORÃO'S COMMITMENT WITH THE SUPPLIERS

- We believe in the importance of establishing and maintaining an excellent relationship with our suppliers, based on mutual support, cooperation and respect for commitments.
- Thus, we commit ourselves to act in seeking benefits for the community and the establishment of relations of partnership and added value.
- We view our supplier as a critical partner and indispensable to achieve our goals, always giving priority to the establishment of lasting ties based on common long-term objectives.
- Quality being a keystone of our products, we commit ourselves with our customers to create excellent products and to establish strict criteria in our own involvement with our suppliers. We will actively seek to maintain and / or obtain quality and environmental certifications to the most demanding level and, especially, establish partnerships with our suppliers that allow mutual continuous improvement and real partnering.
- We are committed to an ecologically responsible behaviour by establishing criteria and tangible ways of acting that promote environmental sustainability.
- We are committed to be a financial stability factor by seeking to honour and fulfil all our commitments, both in value and in time, with special attention to timely payments. We assume the "Prompt Payment Commitment to Suppliers" promoted by ACEGE on the settlement of all invoices within the payment deadline.
- We will demand from our collaborators an impartial and reliable behaviour in their relationship with our suppliers. We promote an environment in which corruption or personal favouritism are strictly forbidden, praising the transparency and impartiality of our actions.

Several channels of communication with subcontractors are available. There are several privileged forms of communication with subcontractors. The main ones are stated below:

TYPE OF SUBCONTRACTOR	RESPONSIBLE FOR THE COMMUNICATION PROCESS
Pest control	Maintenance Director
Bottling	Production and Logistics Director
Contract for construction and / or alteration and / or demolition	Maintenance Director
Equipment and infrastructure maintenance	Maintenance Director
Calibrations, legal verifications	GAC
WWTP Maintenance	Maintenance Director
Fire extinguishers maintenance	Maintenance Director
Waste collection	Maintenance Director
Vineyard operations (namely plantation, etc.)	Agricultural Director
Tartaric stabilisation of the wine	Oenologists
Others	GAC / Department Director

Table 19 Communication process between the subcontractor and Esporão

COMMUNICATION WITH STAKEHOLDERS

Our communication obeys the laws and principles of responsible communication in the various countries where we operate, either directly (share distributors) or indirectly in partnership with local stakeholders for the distribution of our products.

We do not conduct any activity in markets where products with alcohol are prohibited. Our marketing activities are decided jointly with the distributors that assess and validate what can and should be done in accordance with the rules of each market.

We have been actively involved in initiatives that contribute to ethical and responsible communication, as member of APAN (Portuguese Association of Advertisers) and having been part of the advisory group for self-regulation and responsible communication promoted by ACIBEV. As an active member of the program "Wine in moderation", we defend and promote that being the wine an alcoholic beverage should be enjoyed in moderation, and that its excessive consumption can be detrimental to health and a balanced life.

All our internal and external communications are based on our ethical principles of objectivity and respect for the integrity of our communication, without leading to deception those who may be affected by it, contributing to responsible consumption.

Esporão had no reported incidents related to marketing communications for the period in question, either in Portugal or in other countries, and there is no record of any incident in the past. Similarly, there was no claim related to breach of privacy or personal information of our clients.

We use several instruments of communication with our stakeholders:

- **Performance Notebook:** Monthly. Reports the main activity of each area as well as the economic and financial performance of the company. Digitally available to all employees and to the board of directors and published on the company's intranet. It is presented to the Board of Directors of Esporão on a quarterly basis and every six months to the Board of JHR SGPS. (shareholder)
- **Website:** Internet website, where we gather all institutional information, territories and estates, production, products, wine tourism, events and news, addressed to all stakeholders.
- **Social media:** Social media platforms used to shorten the distance between Esporão and people interested in knowing who we are, what we do and how we do it, namely, Facebook, Youtube, Instagram and Twitter.
- **Intranet:** Internal website for collaborators. It is a fundamental tool to the entire company because it is on the Intranet that many of the processes, procedures and information can be found.
- **Staff meeting:** Annual meeting with administrators, directors and managers of all areas, where you summarize the past year, present the budget and build on the objectives set for the following year.
- **Open discussion:** Annual meeting between the administrator of each area and the whole team, where you promote the approach and alignment between hierarchies, speaking of the vision, strategy and business goals, gathering recommendations, suggestions and ideas to improve the business.
- **Minutes of Direction Meetings:** Bimonthly, reports all the operational decisions.
- **Management Review:** Annual report where the performance of our quality and environmental system is analysed and reviewed by the Board.
- **Strategic Scoreboard:** A set of indicators on a strategic scoreboard approach, that are measured and reported every six months to the board of Esporão Group, is defined. These indicators are structured in a sequence of cause and effect and grouped in employees, community and environment, clients and shareholders.

- **Integrated Report (Accounts and Sustainability):** Official document prepared annually detailing the company's business and its financial results. It combines the Financial and the Sustainability reports into one comprehensive document.
- **Meetings and events with local entities:** Several annual meetings involving local entities in Reguengos de Monsaraz and in Covelinhas, Peso da Régua, are promoted, for an active and bidirectional participation in several of the activities described in this report.
- **Complaints and suggestions:** Multiple channels are available for any interested party to contact our organization. There is a formal process for analysing and responding to these requests.

These means of communication also serve the purpose of monitoring our performance.

7. HUMAN RESOURCES

HUMAN RESOURCES ASSESSMENT AND MANAGEMENT MODEL

We have an assessment and recognition model that frames the individual profile with the market value of the position, ensuring internal fairness. This model predicts the growth and recognition in accordance with the development and acquisition of new skills, the reward according to the fulfilment of goals and individual challenges aligned with the organization's strategy. Most positions are evaluated annually on their skills, on the nature of the position and on the results based on goals' achievement. This process is centred on the Performance Management System (SGD) where the goals of each area and employee are managed. We make two assessments per year in each end of the semester.

Additionally, we annually make the 360° review that allows us to analyse the performance of each collaborator giving a comprehensive perspective of its skills and areas for improvement. Every 3 years we do a more thorough assessment on certain cultural aspects of the company.

The process of the board of directors' assessment follows exactly the same method of evaluation of the remaining bodies of the company. The goals of the executive directors are common amongst themselves, defined by a strategic map. Once a year, the Chairman of the Board meets with the directors to assess their performance.

ABOUT HUMAN RESOURCES MANAGEMENT

- We do not keep any record of our employees regarding their cultural, religious, racial or other origin that may be considered discriminatory. No decision or action taken by Esporão uses or is supported by this type of information.
- In accordance with Portuguese legislation all employees are covered by collective bargaining agreements, either through membership of the company either through ordinances.
- The hiring of permanent employees is carried out by using the support of local institutions, the Institute of Employment and the Office of Professional Integration of the Municipality of Reguengos. The demand for professionals always starts in coordination with these local structures.
- Hiring temporarily or seasonally is mostly made by recurring to people from the local community, with the exception of national and international trainees that we receive annually at harvest time, given the universality of academic institutions involved.
- The vast majority of management positions are occupied by employees who joined the organization still very young, many of them as interns. At that time local supply of qualified professionals was very scarce. Currently 16% of the

managers are from the local community in the operating units of Herdade do Esporão and Quinta dos Murças. However, many of these managers have integrated into local communities and are now part of these.

- All deadlines for legal notification to employees of any change in their condition of employment are respected, as defined in the collective bargaining agreement
- There is no known case of discrimination in the entire Esporão group. All maternity leaves are fulfilled in accordance with the law and there is no negative correlation between enjoying these licenses and the rate of employee.
- There is no obstacle of any kind to freedom of association of our employees to their employer or others.
- There are not and therefore are not authorized and least of all legal, any kind of child labour, slave or forced labour in any of the locations in which we operate.
- Given the activity of Esporão, there is no need for training our employees on issues related to human rights.
- There is no training on policies or practices of corruption. Esporão is not aware of any cases of active or passive corruption involving their employees.
- In Portugal there are no indigenous people. Therefore no such incidents are registered.

ABOUT HEALTH AND SAFETY MANAGEMENT

- Esporão has developed a program for prevention of accidents at work and occupational hazards, specifically designed for each of the professional groups and includes a manual and a training program.
- This program is reviewed annually.
- We have no knowledge of the existence of chronic professional diseases among our employees.
- Our processes and procedures for health and safety at work are annually audited by an external entity.
- There is not a formal committee of employees regarding safety and health. The organic structure of Esporão has internal entities responsible for complying with applicable legislation and monitoring the safety of all employees.

Performance Evaluation

Performance reviews are conducted every six months for management positions and annually for the remaining ones. The system is implemented since 2007, and has since been expanded and improved in contents and format. All collaborators are covered by this process, and there is no distinction by gender. All reviews are permanently available for consultation by the covered collaborators, digitally and online. The universe of performance analysis by this process includes all employees except those involved in the activities of the vineyard. The vineyard staff is subject to weekly performance analysis based on a set of productivity indicators related to the activities in the vineyard. This analysis is shared and discussed with the whole team and plans for improvement are outlined whenever necessary and applicable.

Benefits and Wages

Wage ratios

Internal and external equity is the goal of our policy of human resource management, combined with a constant concern for the working conditions of our employees.

The following facts are observed in Esporão:

- There is no employee with wages below the Portuguese minimum wage, according to the legislation in force.

- The lowest salary earned in the administrative position is 30% higher than the minimum wage.
- The food allowance is 41% higher than the minimum required by law for the sector.

Benefits attributed to employees and temporary workers

Temporary and seasonal workers enjoy most of the benefits and working conditions granted to full-time employees, which include transportation, food allowance, medical services at work and safety training in the workplace. The major distinction is made in terms of functional or hierarchical development and growth, which is not accessible when the duration of the contracts is short.

LOCALITION	CATEGORY	GENDER	2012	2013	2014	2015
Brazil	Senior Managers	Women				
Brazil	Senior Managers	Men	1	1		
Brazil	Middle Manager	Women	1	1		
Brazil	Middle Manager	Men	4	4		
Brazil	Supervisors and Team managers	Women				
Brazil	Supervisors and Team managers	Men				
Brazil	Highly qualified Professionals	Women				
Brazil	Highly qualified Professionals	Men				
Brazil	Qualified Professionals	Women	4	4		
Brazil	Qualified Professionals	Men	1	2		
Brazil	Semi-qualified Professionals	Women	0	0		
Brazil	Semi-qualified Professionals	Men				
Brazil	Unqualified Professionals	Women	1	1		
Brazil	Unqualified Professionals	Men	1	1		
Portugal	Senior Managers	Women			0	0
Portugal	Senior Managers	Men			12	12
Portugal	Middle Manager	Women			11	11
Portugal	Middle Manager	Men			8	13
Portugal	Supervisors and Team managers	Women			5	6
Portugal	Supervisors and Team managers	Men			7	8
Portugal	Highly qualified Professionals	Women			0	0
Portugal	Highly qualified Professionals	Men			0	0
Portugal	Qualified Professionals	Women			24	25
Portugal	Qualified Professionals	Men			22	26
Portugal	Semi-qualified Professionals	Women			93	93
Portugal	Semi-qualified Professionals	Men			36	40
Portugal	Unqualified Professionals	Women			17	9
Portugal	Unqualified Professionals	Men			14	8

Table 20 Employees per Professional Category and Gender

LOCALIZAÇÃO	CORPOS DE GOVERNAÇÃO	GÉNERO	2012	2013	2014	2015
Brazil	Administration	Women				
Brazil	Administration	Men	1	1		
Brazil	Direction	Women				
Brazil	Direction	Men				
Brazil	Management	Women				
Brazil	Management	Men	5	5		
Brazil	Supervision	Women				
Brazil	Supervision	Men				
Portugal	Administration	Women			0	0
Portugal	Administration	Men			3	3
Portugal	Direction	Women			0	0
Portugal	Direction	Men			9	9

Portugal	Management	Women			11	11
Portugal	Management	Men			8	12
Portugal	Supervision	Women			5	6
Portugal	Supervision	Men			7	8

Table 21 Employees per Governance Body and Gender

LOCATION	GOVERNANCE BODY	AGE	2012	2013	2014	2015
Brazil	Administration	<30				
Brazil	Administration	30-50	1	1		
Brazil	Administration	>50				
Brazil	Direction	<30				
Brazil	Direction	30-50				
Brazil	Direction	>50				
Brazil	Management	<30				
Brazil	Management	30-50	5	5		
Brazil	Management	>50				
Brazil	Supervision	<30				
Brazil	Supervision	30-50				
Brazil	Supervision	>50				
Portugal	Administration	<30			0	0
Portugal	Administration	30-50			1	1
Portugal	Administration	>50			2	2
Portugal	Direction	<30			0	0
Portugal	Direction	30-50			6	6
Portugal	Direction	>50			3	3
Portugal	Management	<30			1	1
Portugal	Management	30-50			15	19
Portugal	Management	>50			3	3
Portugal	Supervision	<30			1	2
Portugal	Supervision	30-50			7	8
Portugal	Supervision	>50			4	4

Table 22 Employees per Governance Body and Age

- **Waste Management and Circular Economy**, besides the waste management obligatory requirements we want to be aware of national and EC directives towards promoting green and circular economy, in order to rationally use raw materials and subsidiaries as well as by-products of our production system, preferably in upcycling;
- **Nature Conservation and Biodiversity Economics**, is part of our plan as an increasingly sustainable company to protect and wisely manage the goods and services of our ecosystems and the species and habitats that are in our care. We believe it has an intrinsic value for us and the society, which can be further valued and demonstrated.

LOCATION	2013	2014	2015
HERDADE DO ESPORÃO	8.957	7.684	5.842
LISBOA	190	131	129
MURÇAS	777	404	465
SERPA	524	462	153
GRAND TOTAL	10.448	8.682	6.589

Table 23 Indirect Energy Consumption (GJ) - Electricity Purchased

FOSSIL FUELS (NON RENEWABLES)	LOCATION	2013	2014	2015
ROAD DIESEL	HERDADE DO ESPORÃO	1.901	2.023	2.140
RED DIESEL (AG)	HERDADE DO ESPORÃO	1.924	2.071	2.174
NATURAL GAS	HERDADE DO ESPORÃO	299	332	705
NATURAL GAS	LISBOA	2	3	1
ROAD DIESEL	QUINTA DOS MURÇAS	167	175	138
RED DIESEL (AG)	QUINTA DOS MURÇAS	84	130	115
NATURAL GAS	QUINTA DOS MURÇAS	42	35	38
ROAD DIESEL	SERPA	150	174	12
NATURAL GAS	SERPA	1	-	-
TOTAL		4.570	4.916	5.323

Table 24 Consumed (GJ) non-renewable energy per territorial management unit

11. ENVIRONMENT AND NATURAL RESOURCES

DIRECTIVES AND ENVIRONMENTAL LEGISLATION - GENERAL PROVISIONS

In general and as part of our sustainability strategy, we follow the European Community directives and the national legal framework (as well as the other countries in which we operate) in order to always comply with current legislation and, ideally, anticipate the most demanding requirements from an environmental point of view of the EU and national policy. We are particularly attentive to the following issues:

- **Safer agricultural and forestry practices**, which include the principles of Integrated Pest Management and Organic Farming and similar practices;
- **Water Resources and Sustainable Water Use**, not only in terms of production activities but also in the protection of endogenous water resources and associated habitats;
- **Climate Change and Greenhouse Gases**, with concerns that go far beyond the emissions and the carbon footprint, we aim for adaptation strategies and good management practices to curb the effects of climate change;

GREENHOUSE GASES

In terms of scope of the source of emissions, we point out the following:

- There was a reduction in CO2 equivalent emissions, more significant in the Serpa unit because the press was sold in July, and further consumptions were no longer taken into account;
- In terms of Scope 3, where the biggest decrease occurred, although the company bought more raw materials, including about one million kg of grapes, there was a decrease in the purchase of packaging and also of waste.
- There was a reduction in CO2 emissions due to lower consumption of electricity (Scope 2)

EMISSIONS	2013	2014	2015
SCOPE 1 - DIRECT	473	434	424
EMISSIONS FROM LEAKAGE	-	4	-
STATIONARY COMBUSTION	114	116	116
FOSSIL FUELS	358	314	307
SCOPE 2 - ELECTRICITY	1.234	965	732
ELECTRICITY	1.234	965	732
SCOPE 3 - INDIRECT	18.655	18.806	17.718
WASTE	395	264	234
SECONDARY MATERIALS	54	49	48
PURCHASED RAW MATERIALS	3.746	2.273	2.451
PACKAGING	14.451	16.219	14.985
TOTAL	20.362	20.204	18.873

Table 25 Scope of the origin of CO2 equivalent emissions (kg) for all territorial management units

12. ECOSYSTEMS AND BIODIVERSITY

HABITATS OF HERDADE DO ESPORÃO

In terms of habitats with conservation value about 20 types were identified, distributed by the various areas of the estate and in different states of conservation.

AREA	HABITAT	CODE (ABBREVIATED) OF THE HABITATS DIRECTIVE	REPRESENTATIVITY	CONSERVATION STATE	TENDENCY
Dam and surrounding	Willow streamside gallery	N.A.	Medium	Favourable	Stable
Dam and surrounding	Banks and flood buffer	8230 - Siliceous rock with pioneer vegetation	High	Favourable	Stable
Dam and surrounding	Banks and flood buffer	3270 - Rivers with muddy banks	Medium	Favourable	Stable
Dam and surrounding	Banks and flood buffer	3150 - Natural eutrophic lakes	Low	Favourable	Stable
Dam and surrounding	Banks and flood buffer	3140 - Hard oligo-mesotrophic waters	Low	Favourable	Stable
Forest and Montado	Holm Oak woodlands	9340 - woodlands of Quercus ilex and Quercus rotundifolia	Medium	Degraded	In restoration phase
Forest and Montado	Orchid meadows	6210 - Semi-natural dry grasslands, important orchid sites	High	Favourable	Stable
Forest and Montado	Grasslands	N.A.	High	Favourable	Stable
Forest and Montado	Stone Pine plantations	N.A.	Medium	Degraded	In the process of elimination and restoration for Montado
Forest and Montado	Holm Oak Montado	6310 - Dehesas with evergreen Quercus spp.	High	Favourable	Stable / In restoration phase
Forest and Montado	Scrubland	5330pt2 - Piornais de Retama sphaerocarpa	Medium	Favourable	Stable
Caridade Stream	Ash gallery	91B0 - Thermophilous Fraxinus angustifolia woods	High	Degraded	Stable to Degradative
Caridade Stream	Scrubland	5330pt2 - Piornais de Retama sphaerocarpa	Medium	Favourable	Stable
Caridade Stream	Streamside Oleanders	92D0 - Southern riparian galleries and thickets	Medium	Favourable	Stable
Caridade Stream	Reeds	N.A.	High	Favourable	Stable
Caridade Stream	Reed beds	6420 - Mediterranean tall humid grasslands	High	Favourable	Stable
Caridade Stream	Aquatic Communities	3260 - Water courses of plain to montane levels	Medium	Degraded	Degradative
Caridade Stream	Aquatic Communities	3140 - Hard oligo-mesotrophic waters	Low	Degraded	Degradative

Table 26 Types of Habitat and Conservation Status

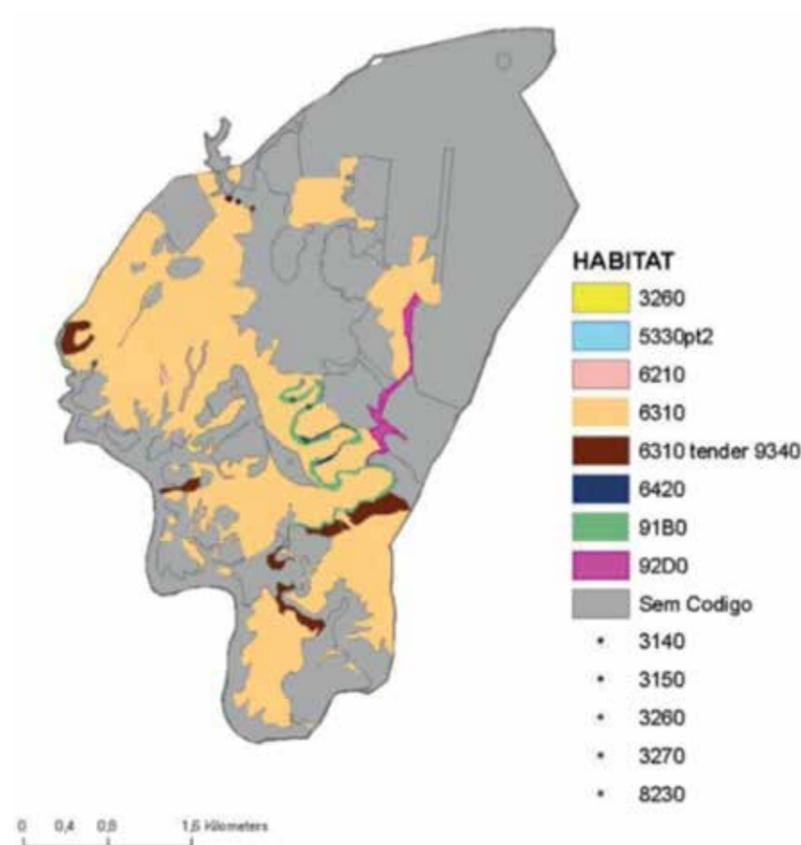


Image 8 Map of Habitats in Herdade do Esporão



**CONSOLIDATED
FINANCIAL
STATEMENTS**

CONSOLIDATED MANAGEMENT REPORT 2015

To the Shareholders,
In compliance with the prevailing legislation and company bylaws, we submit to you the Consolidated Management Report and Financial Statements for the year ended December 31st 2015.

GENERAL CONSIDERATIONS

Esporão, SA is a producer of high quality wines and the leader of a business group with interests in several companies with complementary activities, which are interconnected in order to obtain mutual benefits, including those arising from economies of scale. As the head of the Esporão, SA Group we present the consolidated data resulting of the activity of all the companies in which it participates with a qualified majority of vote.

The companies included in consolidation are:

- **Esporão, SA**, based in Reguengos de Monsaraz
- **Esporão Vendas e Marketing, SA**, based in Reguengos de Monsaraz
- **Esporão Azeites, Lda.**, based in Serpa
- **Murças, SA**, based in Peso da Régua
- **Esporão – Produção Biológica, Lda**, based in Reguengos de Monsaraz
- **Qualimpor, SA**, based in S. Paulo, Brasil

In 2015, the European Commission continued to monitor Portugal under the Excessive Deficit Procedure (EDP). Hence, the macroeconomic framework evolved in continuity and decision making remained oriented towards the control of public finances, in line with what had been implemented in recent years, although more moderately. In domestic terms, there is some concern that the political uncertainty over the last quarter of 2015 and the economic program and budget for 2016, may generate a pause in the consolidation process.

After years of protracted recession, in 2015, Portugal registered the second consecutive year of growth after 2014 revealed itself to be the turning point of the crisis. The GDP grew by 1.5%, 0.6 % points higher than the previous year, the unemployment rate declined and stood at 11.8% , a number that, although high, maintains the recent inversion trend. The inflation rate stood at 0.5%, according to the Bank of Portugal data.

As a positive sign, it appears that Portuguese exports grew by 3.6% over the previous year, standing at 5.1%, according to Statistics Portugal (INE). The company has developed its activity in a restrictive macroeconomic framework in Portugal, extending for some years now, with a low level of expectations and confidence of economic agents and families, attenuated however, by some signs of recovery in the last two year. Signs point to the start of a growth curve, with repercussions on public and private consumption.

ACTIVITY DEVELOPED

COMMERCIAL ACTIVITY

Despite the increased difficulties inherent to the economic and social situation, during this year there were no significant changes in the operations of the company, keeping its operations in line with the strategic plan set for the current three year period and with the history of the company over the last years.

The sales volume amounted to € 42.8 million, which represented an annual reduction lower than 1% in value and of 6% in volume, when compared to 2014.

Our - wine and olive oil brands had an overall growth of 0.5%, going from 1.304 to 1.310 thousands of 9 Litre cases, especially due to the performance of the wines, which grew by 0.9%, while the olive oils decreased 6% when compared to the previous year. In terms of value, sales of our brands had an overall growth of 2.4% with wines growing 3.8% and olive oils decreasing 1.9%, the result of a slight change in the sales mix. The evolution of turnover justifies residual differences from the figures presented.

Our best-selling brand, Monte Velho, increased its sales by 5% when compared to 2014 and our Douro brands (Assobio and Quinta dos Murças) grew 17% in value. On the other hand, Esporão decreased 5% both in volume and value due to lower availability of product because of a smaller harvest, and Alandra had a 7% reduction, wherein this brand is directed to a market segment in which there is higher elasticity of sales depending on price.

Exports performed better than in the previous year, growing from 16.1 to 16.9 million euros. Particularly notable is the performance in Angola and the United States which, compared to 2014, increased their results by 10% and 8% respectively. In what concerns the exports to Brazil, despite the adverse economic conditions in the country, it was possible to keep sales values practically unchanged.

PRODUCTIVE ACTIVITY

The 2015 agricultural year presented favourable conditions for wine production, both in Alentejo and Douro, as well as in most wine regions of the country. The harvest amounted to a total of 10.753 tons of grapes, of which 2.336 tons were white grapes and 8.417 tons were red grapes.

In terms of quality, it was possible to produce wines and olive oils of excellent quality.

ECONOMIC AND FINANCIAL ACTIVITY

ECONOMIC PERFORMANCE

The consolidated business volume of the companies which constitute the Esporão Group grew by 11% in the 2012-2015 four-year period, amounting to 42.8 million euros in 2015. There is some stability in the markets, with an average growth of around 3% per year. This global performance was achieved by growth in both the domestic and foreign markets.

The sales table below presents the evolution in the past five years:

YEARS	NACIONAL	EXTERNAL	TOTAL	PERCENTAGE
2011	17.224	21.406	38.630	
2012	16.123	23.788	39.911	3,3%
2013	17.525	22.657	40.181	0,7%
2014	20.459	22.708	43.167	7,4%
2015	19.788	23.025	42.813	-0,8%

SWe emphasize the importance of the support given by the EU institutions to marketing activities in international markets. In recent years, they supported communication and promotion projects in the US, Brazil and Angola and, more recently, extended this support to six more countries outside the European Union, contributing with 50% of the costs. This support enables the company to conduct marketing activities in these important markets and without it they would be difficult to accomplish.

The importance of the wine sector for the national economy should also be stressed, both because of its mobilization capacity and because it is a sector in which the incorporation of national value is very high.

GVA (gross value added) has been stable over the past years and this means a significant creation of value within the company, which is included both in the

products and services it renders the market by effect of the productive process and by effect of the administrative and commercial processes.

The table below shows the evolution of GVA in the years 2011-2015:

ANOS	2015	2014	2013	2012	2011
VAB	13.834	14.199	14.632	14.396	14.332
%	-3%	-3%	-2%	-0%	

(In millions of Euros)

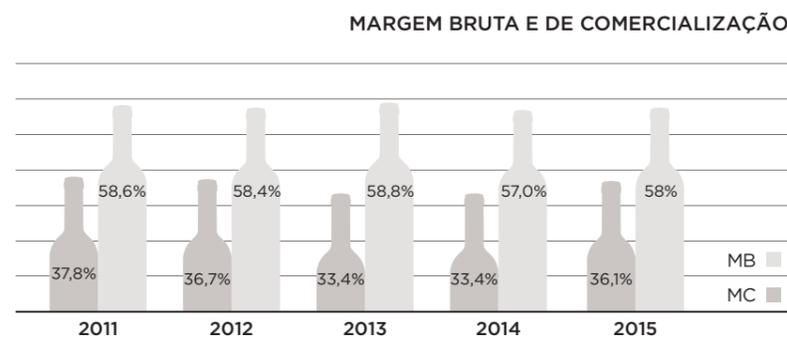
The operating result established for this financial year amounts to EUR 8.7 million, with an annual growth of 2%.

The economic and financial performance of the Group in the period 2011 - 2015 can be summarized in the following table:

INDICATOR	2011	2012	2013	2014	2015
ECONOMIC DATA					
Sales Value	38.630	39.910	40.179	43.167	42.813
Case sales unit	1.279.722	1.292.308	1.266.969	1.356.975	1.349.566
EBITDA	7.742	8.139	8.488	8.495	8.693
Net profit	1.677	1.359	2.718	3.304	6.619
Cash Flows	5.495	6.619	5.378	5.880	4.800
HEADCOUNT					
	253	260	262	265	259
FINANCIAL DATA					
Total Assets	140.046	147.521	140.235	137.224	155.494
Share Capital	5.000	5.000	5.000	5.000	5.000
Equity (EV)	57.885	60.731	72.765	72.621	82.991
Net Debt (ND)	37.119	37.119	40.774	29.275	33.016
Investment	4.332	2.576	920	1.661	2.244
ND/EV	0,64	0,67	0,54	0,40	0,40

In the period 2011-2015, the profitability indicator (EBITDA) shows a consistent accumulated growth of 12, 3%, reflecting the increase in sales volume and sales margin, as well as the change of all the operating costs of the company. In 2015, there was an improvement of gross and trade margins which resulted from price increase of the main brands and changes in the mix of products sold, with a higher share of our brands and a smaller contribution from the brands represented in Brazil.

The table below shows the evolution of gross and trade margins in the years 2011-2015:



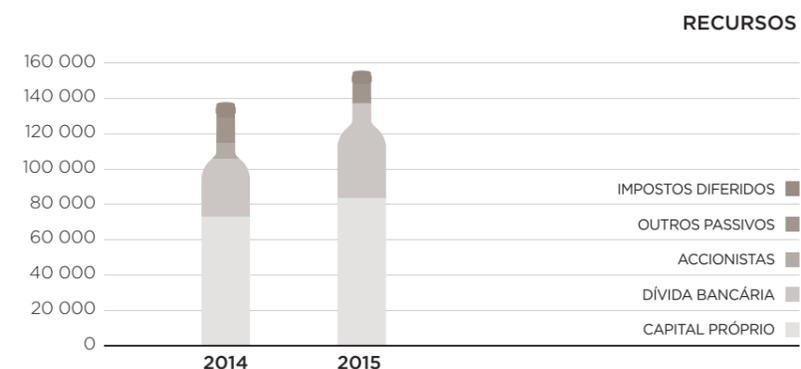
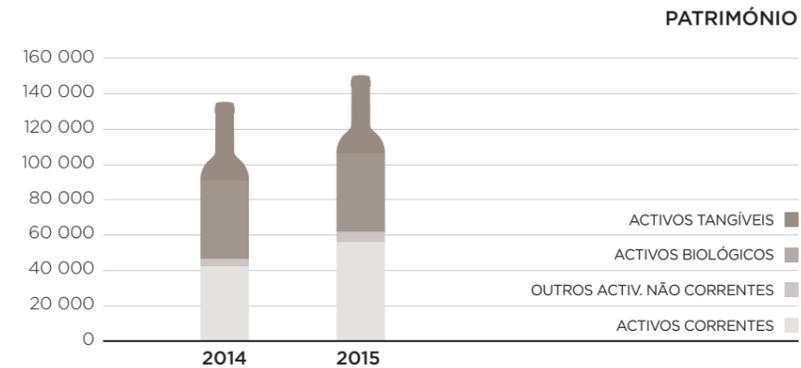
During the 2015 financial year, there was an increase in operating subsidies coming from the State, mainly due to the extension of marketing costs eligible for these subsidies as support for internationalization.

Personnel costs grew by approximately 6% over the previous year, due to the extension of social benefits to all employees of the Group and strengthening the team in key areas for the development of new business according to the 2015-17 Strategic Plan;

Supplies and services showed an increase of 6%, reflecting the growth of business development costs, sales and marketing, which aim to support the opening and growth of new strategic foreign markets.

FINANCIAL PERFORMANCE

The assets of the Group grew from 137 to 155 million euros, showing an enhanced structure of applications and funding when compared to the previous year, as shown in the following charts:



There is a great stability of the productive, tangible fixed and biological assets, resulting of some restraint in the volume of annual investment. The value of current assets shows an increase of 31% compared to 2014, as a result of granting an interest-bearing loan to shareholders. On the remaining items, there is improvement in asset management, particularly in reducing the volume of stocks and receivables from customers.

There was a significant growth of over € 10.1 million of funding sources at the level of the equity value, by way of net income and by increasing capital and supplementary payments made by the shareholders. Another important aspect was the stabilization of the Group's consolidated net debt despite the increase in bank debt.

During the 2015 financial year, we restructured the debt profile, with consequent renegotiation of the associated costs. This enabled a gradual reduction of spreads and the cost of banking services. In addition, the company also profited from the reduction of reference rates, which remain at a very low level, benefiting companies and economic operators.

It is also important to notice that containment of funding costs was the main area of financial operation, resulting in a 29% reduction in the net value of costs and financial charges, especially due to the search for lower cost financial instruments and opting for financial products with short-term rates review, preferably using credit lines with lower spreads, namely:

- Commercial Paper Programs
- Export Financing Lines
- Payments to suppliers by “confirming” and “self confirming”
- Factoring

In what concerns credit lines supported by public funds - SME INVEST - used in previous years, we renegotiated the terms since the active cost of operations was uncompetitive.

The ratio NET DEBT / EBITDA amounted to 3.8, remaining below 4. The rate of coverage of financial costs by EBITDA improved significantly, from 3.25 to 4.70.

INVESTMENTS

In the year 2015, the total gross investment of the group amounted to EUR 2.2 million, giving continuity to several investment projects started in previous years, to improve the following areas:

- Quality and service of the wine tourism unit
- Red and white wineries
- Adaptation of the filling areas
- Reconstruction of the manor house at Quinta das Murças
- Information and digital communication infrastructures
- Adjustment of agricultural production
- Adequacy of olive oil production
- Sustainability and biodiversity

Esporão has also benefited from investment incentive programs, in particular under PDR2020, in the approximate annual amount of € 1 million.

ASSETS AND OPERATING RESULTS

The total assets of Esporão, SA amounted to EUR 155 million at the end of 2015, consisting mainly of the company's production assets, including fixed assets and biological assets, each in the amount of about 45 million euros.

Equity remains quite solid, having been strengthened to EUR 83 million last year, despite the distribution to shareholders of the results achieved in the previous year. Equity is a lever of the company's projects, giving a solid funding structure to its assets.

The amount of liabilities stood at 72.5 million euros, representing a net increase of 8 million euros. The increase in bank debt evidenced on the liabilities, did not translate into an increase in net debt, given that, in addition, an interest-bearing loan was granted to a subsidiary company, registered in the assets and with an equivalent value.

The turnover was 42.8 million euros, EBITDA was 8.7 million euros and the consolidated net income of the Group, led by the company, was EUR 6.6 million in the year 2015, as a result of the development of corporate activity.

DECLARATION ON THE CONFORMITY OF THE FINANCIAL INFORMATION PRESENTED

The members of the Board of Directors, individually, declare that, to the best of their knowledge:

- The information contained in the management report, the financial report and all other accounting documentation, was produced in compliance with the applicable accounting standards and gives a true and fair view, in all its relevant aspects, of the assets and liabilities, the financial position and the individual and consolidated results of the society.
- The Management report is a faithful statement of the evolution of the businesses, of the performance and of the position of the consolidated, and the companies included within the consolidation perimeter, and contains a description of the main risks and uncertainties which they face.

SUBSEQUENT EVENTS

No relevant events occurred after the reference date of the accounts, both of private content or public knowledge, which may affect any part or information provided in these financial statements.

We want to express our thanks to all employees and partners, and the desire to continue with the attitude, pride and motivation that are so fundamental to our sustained growth.

Reguengos de Monsaraz, 15th March 2016

The Board of Directors



José Roquette
(Chairman)



João Pedro Roquette
(Administrador Delegado)



Diogo Corrêa Mendes
(Administrador)



José Pedro Roquette
(Administrador)

SHAREHOLDINGS AND TRANSACTIONS BY MEMBERS OF THE BOARD OF DIRECTORS

- José Alfredo Parreira Holtreman Roquette (Chairman of the Board of Directors): Chairman of the board of JHR - SGPS, SA, which owns 69% of Gesparte, SA, which owns 90% of Esporão, SA. Also held, privately, in January 1st, 2015, 100 shares corresponding to 0.01% of the share capital of Esporão, SA, which he retained on 31st December 2015.

OTHER LEGAL INFORMATION

State and Social Security Debts

Under the terms and for the purposes of article 2 of Decree-Law no. 534/80 of November 7th and Article 21 of Decree-Law no. 411/91, of October 17th, we declare that the Esporão Group has no overdue tax debts to the State nor outstanding contributions to Social Security.

ANNEXES TO
THE FINANCIAL
STATEMENTS



CONSOLIDATED BALANCE SHEET

Unit.: €

ASSETS	NOTES	2015	2014
NON-CURRENT			
Tangible Fixed Assets	4	45.258.570	45.226.750
Investment Properties		-	-
Good Will			
Intangible Assets		52.447	113.707
Biological Assets	6	45.805.313	45.897.751
Share Holdings - Equity Methods	7	2.179.658	919.139
Share Holdings - Other Methods	7	842.866	101.826
Other Receivables		-	-
Other financial assets			
Assets for deferred taxes	8	5.425.562	2.318.779
		99.564.416	94.577.953
CURRENT			
Inventories	9	26.841.781	27.625.220
Biological assets			
Clients	10	6.455.058	8.104.894
Advanced Payments to Suppliers		8.997	9.375
State and Other Public Entities	11	2.053.732	1.186.643
Shareholders/ Partners	14	11.896.471	78.781
Other receivables	12	3.201.529	1.951.435
Deferrals	15	943.149	335.960
Financial Assets held for Trading			
Other financial Assets			
Noncurrent assets held for sale			
Cash and bank deposits	13	4.528.716	3.353.986
		55.929.432	42.646.293
		TOTAL ASSETS	155.493.848
		137.224.246	
EQUITY			
Capital Paid In	18.1	5.300.000	5.000.000
Own shares	18.4	-	(399.531)
Supplementary Contributions	18.3	19.056.756	17.632.756
Share Premium	18.2	4.397.355	1.097.355
Legal reserves		1.000.000	1.000.000
Other reserves		9.404.688	9.404.689
Results carried forward	18.5	1.526.614	(2.313.374)
Adjustments in financial Assets		-	-
Revaluation Surplus	18.5	34.151.999	36.899.910
Other Changes in Equity	18.6	1.428.790	887.399
		76.266.202	69.209.204
Net Profit for the Period		6.614.857	3.262.503
Minority Interests		110.179	149.827
		TOTAL EQUITY	82.991.238
		72.621.534	
LIABILITIES			
NON-CURRENT LIABILITIES			
Provisions		236.686	242.827
Obtained Financing	17	36.565.465	15.843.558
Other obtained loans		781.430	837.855
Shareholders/ Partners		572.087	9.390.618
Liabilities by Deferred taxes	8	8.311.060	8.941.317
Other payables		-	-
		46.466.728	35.256.175
CURRENT LIABILITIES			
Suppliers	16	9.576.972	9.000.900
Client advances		142	0
State and Other Public Entities	11	1.443.535	393.429
Shareholders/ Partners		1	1
Obtained Financing	17	12.876.248	16.785.674
Other payables	12	2.065.138	3.156.408
Deferrals	15	73.848	10.125
Financial Liabilities held from Trading			
Other financial liabilities		-	-
Non current liabilities held for sale			
		26.035.883	29.346.537
		TOTAL LIABILITIES	72.502.610
		64.602.713	
		TOTAL EQUITY AND LIABILITIES	155.493.848
		137.224.246	

INCOME STATEMENT BY NATURE CONSOLIDATED

Unit.: €

INCOME AND EXPENSES	NOTAS	2015	2014
Income and Expenses	20	42.813.082	43.167.361
Sales and services		733.823	610.629
Operating Subsidiaries		128.945	-368.165
Gains/ Losses charged to associated subs and joint ventures	22	643.585	-856.714
Variation in production inventories		21.641	0
Works for the entity itself	21	-18.346.930	-17.705.065
Cost of products sold and materials consumed	23	-10.505.175	-9.877.950
External supplies and services	24	-7.057.808	-6.676.388
Personnel expenses		-44.405	-27.500
Inventory impairment (losses/reversions)		0	0
Provisions (increase/decrease)		-315	-219.092
Impairment of Non depreciable investments (losses/ reversions)	27	707.564	516.057
Increase/ Decrease in fair value	25	1.544.523	1.440.718
Other incomes and gains	26	-1.945.937	-1.655.837
INCOME BEFORE DEPRECIATION, FINANCING COSTS AND TAXES		8.692.593	8.348.052
Expenses/ reversions of depreciation and amortization		-2.840.169	-2.726.649
Impairment of depreciable investments (losses/ reversions)			
OPERATING INCOME BEFORE FINANCIAL COSTS AND TAXES		5.852.424	5.621.402
Interest and similar income received	28	354.721	55.926
Interest and similar expenses paid	28	-2.198.110	-2.523.522
INCOME BEFORE TAX		4.009.034	3.153.806
Income tax for the period		2.610.452	150.677
NET INCOME FOR THE PERIOD		6.619.487	3.304.484
Shareholders of the mother company		6.614.857	3.262.503
Minority Interests	19	4.629	41.981
BASIC EARNINGS PER SHARE		6,62	3,30

INCOME STATEMENT BY NATURE CONSOLIDATED

ATTRIBUTABLE TO SHARE HOLDERS													
DESIGNATION	CAPITAL PAIN-IN	OWN SHARES	OTHER INSTRUMENTS OF EQUITY	SHARE PREMIUM	LEGAL RESERVES	OTHER RESERVES	RETAINED EARNINGS	ADJUSTMENTS IN FINANCIAL ASSETS	CONSOLIDATION DIFFERENCES	OTHER VARIATIONS IN EQUITY	NET INCOME IN PERIOD	MINORITY INTERESTS	TOTAL
Position at the beginning of period	5.000.000	(399.531)	17.632.756	1.097.355	953.187	9.397.095	-2.313.375,97	0,00		887.399,00	2.696,270	149.827,00	0,00
CHANGES IN PERIOD													0,00
Movement of investment subsidies										539.093,94		0,00	539.093,94
Surplus revaluation assets							2.973.465,00						225.554,00
Movements in equity							-2.395.980,00					-44.278,00	
Other regularization movements										2.297,00			2.297,00
Application of results							3.262.503,00						0,00
Net income of the period							1.526.614,03	0,00		1.428.789,94	0,00	105.549,00	0,00
Subtotal							1.526.614,03	0,00		1.428.789,94		4.629,80	6.619.487,03
OPERATIONS WITH SHAREHOLDERS													0,00
Capital increase	299.999,92	399.531,00											5.423.530,42
Other distributions of income													0,00
Position in the end of periods													0,00
													110.178,80

Unit.: €

CONSOLIDATED CASH-FLOW STATEMENT

Unit.: €

DESIGNATION	2015	2014
CASH FLOWS OF OPERATING ACTIVITIES - DIRECT METHOD		
Payments from clients	45.132.399	43.702.003
Payments to suppliers	(29.414.583)	(28.382.570)
Payments to personnel	(70.007.350)	(6.550.854)
Cash generated by operations	8.710.466	8.768.579
Payment/ Receipt of income tax	(581.431)	(816.590)
Other payments/ Receivables	34.810	870.929
CASH FLOWS OF OPERATING ACTIVITIES	8.163.845	8.822.917
CASH FLOWS OF INVESTMENT ACTIVITIES		
PAYMENTS FOR:		
Tangible Fixed Assets	(3.316.193)	(1.773.346)
Intangible Assets		(77.265)
Financial Investments	(2.296.859)	
Other assets	0	
RECEIVABLES FROM:		
Tangible Fixed Assets	816.918	407.490
Intangible Assets		
Financial Investments		
Other assets		
Investment subsidies	120.109	315.338
Interests and similar income	354.721	55.927
Dividends		45.143
FLOW OF INVESTMENT ACTIVITIES (1)	-4.321.304	-1.026.713
CASH FLOWS AND FINANCING ACTIVITIES		
RECEIVABLES FROM		
Obtained financing	35.733.157	10.628.904
Realizations of capital and other equity instruments	5.024.000	
Coverage losses		
Donations		
Other financing operations		7.585.192
PAYMENTS FOR:		
Obtained Financing	(27.795.633)	(22.188.025)
Interest and similar costs	(1.897.959)	(2.535.494)
Dividends	(1.600.000)	(1.907.180)
Capital reductions		
Other financing operations	(12.131.376)	(1.196.116)
FLOW OF INVESTMENT ACTIVITIES (2)	-2.667.811	-9.612.719
VARIATION IN CASH AND CASH EQUIVALENTS (4)=(1)+(2)+(3)	1.174.730	-1.816.515
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	3.353.986	517.501
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4.528.716	3.353.986

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

INTRODUCTION

ESPORÃO, S.A. is a public limited company, headquartered in Reguengos de Monsaraz, in the Évora district, whose corporate object is industrialization and commercialization of agricultural products and livestock produced on its own agricultural land or simply leased or managed by the company, and the exercise of all additional activities directly related to those, including exploration of food and beverage establishments.

Under the terms of the deed of incorporation and subsequent changes to Esporão, S.A. society contract, the share capital of 5.000.000 Euros (five million euros) was paid in full, in cash.

The current name was registered in December 2008 as part of an activity restructuring between this company and its subsidiaries.

Brief description of the entities integrating the Esporão Group at 12/31/2015

ESPORÃO AZEITES, LDA

ESPORÃO AZEITES, LDA. is a limited liability company headquartered in the industrial area of the municipality of Serpa. The company was incorporated by public deed on November 25, 1997 under the name SPAZA - Sociedade Produtora de Azeites do Alentejo, Lda., starting its activity immediately.

The current name was registered in January 2009 as part of the restructuring of Esporão Group activities. ESPORÃO AZEITES, LDA corporate purpose is the production of quality olive oil.

The company is 98% owned by ESPORÃO, S.A. and headquartered in Herdade do Esporão, Reguengos de Monsaraz.

ESPORÃO VENDAS E MARKETING, SA

ESPORÃO-Vendas e Marketing, S.A., is a public limited company headquartered in Herdade do Esporão, in Reguengos de Monsaraz. The company was founded in 1890 under the name Francisco Mantero, Lda. and registered in the Commercial Registry of Lisboa in August 5th, 1916.

The current name was registered in December 2008, as part of the restructuring of Esporão Group activities.

Esporão Vendas e Marketing S.A. corporate object is the wholesale trade of wine and olive oil is 100% owned by ESPORÃO, S.A. and headquartered in Herdade do Esporão in Reguengos de Monsaraz.

MURÇAS, SA

MURÇAS, S.A., is a public limited company headquartered in Quinta dos Murças, SA, Covelinhas, in Peso da Régua. The company was incorporated by public deed in 1932, under the juridical form of private limited liability, starting its activity immediately.

The current name and change of the juridical form to a public limited company took place in 2009 as part of the restructuring of Esporão Group activities.

MURÇAS, S.A. corporate object is the production of quality wines comprising the vinicultural and winery activities. It also produces a small batch of olive oil. The company is 100% owned ESPORÃO, SA, headquartered in Herdade do Esporão, Reguengos de Monsaraz.

QUALIMPOR

Qualimpor, headquartered in Rua Antônio Chagas, 529 – Chácara Santo Antônio, in São Paulo, Brazil, was created in 1995 with the purpose of importing and distributing wines and olive oils from Herdade do Esporão. The origin of the name came from joining the Portuguese words “qualidade de alimentos portugueses”, which stand for “quality of portuguese food”.

Since its birth Qualimpor shows a different profile, as it works exclusively for brands owned by one same family.

The company’s objective is to expand its operations to other brands, complementing products and better positioning them in the Brazilian market, thus benefiting from economies of scale.

This company is 95% owned by Esporão, S.A. and 5% by local management.

ESPORÃO PRODUÇÃO BIOLÓGICA, LDA.

The company Esporão-Produção Biológica, Lda., is a private limited liability company headquartered in Herdade do Esporão, in Reguengos de Monsaraz, incorporated by private document on July 30, 2012, under the juridical form of limited liability and starting its activity immediately. Its corporate object is the production of grapes by using organic farming methods and techniques. The company is 90% owned by ESPORÃO, S.A., headquartered in Herdade do Esporão, Reguengos de Monsaraz, and 10% owned by MURÇAS, SA, headquartered in Covelinhas, Peso da Régua.

ZAMAGRI

A Zamagri, Agricultura e Comércio Internacional, Lda., was a limited company whose main activity was the management of agricultural projects based in Mozambique- Having extinguished the object for which it was created, it was dissolved on December 17, 2015.

ACCOUNTING STANDARDS FOR PREPARING FINANCIAL STATEMENTS

BASIS OF PREPARATION

These consolidated financial statements were prepared in accordance with the standards that comprise the Accounting Standards System (SNC) in force at the close of the financial year.

It must be understood as part of those standards the Basis for the Presentation of Financial Statements, Models of Financial Statements, the Code of Accounts and Accounting Standards and Financial Reporting (NCRF) and the Performing Standards.

Whenever SNC do not respond to particular aspects of transactions or situations, International Accounting Standards as adopted pursuant to Regulation (EC) No. 1606/2002, of the European Parliament and of the Council of 19 July; and International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) issued by the IASB according to SIC-IFRIC interpretation, are complementarily applied, in the order above indicated.

The financial statements are prepared based on continuity of business operations in the current economic and social situation in Portugal and the values presented are set in euros, except those who are expressly indicated in other currencies.

In the transition from the previous accounting standards to SNC, the Board has modified some of the accounting and valuation criteria applied in the financial

statements of 2010, so that the same are presented in accordance with “NCRF” The preparation of financial statements in accordance with SNC requires the use of estimates, assumptions and critical judgment in the process of determining the accounting policies to adopt by Esporão Group, with significant impact in the book value of assets and liabilities as well as in the income and expenses of the reporting period.

Although these estimates are based on the best experience of the Board and on their best expectations for the current and future events and actions, current and future results may differ from these estimates.

Areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.2.4.

DEROGATION FROM SNC PROVISIONS

During the financial year of these Financial Statements, there were no exceptional cases that directly implied derogation from any of SNC provision.C.

COMPARABILITY OF FINANCIAL STATEMENTS

The current financial statements of Esporão, S.A., were prepared based on the accounting records maintained in accordance with the legislation in force.

SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in preparing the financial statements are those described below. These policies have been consistently applied to all presented financial exercises, unless stated otherwise.

CONSOLIDATION

SHAREHOLDINGS - SUBSIDIARIES

Subsidiaries are all the entities over which Esporão Group has the power to govern the financial and operating policies and normally has control, directly or indirectly, of more than half of the voting rights.

The existence and effect of potential voting rights that are currently exercisable or convertible are taken into consideration during the evaluation of the control that Esporão holds over an entity.

Investments in subsidiary companies in which the Group exercises control are consolidated using the full consolidation method from the date on which it assumed control over its financial and operating activities until the moment such control ceases.

The acquisition of subsidiaries is registered by the purchase method. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of acquisition plus costs directly attributable to the acquisition.

The acquired identifiable assets and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date, regardless of the existence of minority interests.

The excess of cost of acquisition over the fair value of the Group’s share on the acquired identifiable assets is recorded as goodwill. If the cost of acquisition is less than the fair value of the acquired subsidiary net assets, the difference is recognized directly in the consolidated income statement by nature.

Transactions, balances and unrealized gains on transactions with Group companies are eliminated. Unrealized losses are also eliminated but considered an impairment indicator of the asset transferred.

Accounting policies of subsidiaries are changed whenever necessary to ensure

that they are applied consistently by all the Group companies.

The entities included in consolidation by the global integration method, by December 31, 2014 and December 31, 2015, and qualifying as subsidiaries are as follows:

	HEADQUARTERS	% OF OWNERSHIP	EQUITY	NET INCOME
DIRECT SUBSIDIARIES DECEMBER 2015				
Esporão Vendas e Marketing, SA	Reg Monsaraz	100,00%	22.541.046	5.527.199
Esporão Azeites, Lda	Serpa	98,00%	1.197.006	422.067
Murças, SA	Peso Régua	100,00%	3.851.698	172.424
Esporão Produção Biológica, SA	Reg Monsaraz	100,00%	525.386	227.210
Qualimpor (moeda: contrvalor €)	S. Paulo/Brasil	95,00%	2.044.101	(76.231)
DIRECT SUBSIDIARIES DECEMBER 2014				
Esporão Vendas e Marketing, SA	Reg Monsaraz	100,00%	15.705.564	1.369.979
Esporão Azeites, Lda	Serpa	98,00%	810.470	(24.724)
Murças, SA	Peso Régua	100,00%	3.761.556	(532.741)
Esporão Produção Biológica, SA	Reg Monsaraz	100,00%	80.522	217.653
Qualimpor (moeda: contrvalor €)	S. Paulo/Brasil	95,00%	2.314.353	849.288
Zamagri Agr Comércio Intern. Lda	Lisboa	100,00%	300.000	-

SHAREHOLDINGS / ASSOCIATES

Investments in associates are stated at the amount resulting from the application of the criterion of equity. Under this method, the consolidated financial statements include the Group’s share of the total recognized gains and losses from the date that significant influence commences until the date that effectively ends. Associates are entities over which the Group has between 20% and 50% of the voting rights, or over which the Group has significant influence, but cannot exercise its power. Unrealized gains or losses on transactions between the Group and its associates are eliminated.

Dividends paid by the associate are considered reduction in the held investment. The excess of cost of acquisition over the fair value of the Group’s share on the acquired identifiable assets is recorded as goodwill, which net of accumulated impairment losses is considered in the value registered as Esporão Group investment in associates.

If the cost of acquisition is less than the fair value of the acquired subsidiary net assets, the difference is recognized directly in the consolidated income statement by nature.

When the share of losses of an associate exceeds the investment in the associate, the Group recognizes additional losses in the future if the Group has incurred obligations or made payments on behalf of the associate.

The accounting policies of “associates” are changed whenever necessary to ensure that they are applied consistently by all Group companies.

The entities included in consolidation by the equity method by December 31, 2014 and December 31, 2015 and who qualify as associates are as follows:

	HEADQUARTERS	% OF OWNERSHIP	EQUITY	NET INCOME
DIRECT SUBSIDIARIES DECEMBER 2015				
Prime Drinks, SA	Lisboa	50,00%	3.027.201	257.925
DIRECT SUBSIDIARIES DECEMBER 2014				
Prime Drinks, SA	Lisboa	50,00%	2.838.561	195.793

TANGIBLE FIXED ASSETS

Tangible fixed assets are valued at cost net of accumulated impairment losses and depreciation.

This cost includes: (a) the “deemed cost” determined at the date of transition to

SNC, which in the case of land and buildings were measured at their net value, carried over from the previous normative, including legal revaluations; and (b) the acquisition cost of the assets acquired or constructed after that date.

The acquisition cost includes the purchase price of the asset, the costs directly attributable to the acquisition and costs incurred in preparing the asset for proper use condition.

The costs incurred for renovations and major repairs that extend the useful life are recognized in asset cost. The cost of repairs and maintenance of current nature are recognized as an expense in the period in which they incur.

The estimated useful lives for the most significant tangible fixed assets are as follows:

	YEARS
BUILDINGS AND OTHER CONSTRUCTIONS	50
BASIC EQUIPMENT	8 to 16
TRANSPORTATION EQUIPMENT	4 to 6
REMAINING TANGIBLE FIXED ASSETS	3 to 24

The useful lives of assets are reviewed at each financial reporting, so that depreciation is in accordance with the standards of consumption of assets. Changes in useful lives are treated as changes in accounting estimates and are applied prospectively.

Gains or losses on disposal of assets are determined by the difference between the carrying value and the book value of the asset and are recognized in the consolidated income statement by nature.

LAND

The amount related to land, recorded in the Group financial statements, breaks down as follows:

- Land in Herdade do Esporão occupied by vineyards;
- Land in Herdade do Esporão occupied by traditional Alentejo forest;
- Land in Herdade dos Perdighões occupied by vineyards for grape production;
- Land of Lavradores and Machuguinho in Portalegre, occupied by vineyards;
- Land of cheese dairy of S. Braz do Regedouro in Évora;
- Quinta dos Murças including the areas of vineyard and forest implantation;

Lands are registered at fair value based on evaluation made referring to December 31 2010 and which was assumed equal book value for the following year, given that there were no facts that could significantly change its value. The technical evaluation performed is based on real estate value of land whether they are connected or not to the operation and to the company's social business.

The land of Portalegre and Évora were acquired by Esporão, S.A. at the end of financial year 2012 and are valued at cost, taking into account the time elapsed since its acquisition and also for not having occurred exceptional facts that could change the acquisition value.

Quinta dos Murças is valued at fair value based on a study of land valuation conducted in 2009 and maintained in the following years for not having occurred facts that could significantly change its value.

BUILDINGS

The buildings comprise all buildings of the winery, wine tourism, warehouses and filling pavilion and tower and were initially registered at their cost of construction and subsequently adjusted in the accounts of the company at their fair value. This value was determined at the date of December 31, 2010 based on the study of property valuation performed by an independent firm and maintained in the following years because no facts have occurred that could significantly change its value.

The cheese dairy building located in S. Braz do Regedouro joined the company's assets at year end and is registered at cost value.

In 2015, the buildings of the Serpa olive oil press were sold and its production was concentrated in the industrial complex of Reguengos de Monsaraz.

PRODUCTION EQUIPMENT

Machines and production equipment are stated at acquisition cost added to all charges resulting from their preparation in view of its use. The value of major repairs that extend the useful life or productive capacity of the asset is registered at asset value.

BIOLOGICAL ASSETS

Biological production assets consist of the following plantations:

- Vineyards intended for the production of grape used for wine manufacturing and marketed by the company.
- Olive grove that is intended to produce olives for sale to Esporão Azeites, Lda., olive oil producer and with which there is a participation in capital. This crop has the technical characteristics of crop in semi-intensive system.
- Forest constituted by plantation of holm oaks and stone pines.

The vineyard is registered at its fair value based on an estimate on the updated value of cash flows in accordance with the following premises:

- Useful life: 25 years.
- Reference price of the grape: average cost of buying in the last two years and adding a cost equivalent to the correlation of the average price of wines.
- Production costs: average of the last two years.
- Average productivity: productivity determined by average for a regular campaign.
- Update rate: 6.53% applied on the value of cash flows at constant prices over the period.
- Significant changes in fair value stated in the premises are recognized through a 25-year period.

The update rate used is the average rate of the cost of debt capital supported by the company over the past four years, excluding contracted rates a few years ago and that are below market and adding about 2.5% of risk premium.

The price value of the grape was calculated based on the average purchase price for the year, added a bonus determined by a weighted correlation of the average sales prices for the wines that are intended, in the last three years.

The fair value of the olive grove was determined by cash flows method at the updated rate of 6.53% per annum applied to the income value net of expected costs and for a 25 years plantation.

DEPRECIATIONS AND AMORTIZATIONS

Depreciation is calculated, after the date on which the asset is available for use by the straight line method in accordance with the estimated useful life for each group of assets, in accordance with DR-25/2009.

The depreciation rates correspond to the periods of expected life (in years) described in this document.

TANGIBLE ASSETS IN PROGRESS

Tangible assets in progress refer to the reconstruction phase of the cellar and adjacent buildings, as well as costs incurred to date with the works of reformulation and expansion of the building of wine tourism, and are registered at acquisition cost less any impairment losses.

It also includes the cost of rebuilding and reshaping the administrative and commercial buildings of Quinta dos Murças in Douro, scheduled to be completed in 2016, and the costs incurred for the improvement of the computer and digital infrastructure, including hardware and software, which should also start operating in 2016.

These assets are depreciated from the time they are available for use in the necessary conditions to operate.

WARRANTIES

The lands and buildings, including plantations and all the improvements existing in them, were mortgaged in favour of the bank syndicate led by Banco Comercial Português which also includes BIC and the Banco Popular, for refund guarantee of the financing granted in the form of a Commercial Paper Emission Programme in the amount of 28 million euros. At the date of closing of this financial year the total amount of commercial paper issued, corresponding to the company's debt, was 20 million euros.

The land and buildings of Quinta dos Murças were mortgaged in favour of CCAM to guarantee a loan to Esporão, SA, which, on of 31.12.2015, stood at EUR 3.3 million.

INTANGIBLE ASSETS

Intangible assets are recognized and measured when: i) are identifiable; ii) it is probable that they will result in future economic benefits; and iii) its cost can be measured reliably.

When purchased individually intangible assets are recognized at cost, which comprises: i) the purchase price, including costs related to intellectual property rights and fees after deducting any discounts; and ii) any costs directly attributable to preparing the asset for its intended use.

When acquired under a business settlement, separable from goodwill, intangible assets are valued at fair value, determined under the application of the purchase method as required by NCRF 14 - Concentrations of Business Activities.

Internally generated assets, including expenditure on internal development, are registered as expense when incurred, if it is not possible to distinguish the research phase from the development phase, or when is not possible to determine reliably the costs incurred at each stage or the likelihood of economic benefits to the group.

Expenditure on research and evaluations made in the course of operating activities are recognized in the income statement as incurred.

The useful life and amortization method of intangible assets is determined based on the estimated consumption of the economic benefits associated with the asset.

Intangible assets with finite useful lives are amortized on a systematic basis from the date they are available for use, during the estimated useful life

Assets that by their nature do not have an indefinite useful life are not amortized and are subject to annual impairment tests or whenever they show signs of impairment.

The balances carried from the associated Qualimpor are recorded as intangible assets at 31.12.2015 and refer to: i) Software - amounts spent on the acquisition of rights in computer applications and incurred costs of parameterization, to support the activity developed and also the value of construction cost software for shared use, through the provision of services; ii) Telephone Lines - Telephone lines and network.

FINANCIAL ASSETS

The Board of Directors determines the classification of financial assets at the date of initial recognition in accordance with NCRF 27 - Financial Instruments

Financial assets can be classified / measured as:

- (a) at cost or amortized cost less any impairment loss; or
- (b) at fair value with changes in fair value being recognized in the income statement

The Group classifies and measures at cost or amortized cost financial assets: i) that in terms of time are paid at sight or have defined maturity; ii) whose return is fixed amount, fixed interest rate or variable corresponding to a market index; and iii) do not have any contractual clause which may result in the loss of face value and accrued interest.

For assets registered at amortized cost, the interest earned to recognize in each period is determined according to the method of the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument.

Financial assets that are loans, accounts receivable (customers, other debtors, etc.) and equity instruments as well as any associated derivative contracts that are not traded in an active market or whose fair value cost cannot be reliably determined, are recorded at cost or amortized cost.

The Group classifies and measures at fair value financial assets that do not meet the conditions to be measured at cost or amortized cost, as described above.

Financial assets that are equity instruments quoted in an active market, derivative contracts and financial assets held for trading are recorded at fair value. Changes in fair value are recorded in the results of exercise, except in relation to derivative financial instruments that qualify as hedge of cash flows.

The Group assesses at each financial reporting date for any indication of impairment for financial assets that are not measured at fair value through profit or loss. If there is objective evidence of impairment, the Group recognizes an impairment loss in the income statement.

Financial assets are derecognized when the rights to receive cash flows from the investments expire or are transferred, as well as all risks and rewards of ownership.

FAIR VALUE OF ASSETS AND LIABILITIES

In determining the fair value of a financial asset or liability if there is an active market, the quoted market price is applied. In case there is no active market, which is the case for some financial assets and liabilities, valuation techniques generally accepted in the market and based on market assumptions are used.

The Group applies valuation techniques for financial instruments not quoted, such as derivatives, financial instruments at fair value through profit or loss and financial assets available for sale. The valuation models that are used most often are models of discounted cash flows and option valuation models that incorporate, for example, the interest rate curves and market volatility.

For some types of more complex derivatives, models containing more advanced valuation assumptions and data that are not directly observable in the market, for which the Group uses internal estimates and assumptions are used.

INVENTORIES

Entry of raw materials and packaging and consumption materials are expressed in our accounting records at cost of acquisition. The value of the finished product expressed in the Balance and its variations reflected in the income statement are measured at their production value and there was no value adjustment.

The value of the raw material - UVA incorporated in the finished product was subject to adjustment for the effect of fair value, as explained in 3.2.4...

The existing records of amounts at the year-end were confirmed by actual counting.

The change in the depreciation criteria of buildings and equipment was adequate to the funding criteria of manufactured products.

CLIENTS AND OTHER RECEIVABLES

The value of items of clients and of other receivables refer to receivables from customers and other entities, and are expressed at its fair value, which corresponds to the price established for operations and subsequently adjusted for any impairment.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents correspond to the amounts included in cash and bank deposits with immediate liquidity without risk or low risk. Bank overdrafts are presented as current liabilities in the balance sheet under the item of financing.

CURRENCY

FUNCTIONAL CURRENCY AND PRESENTATION CURRENCY

The consolidated financial statements of Esporão Group and respective notes are presented in euros, unless stated otherwise

TRANSACTIONS AND BALANCES:

Transactions in currencies other than the euro are converted into the functional currency using the exchange rates at the dates of the transactions.

Gains or losses resulting from the payment/receipt of transactions and from conversion at the exchange rate at the balance sheet date, monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated income statement by nature, in the item financing costs, if related to loans or other operating gains or losses for all other balances / transactions.

FOREIGN OPERATIONS:

The results and the balance of the foreign operations of Esporão Group, which have a functional currency other than euro, are converted into the presentation currency at the exchange rate of the balance sheet date.

EXCHANGE RATES:

The price of foreign currency used for conversion of balances expressed in foreign currency, was as follows:

1 EURO (EUR) = X FOREIGN CURRENCY	CURRENCY	31.12.2014	31.12.2015
REAL BRAZIL	BRL	3,2100	4,3117
US DOLLAR	USD	1,2141	1,0887

INCOME TAX

The income tax for the period comprises current tax and deferred tax. Taxes on income are registered in the consolidated income statement, except when they relate to items recognized directly in equity. The amount of income tax payable is determined based on profit before tax, adjusted in accordance with tax rules. The Group is subject, since 2011, to the Special Taxation of Corporate Groups (RETGS) being the dominant entity Gesparte, SA. The positive or negative outcomes that result from the adjustment of fiscal consolidation are the responsibility of the dominant company.

The companies comprising the Group of Companies together with the Esporão, SA are: a) Esporão Vendas e Marketing, S.A.; b) Murças, S.A.; c) Esporão Azeites, Lda.; d) Zamagri, Lda. and Esporão Produção Biológica, Lda.

Tax returns of Esporão and subsidiaries in the years 2012 to 2015 may still be subject to review. However, the Company believes that any corrections by the tax authorities to the tax returns, still subject to revision/ inspection will not have a significant effect on the financial statements at December 31, 2015.

According to RETGS the tax losses in the present exercise are deducted from taxable profits of the companies included in RETGS for a period of twelve years. Deferred taxes are recognized using the liability method based on the balance sheet, considering temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred taxes are calculated at the tax rate in force or officially communicated to the balance sheet date and expected to be applied on the date of realization of deferred tax assets or the date of payment of deferred tax liabilities.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits are available for the use of the temporary difference. Deferred tax liabilities are recognized for all taxable temporary differences, except those relating to: i) the initial recognition of goodwill; or ii) the initial recognition of assets and liabilities that do not result in a concentration of activities and that the date of the transaction do not affect accounting profit nor taxable profit.

However, in relation to taxable temporary differences associated with investments in subsidiaries, these shall not be recognized to the extent that: i) the mother company is able to control the timing of the reversal of the temporary difference; and ii) it is probable that the temporary difference will not reverse in the foreseeable future.

PROVISIONS

Provisions are recognized when the Group has: i) a present legal or constructive obligation resulting from past events; ii) for which it is most probable that an outflow of resources to settle the obligation is required; and iii) the amount can be reasonably estimated. Whenever one of these criteria is not met or the existence of the obligation is subject to the occurrence (or non-occurrence) of a future event, Esporão Group discloses it as a contingent liability, unless an assessment of the outflow of funds for payment the same is considered remote. Provisions for restructuring and litigation are recognized when: the Group has a present legal or constructive obligation as a result of past events; is probable that an outflow of resources will be required to settle the obligation; and the amount can be measured reliably.

Restructuring provisions include compensation for termination of contract employees. Provisions are not recognized to cover future operating losses.

When there is a set of similar obligations, the likelihood of being required to incur an outflow to settle the obligation is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow that concerns an item included in the same class of obligations is reduced. Provisions are measured at the present value of the estimated expenditure to settle the obligation using a pre-tax rate that reflects the market assessment of the time value of money and the risk of the provision in question. Provisions are reviewed at each balance sheet date and respective origins and adjusted to reflect the best estimate at that date.

The Group recognizes provisions for financial investments to consolidated associates through the equity method, whenever it has future liability. When the share of losses of an associate exceeds the investment in the associate, the Group recognizes additional losses in the future if the Group has incurred obligations or made payments on behalf of the associate.

EXPENSES AND INCOME

Income and expenses are recorded in the period to which they relate, regardless of payment or receipt, in accordance with the accounting principle of accrual. The differences between the amounts received and paid and the corresponding revenues and expenses are recognized as assets or liabilities if they qualify as such.

REVENUE

The Revenue is the fair value of the amount received or receivable for the provision of services in the normal course of the Group's activity. Revenue is recorded net of any taxes, trade discounts and financial discounts..

SPECIALIZATION OF EXPENSES AND INCOME

Income and expenses are recorded in the period to which they relate, regardless of payment or receipt, in accordance with the accounting principle of accrual. The differences between the amounts received and paid and the corresponding revenues and expenses are recognized as assets or liabilities if they qualify as such.

BALANCE SHEET CLASSIFICATION

Realizable assets and liabilities due in more than one year from the balance sheet date are classified, respectively, as non-current assets and liabilities.

SUBSEQUENT EVENTS

Events occurring after the balance sheet date that affect the value of existing assets and liabilities are considered when preparing the financial statements for the period. If significant such events are disclosed in the notes to the financial statements.

MAIN ESTIMATES AND JUDGEMENTS

All estimates and judgements used in preparing the financial statements were made by the management based on its best knowledge of events and transactions in progress at the date of approval of the financial statements.

Changes to these estimates, occurring after the date of the financial statements, will be recognized in the income statement prospectively.

TANGIBLE FIXED ASSETS

During the year ending in December 31, 2015 the movements recorded in the Fixed Assets Tangible item were as follows:

	LAND	BUILDINGS	EQUIPAMENTO			OTHER ASSETS	ON GOING	TOTAL
			BASIC	TRANSPOR-TATION	ADMINISTRAT.			
INITIAL NET CARRYING AMOUNT	19.859.137	19.849.825	3.623.539	48.358	70.768	674.34	1.100.188	45.226.249
ADDITIONS								
Transfers								
Alienations								
Reversion of Depreciations								
Other additions	(90.532)	(312.994)	(188.905)	227.166	(7.722)	(2.785)	710.224	334.452
TOTAL AMOUNT OF ADDITIONS	(90.532)	(312.994)	(188.905)	227.166	(7.722)	(2.785)	710.224	334.452
REDUCTIONS								
Depreciations	(909)	(1.103.789)	(607.480)	(93.891)	(34.863)	(938.374)	-	(2.779.306)
Alienations								57.542
Regularizations	(33.508)	540.531	987.605	80.946	27.601	816.457		2.419.632
Disposals								-
Transfers								-
TOTAL REDUCTIONS	(34.417)	(563.258)	465.738	(12.945)	(7.262)	(121.917)	-	(302.132)
FINAL NET CARRYING AMOUNT	19.734.188	18.973.573	3.900.372	262.579	55.784	549.732	1.810.412	45.258.569

a) Warranties

The land and buildings of Esporão estate, as well as plantations and implemented improvements are encumbered to the fulfilment of obligations of compliance with the Commercial Paper Programme in the amount of 28 million euros, granted by the bank syndicate led by BCP. At the end of this financial year the total amount of commercial paper under this contract amounted to 20 million euros.

The land and buildings of Quinta dos Murça are given in guarantee for a CCAM loan to Esporão, S.A., which to date stands 3.3 million euros.

b) Revaluations

Tangible assets of Esporão, S.A. were reassessed under the following legislation:

Decree Law	n.º 399-G/84, de 28.12
Decree Law	n.º 118B/86, de 27.05
Decree Law	n.º 49/91 de 25.01
Decree Law	n.º 264/92 de 24.11
Decree Law	n.º 31/98 11.02

Economic revaluations based on studies of expert evaluators, concerning the properties owned by the company.

c) Capitalization of financial charges

The Group has not added any financial charges to projects ended during this year, according to the NCRF 10 (borrowing costs) in combination with NCRF 7 (tangible fixed assets).

INTANGIBLE ASSETS

The item Intangible Assets includes programs and information systems shared by multiple user companies. During the year ended on December 31, 2015 the movements registered in the Tangible Fixed Assets items were as follows:

MOVEMENTS IN TANGIBLE FIXED ASSETS - 2015	DEVELOPED PROJECTS	BRANDS	TOTAL
INITIAL NET CARRYING AMOUNT	112.140	1.567	113.707
ADDITIONS			
Transfers			
Alienations			
Reversion of Depreciations			
Other additions		(397)	(397)
TOTAL AMOUNT OF ADDITIONS	-	(397)	(397)
REDUCTIONS			
Depreciations	(60.864)	-	(60.864)
Alienations			-
Regularizations			-
Disposals			-
Transfers			-
TOTAL REDUCTIONS	(60.864)		(60.864)
FINAL NET CARRYING AMOUNT	51.276	1.170	52.446

BIOLOGICAL ASSETS

The item of biological assets includes the vineyards, the olive groves and forests of holm oak and stone pine. The vineyards and olive groves are valued at fair value method, with the criteria set forth in paragraph 3.2.4. The value of forests was calculated according to the method of the replacement cost, existing areas of native plants not recorded in the accounts of the company.

The movements recorded in the years 2014 and 2015 were as follows:

	2015	2014
VINEYARD		
Initial Value	42.813.144	43.241.517
Adjustments		
Improvement/ Reversal of fair value period	(93.712)	(428.373)
VALUE IN THE END OD THE PERIOD	42.719.432	42.813.144
OLIVE GROVE		
Initial Value	2.709.966	2.711.629
Adjustments		(1.663)
Improvement/ Reversal of fair value period	(3.276)	
VALUE IN THE END OD THE PERIOD	2.706.690	2.709.966

FOREST		
Initial Value		
Adjustments		
Improvement/ Reversal of fair value period	4.550,00	
VALUE IN THE END OD THE PERIOD	4.550,00	
ANIMALS		
Initial Value	374.641	374.641
Adjustments		
Improvement/ Reversal of fair value period		-
VALUE IN THE END OD THE PERIOD	374.641	374.641
	45.805.313	45.897.751

The Group registers the vines as biological assets at fair value in accordance with NCRF 17 (agriculture). In the year 2014 assumptions regarding the fair value valuation have been revised which happens every two years.

SHAREHOLDINGS

The item of shareholdings includes the value of shares in each of the subsidiaries and also the additional or supplementary capital contributions. Quotas and shares in the capital of subsidiaries are recorded at their acquisition cost and subsequently adjusted by the equity method all entries with more than 20% stake in subsidiary representation.

HEADQUARTERS	BOOK VALUE		% OF OWNER-SHIP	DATA FROM DE LAST AVAILABLE ACCOUNTS		
	2015	2014		EQUITY	NET INCOME	YEAR
SUBSIDIARIES						
Esporão - Wine & Olive Oils	-	16.825	16.825	100%		
Primedrinks	LISBOA			50%	2.415.349	115.349 2015
Value of Participation		392.546	360.823			
Financing Loans		378.288	541.491			
Gesparte	LISBOA					
Value of Participation						
Financing Loans		1.392.000				
		2.179.659	919.139			
SUBSIDIARIES - OTHER METHODS						
C.A.R.M.	-	170	170			
Lisgarante Totta	-	37.500	43.000			
Garval	-	14.500	14.500			
Reguengos Sustentável						
Coop Agrícola de Mourão	-	15	15			
Gesparte		788.000				
Ind. Council Devel. Serv.	-		41.577			
Caixa Cred. Agricol. Mutua	-	615	499			
CEPAAL	-	2.000	2.000			
Other companies	-	65	65			
		842.865	101.826			

DEFERRED TAX ASSETS AND LIABILITIES

As referred in point 3.10. the Group is subject, since 2011, to the Special Taxation of Corporate Groups (RETGS) being the dominant entity Gesparte, S.A. and initially using the deferred tax rate of 26.5%, was later updated to 24.5%, reflecting the updating of the general income tax rate to 23%.

The movements in the item Deferred tax assets and liabilities for the years presented are as follows:

DEFERRED TAX ASSETS AND LIABILITIES 2015	BRANDS	LAND REVALUATIONS	BIOLOGICAL ASSETS	INTANGIBLE ASSETS	NO RESULTS/ NON TAXABLE	TOTAL
INITIAL BALANCE		2.144.462			174.317	2.318.779
Increases	-	-	-	-	3.106.783	3.106.783
Reversions						-
FINAL BALANCE	-	2.144.462	-	-	3.281.100	5.425.562

DEFERRED TAX LIABILITIES 2015	NON FISCAL REVALUATIONS	BIOLOGICAL ASSETS	INVESTMENT	NO RESULTS/ NON TAXABLE	TOTAL
INITIAL BALANCE	937.901	7.555.256	448.160		8.941.317
Increases			125.694		125.694
Reversions		(755.951)			(755.951)
FINAL BALANCE	937.901	6.799.305	573.854	-	8.311.060

In this exercise, the carrying value relating to deferred tax assets on tax losses from previous years amounts to 3.888.928 euros. This amount derives mainly from the assumed tax losses with the dissolution of subsidiary Zamagri-Agricultura e Comércio Internacional, Lda. The Administration believes in the recovery due to the positive results generated in the current year and according to prospects for future years.

INVENTORIES

The accounting policies and measurement criteria adopted in preparing the financial statements are described in section 3.6. of this report.

Breakdown of the balance of inventories to 31.12.2014 and 31.12.2015:

INVENTORIES	2015	2014
Goods		7.753.665,86
Raw Materials	1.690.951,97	1.788.287,58
Products and Work in Progress		2.574.101,07
Finished Products and intermediate products		
By products, waste, residue and rejects	0	
	-	-

CLIENTS

In the year ending December 31, 2015, the breakdown of the item Clients is as follows:

	2015	2014
i) Clients - current account		
<90 days	4.862.908	5.527.469
>90 e <150 days	1.213.302	1.680.628
>150 days	378.848	896.714

ii) Clients - receivables	-	-
iii) Doubtful debt	8.717	38.661
	6.463.775	8.143.472
Clients - Impairment	(8.717)	(38.578)
TOTAL CLIENTS	6.455.058	8.104.894

i) Clients - Current Account: This account refers to amounts receivable by the Group on behalf of services rendered, whose deadline for receiving is substantially reduced;

ii) Clients - receivables: this item shows credits of client entities securitized in the form of letters, which had not yet been discounted to the balance sheet date; and

iii) Doubtful debtors: Client credits for which was evaluated and identified maximum risk of collectability by the Group, and these balances are fully adjusted.

STATE AND OTHER PUBLIC ENTITIES

There are no overdue debts to the State. Breakdown of the balance at end of year:

	2015	2014
RECEIVABLES FROM THE STATE		
VAT	555.264,41	466.763,85
Corporation Income Tax (deducted from advanced payments to the State)	2.698	719.202,41
ICMS (Brazil)	1.223.975	
Other receivables	271.794	676
	2.053.731,41	1.186.642,26
PAYABLES TO THE STATE		
Corporate Income Tax (deducted from advanced payments to the State)	1.222.995	0
Income tax	98.527,5	263.763,7
VAT	0	
Social Security Payments	122.011,75	129.665,77
Other payables to the State	0	0
	393.430	393.429,47
STATE AND OTHER PUBLIC ENTITIES	793.213	793.212,79

The receivable and payable amounts related to taxes in Brazil are added to or deducted from taxes with the same characteristics in Portugal, adopting the nomenclature of Portuguese financial statements, except for the value of ICMS because it has different characteristics from taxes applied in Portugal.

OTHER RECEIVABLES AND PAYABLES

Breakdown of the items on December 31:

	2015	2014
OTHER ACCOUNTS RECEIVABLE		
Non Current		
Other accounts receivable		
Current		
Receivable amounts IFAP/ INGA	1.211.632,74	386.429,35
Personnel	20.418,86	28.062
Debtors	1.107.934,3	1.296.067,19
Other receivable	861.542,8	258.464,1
Impairments	0	-17.587,9
	3.201.528,7	1.951.434,74
OTHER ACCOUNTS PAYABLE		
Non-Current		
Payables amount IFADAP		
	0	
Current		
Investment Suppliers	527.034,92	770.276,55
Remunerations payable	877.236,56	874.785
Interest Payable	243.540,66	62.674,46
Creditors	105.990,58	1.251.970,6
Personnel	19.941,68	1.222,93
Other payables	291.393,45	195.477,99
	2.065.137,85	3.156.407,53
TOTAL	1.136.390,85	-1.204.972,79

The item "Receivable amounts IFAP" refers to the subsidies allocated by the national and EU public institutions to support some investments, including the following:

- Construction of Lagares winery > 823 thousand euros
- Wine Tourism expansion > 355 thousand euros
- Agricultural investments > 34 thousand euros

The investment for the construction of the Lagares winery is approved by the competent authorities, according to CDRA notification, and is in contracting phase.

It also includes the value of interests and services still being completed which will be charged in subsequent years.

The item "other receivables" includes the value to be received from DBrands regarding the installation of the Esporão distributor in Angola and expenses for the development of markets.

CASH AND BANK DEPOSITS

CASH AND CASH EQUIVALENTS THAT ARE NOT AVAILABLE FOR USE

Esporão Group does not hold any cash fund or equivalent with restrictions on its use in the years presented.

BREAKDOWN OF VALUES REGISTERED IN CASH AND BANK DEPOSITS

On December 31, 2015, the breakdown of cash and cash equivalents are as follows:

	2015	2014
CASH	946.277	46.165
Bank Deposits	1.109.925	1.004.975
Other Bank Deposits	2.084.015	1.778.535
Other financial assets	388.499	524.311
CASH AND BANK DEPOSITS	4.528.716	3.353.986

SHAREHOLDERS / PARTNERS

It refers to the positive / negative balances of non-consolidated subsidiaries and of the shareholder. The breakdown is as follows at December 31:

	2015	2014
SHAREHOLDERS/ PARTNERS RECEIVABLE		
Current		
Gespart, SA	11.896.445	78.780
Others	26	
	11.896.471	78.780
SHAREHOLDERS/ PARTNERS PAYABLE		
Non Current		
Gesparte, SA	90.505	9.102.850
Dr. José Roquette	481.582	287.768
Current		
Gesparte, SA		
Other		
	572.087	9.390.618
TOTAL	11.324.384	(9.311.838)

The balance of receivables from Gesparte refers to the interest-bearing loan made to this company at the average rate contracted with leading banking institutions. Esporão now holds a stake of 3% of the capital.

DEFERRALS

In the year ending December 31, 2015, the breakdown of the items of Assets and Liabilities Deferrals is as follows:

	2015	2014
DEFERRED ASSETS		
i) Compensations	116.853	146.066
ii) Other recognizable expenses	434.212	169.951
iii) OCM Subsidies	392.085	19.943
	943.150	335.960
DEFERRED LIABILITIES		
iv) Investment Subsidies		82
v) Other recognizable incomes	73.848	10.043
	73.848	10.125

i) Amounts paid in 2015 and recognized as an expense in 2016;

- ii) Amounts paid in 2015 and recognized as expenses in the following years , which refer mainly to commissions and banking services;
- iii) Income recognition in 2015 which will be received in 2016.

SUPPLIERS

In the year ending December 31, 2015, the breakdown of the item Suppliers is as follows:

DESCRIPTION	2015	2014
i) Suppliers - Current Account (group)		
ii) Suppliers - Current Account (third party)	8.500.447	8.011.544
iii) Suppliers - invoices reception and conference	1.076.525	989.356
TOTAL SUPPLIERS BALANCE	9.576.972	9.000.900

- i) **Suppliers - current account (third party):** the item reflects commercial activities established between the Group and service providers;
- ii) **Suppliers - invoices reception and conference:** documentation relating to transactions carried out by Group companies, which remains in a state of conference at the balance sheet date. The costs of these operations were considered in this exercise, moving to the next financial year the registration of the invoice and respective payment.

OBTAINED FINANCING

Loan details concerning their term (current and non-current) and by type of loan at the end of the year are as follows on the table below.

We considered as values in debt in the medium and long term, the amounts related to commercial paper programs contracted with the following institutions: (i) bank syndicate led by Millennium BCP and composed by Banco BIC and Banco Popular, in the amount of 26 million euros and also (ii) Montepio Geral in the amount of 5 million euros. On December 31st these contracts were used in 20 million and 3 million, respectively.

Discrimination of obtained funding:

ESPORÃO CONSOLIDATED (COMPLETE PLAN)	LIABILITIES NON CURRENT	LIABILITIES CURRENT	TOTAL
Bank Loans	36.565.465	2.915.858	39.481.322
Overdrafts	-	757	757
Confirming	-	9.959.633	9.959.633
Total on 31.12.2015	36.565.465	12.876.248	49.441.713
Total on 31.12.2014	15.843.558	16.785.674	32.629.233

EQUITY

COMPOSITION OF CAPITAL

On December 31, 2015, the capital of the Esporão Group was fully subscribed and paid, represented by 1,000,000 shares with a nominal value of 5 euro each.

In the year 2015 the registered capital was increased from 5.0 million euros to 5.3 million euros, by issuing 60,000 shares, fully subscribed and paid. The movements related to adjustments and changes in equity for the years ending December 31, 2015 and 2014, are decomposed and systematized in the statement of changes in equity.

CAPITAL INCREASE

During the financial year, the registered capital was increased from 5.0 million euros to 5.3 million euros, by private issue of 60 000 shares subscribed at the price of 5 euros per share, in its entirety by the Dutch law company Global Prom. This issue was carried out at premium, so that the new shareholders would bring into the company an amount equal to the capital value and reserves on the day of the transaction. The total value of this share was 3.36 million euros.

INCREASE IN SUPPLEMENTARY CAPITAL SUBSCRIPTIONS

On the issuance of shares, Global Prom society strengthened Esporão's equity by supplementary capital subscriptions in the amount of 1.424 million euros.

EQUITY EXCHANGE

There were exchanges of equity holdings in the company. With this operation the company now holds 3% of the capital of Gesparte, SA and sold 40.018 of its own shares to Global Prom. Hence, our books register Gesparte shares in the amount of 2.180.000 euros and records of own shares in nominal value were cancelled.

ASSETS REVALUATION SURPLUS

During the financial year, there was an adjustment of the assets revaluation surplus reserve, taking into account the revaluation surplus that had been created with the revaluation of the vineyards sold to Esporão Produção Biológica.

OTHER EQUITY VARIATIONS

On this item, we include the value of the investment subsidies associated with the following projects:

- Agricultural project: increase in the value of the subsidy in the amount of 56.000 euros, regarding investments in 2015.
- Project Lagares Winery: the value of the subsidy for this project, approved by the institution in charge of managing the PDR2020 program, amounted to 823.000 euros, granted to support the investments carried out in 2015.

MINORITY INTERESTS

Minority interests at the date of December 31, 2015 were calculated as follows:

	ESPORÃO	EVM	E.AZEITES	MURÇAS	E. BIOLÓGICA	QUALIMPOR	ACCUMULATED
Group Net Income	6.292.714,09	-395.372,87		-76.230,83		-76.230,83	6.319.734,74
Total Equity							
% Ownership	100,00%	100,00%	98,00%	100,00%	100,00%	95,00%	
Minority Interest	0,00%	0,00%	2,00%	0,00%	0,00%	5,00%	
I.M. on the result	0,00	0,00	8.441,34	0,00	0,00	-3.811,54	4.629,80
I.M. on Equity	0,00	0,00	7.973,78	0,00	0,00	102.205,03	110.178,81

SALES AND SERVICES

The amount of Sales and Services recognized in the consolidated income statement by nature is detailed as follows:

	2015	2014
SALES AND SERVICES		
Domestic Market	18.634.988	19.238.047
Intra-Community Market	4.726.448	4.175.925
External Markets	18.298.174	18.529.439
Services	1.153.473	1.223.952
	42.813.083	43.167.363

COST OF MATERIALS CONSUMED

	2015		2014	
	GOODS	RAW MATERIALS	GOODS	RAW MATERIALS
COSTS OF MATERIALS USED				
Initial Inventories		9.541.953	39.024	5.924.669
Purchases	1.205.289	15.765.809	2.005.925	19.277.401
Reclassification and Regularization of Inventories	-	(43.410)	-	-
Final Inventories	829.817	7.292.894		9.541.953
C.M.V.M.C.	375.472	17.971.458	2.044.949	15.660.117

VARIATION IN PRODUCTION

	2015		2014	
	FINISHED PRODUCT	WORK IN PROGRESS	FINISHED PRODUCT	WORK IN PROGRESS
DEMONSTRATION VARIATION IN PRODUCTION				
Initial Inventories	15.509.165	2.574.101	18.431.058	2.716.455
Reclassification and Regularization of Inventories	233.336		2.207.533	-
Final Inventories	16.876.165	1.617.351	15.509.165	2.574.101
VARIATION IN PRODUCTION	1.600.336	(956.750)	(714.360)	(142.354)

SUPPLIES AND EXTERNAL SERVICES

The breakdown of costs for supplies and services is as follows:

	2015	2014
SUPPLIES AND EXTERNAL SERVICES		
Subcontractors	-	-
Specialized Work	1.542.073	1.595.866
Surveillance and Security	40.198	36.285
Fees	-	1.575
Commissions	530.947	458.955
Marketing and Publicity	3.547.505	2.858.285
MAINTENANCE AND REPAIRS	467.348	452.405
Buildings and other constructions	22.816	17.440
Basic Equipment	405.430	397.388
Transport Equipment	37.135	33.142
Others	1.967	4.434
Office materials	36.974	39.910
Fuels	198.818	221.363
Electricity	329.302	303.267
Travelling and Accommodation	1.665.662	1.719.406
RENTS AND LEASES	1.207.181	1.055.833
Real estate	649.884	643.193
Vehicles	249.031	272.342
Equipment	285.765	122.297
Others	22.500	18.000
Communication	214.004	225.656
Insurance	120.241	129.734
Representation expenses	50.822	75.395
Other services	554.103	704.016
	10.505.177	9.877.949

PERSONNEL EXPENSES

	2015	2014
PERSONNEL EXPENSES		
Remuneration of Corporate Bodies	266.872	307.910
Remuneration of Personnel	5.337.824	5.011.983
Post-employment benefits	1.700	800
Compensations	3.639	4.383
Charges on Remuneration	1.127.526	1.083.939
Insurance for Work accidents and professional diseases	121.361	99.727
Social action	12.182	8.079
Others costs with personnel	186.704	159.569
	7.057.808	6.676.390

OTHER INCOME AND GAINS

Income and financial gains refer to favourable exchange differences arising from the company's operation.

	2015	2014
OTHER INCOME AND GAINS		
Supplementary Income	10.970	181.524
Prompt payment discounts	84.746	111.653
Investment subsidies	362.750	360.581
Incomes and Earnings in Financial Investments	290.164	614.070
Incomes and Earnings in Non-Financial Investments	594.634	13.380
Others	201.260	159.510
	1.544.524	1.440.718

Income and gains on non-financial investments refers mainly to gains from selling the Serpa building and the mill equipment, which occurred in July 2015.

The item "Others" is related to taxes and other adjustments deferred from previous years.

OTHER EXPENSES AND LOSSES

	2015	2014
OTHER EXPENSES AND LOSSES		
Taxes	338.993	415.194
Donations	57.418	60.197
Offers and samples from stock	558.250	686.651
Disposal of tangible assets	39.043	37.696
Unfavorable foreign exchange differences	156.178	29.926
Other expenses and losses	796.057	426.174
	1.945.938	1.655.838

The tax item refers mainly to fees paid to the wine regional commissions of Alentejo and Douro.

The item "others" refers to losses incurred on inventories, losses on the dissolution of the company Zamagri, losses on disposal of fixed assets, fines and penalties, corrections related to prior years and various charges.

INCREASES / DECREASES IN FAIR VALUE

Refers to variations in the value of biological production assets, including vineyards, olive groves and other plantations.

FINANCIAL INCOME AND EXPENSES

The value of financial income is mainly related to interest on loans made to corporate shareholders.

	2015	2014
OBTAINED INTEREST AND SIMILAR INCOME		
Obtained Interest	353.109	39.874
Others income and financial earnings	1.612	16.053
	354.721	55.927
INTEREST AND SIMILAR COSTS PAID		
Interest paid	1.724.614	2.109.138
Other costs and financial losses	473.497	414.384
	2.198.111	2.523.522

Expenses and financial costs include costs associated with financing agreements, including management fees, immobilization, opening and organizing the process, stamp duty, and others

REMUNERATION OF CORPORATE BODIES

The remuneration paid to the members of the board of directors of Esporão, SA amounts to 266.972. Euros

Total fees related to compliance with supervisory duties paid to the Auditor for the financial year 2015, amount to 41.060 Euros.

AUTHORIZATION TO ISSUE

The Consolidated Financial Statements for the year ended December 31st, 2015 were approved by the Board of Directors and authorized for issue on February 23rd, 2015.

It is the opinion of the Board that the financial statements reflect truly and fairly the Group's operations and its financial position, performance and cash flows.

Lisboa, February 23rd 2016

The Board

CERTIFICAÇÃO LEGAL DAS CONTAS

(Contas Consolidadas)

INTRODUÇÃO

1. Examinámos as demonstrações financeiras consolidadas de “**ESPORÃO, S.A.**”, as quais compreendem o Balanço consolidado em 31 de Dezembro de 2015, (que evidencia um total de 155.493.848 euros e um total de capital próprio de 82.991.238 euros, incluindo um resultado líquido positivo, atribuível aos accionistas, de 6.614.857 euros), a Demonstração consolidada dos resultados por naturezas, a Demonstração consolidada das alterações no capital próprio, a Demonstração consolidada dos fluxos de caixa e as notas anexas às demonstrações consolidadas do exercício findo naquela data.

RESPONSABILIDADES

2. É da responsabilidade do Conselho de Administração:

- a preparação de demonstrações financeiras consolidadas que apresentem de forma verdadeira e apropriada a posição financeira das empresas incluídas na consolidação, o resultado consolidado das suas operações, as alterações no capital próprio e os fluxos de caixa consolidados;
- a adopção de políticas e critérios contabilísticos adequados; e
- a manutenção de sistemas de controlo interno apropriados.

3. A nossa responsabilidade consiste em expressar uma opinião profissional e independente, baseada no nosso exame daquelas demonstrações financeiras.

ÂMBITO

4. O exame a que procedemos foi efectuado de acordo com as Normas Técnicas e Directrizes de Revisão/Auditoria da Ordem dos Revisores Oficiais de Contas, as quais exigem que o mesmo seja planeado e executado com o objectivo de obter um grau de segurança aceitável sobre se as demonstrações financeiras consolidadas estão isentas de distorções materialmente relevantes. Para tanto o referido exame incluiu:

- a verificação de as demonstrações financeiras das empresas incluídas na consolidação terem sido apropriadamente examinadas e, para os casos significativos em que o não tenham sido, a verificação, numa base de amostragem, do suporte das quantias e divulgações nelas constantes e a avaliação das estimativas, baseadas em juízos e critérios definidos pelo Conselho de Administração, utilizadas na sua preparação;

- a verificação das operações de consolidação integral;
 - a apreciação sobre se são adequadas as políticas contabilísticas adoptadas, a sua aplicação uniforme e a sua divulgação, tendo em conta as circunstâncias;
 - a verificação da aplicabilidade do pressuposto da continuidade; e
 - a apreciação sobre se é adequada, em termos globais, a apresentação das demonstrações financeiras consolidadas.
5. O nosso exame abrangeu também a verificação da concordância da informação constante do relatório de gestão consolidado com as demonstrações financeiras consolidadas.
6. Entendemos que o exame efectuado proporciona uma base aceitável para a expressão da nossa opinião.

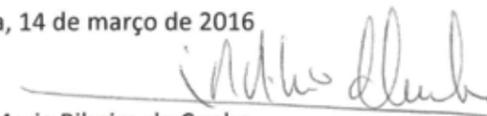
OPINIÃO

7. Em nossa opinião, as referidas demonstrações financeiras consolidadas apresentam de forma verdadeira e apropriada, em todos os aspectos materialmente relevantes, a posição financeira consolidada da “**ESPORÃO, S.A.**”, em 31 de Dezembro de 2015, o resultado consolidado das suas operações, as alterações no capital próprio e os fluxos de caixa consolidados no exercício findo naquela data, em conformidade com os princípios contabilísticos geralmente aceites em Portugal.

RELATO SOBRE OUTROS REQUISITOS LEGAIS

8. É também nossa opinião que a informação constante do relatório de gestão consolidado é concordante com as demonstrações financeiras do exercício.

Lisboa, 14 de março de 2016



José Maria Ribeiro da Cunha

Em representação de:

“Amável Calhau, Ribeiro da Cunha & Associados
Sociedade de Revisores Oficiais de Contas”

Esporão, S.A.
CLC 2015 - Consolidado



**RELATÓRIO E PARECER
DO
FISCAL ÚNICO**

Contas Consolidadas

Exmos. Senhores Acionistas,

1. No cumprimento das disposições legais em vigor apresentamos o nosso relatório sobre a verificação efectuada às contas consolidadas, bem como o nosso parecer sobre o relatório de gestão consolidado, o balanço consolidado, a demonstração consolidada dos resultados por naturezas, a demonstração consolidada das alterações no capital próprio, a demonstração consolidada dos fluxos de caixa e as respectivas notas anexas consolidadas relativas ao exercício de 2015, elementos estes submetidos à nossa apreciação pelo Conselho de Administração da "ESPORÃO, SA".

2. No exercício anterior elaborámos, igualmente, o relatório, parecer e certificação legal das contas sobre as demonstrações financeiras consolidadas.

3. Cumpre-nos informar que as demonstrações financeiras consolidadas são apresentadas de acordo com o normativo contabilístico consignado no Sistema de Normalização Contabilística (SNC), aplicando as Normas Contabilísticas e de Relato Financeiro (NCRF).

4. A nossa revisão foi efectuada de acordo com as Normas Técnicas e as Directrizes de Revisão/Auditoria da Ordem dos Revisores Oficiais de Contas, tendo procedido para o efeito a uma verificação das operações de consolidação e suas inerentes regularizações.

5. A nossa opinião, no que se refere aos procedimentos de consolidação e aos valores das empresas englobadas na consolidação:

5.1. está suportada no trabalho que desenvolvemos como revisores oficiais de contas das empresas subsidiárias tendo emitido, para o efeito, o relatório e parecer do fiscal único e, ainda, a certificação legal das contas para as diferentes sociedades;

5.2. excepção feita à sociedade Esporão Produção Biológica, Lda., incluída no perímetro de consolidação pelo método integral, cujas demonstrações financeiras não foram sujeitas a quaisquer trabalhos de auditoria legal ou limitada. Consideramos, após a eliminação de transacções e saldos intragrupo, que o seu contributo para o consolidado não é materialmente relevante, tendo aconselhado o Conselho de Administração da necessidade de proceder a uma auditoria futura, baseada em procedimentos limitados.



.../...

6. As empresas subsidiárias objecto de consolidação em 31 de Dezembro de 2015, foram as seguintes:

Empresas	% Participação	Método Consolidação
1. Esporão Vendas e Marketing, S.A.	100%	Integral
2. Murças, S.A.	100%	Integral
3. Esporão Produção Biológica, Lda.	100%	Integral
4. Esporão Azeites, Lda.	98%	Integral
5. Qualimpor, S.A.	95%	Integral

Cumpre-nos referir que:

- a sociedade Primedrinks, SA, participada a 50%, encontra-se incluída no consolidado através do método da equivalência patrimonial por não haver controlo de gestão maioritário.

- a sociedade Zamagri – Agricultura e Comércio Internacional, Lda., fez parte em 2014 do perímetro de consolidação. Contudo no exercício de 2015 foi objecto de dissolução e liquidação.

7. Após uma análise cuidada às operações de consolidação e inerentes regularizações, constatámos que os activos líquidos consolidados ascendem a 155.493.848 euros, os rendimentos consolidados ascendem a 46.947.887 euros e os resultados líquidos consolidados, atribuíveis aos accionistas, são positivos de 6.614.857 euros.

8. O relatório de gestão consolidado é concordante com as contas de consolidação e complementa-as adequadamente.





Amável Calhau, Ribeiro da Cunha & Associados
Sociedade de Revisores Oficiais de Contas

9. As demonstrações financeiras consolidadas, nomeadamente, o balanço consolidado, a demonstração consolidada dos resultados por naturezas, a demonstração consolidada das alterações no capital próprio, a demonstração consolidada dos fluxos de caixa e as notas anexas consolidadas referentes ao exercício de 2015:

- refletem os activos, passivos e resultados da ESPORÃO, SA e das suas subsidiárias;
- foram preparadas de acordo com as Normas Contabilísticas e de Relato Financeiro (NCRF) e com os princípios contabilísticos consignadas no Sistema de Normalização Contabilística (SNC);
- representam de forma adequada a situação patrimonial e financeira da empresa.

10. Face ao exposto e tendo em atenção a Certificação Legal das Contas consolidadas somos de parecer:

Que sejam aprovados o Relatório de Gestão consolidado, o Balanço consolidado, a Demonstração consolidada dos resultados por naturezas, a Demonstração consolidada de alterações no capital próprio, a Demonstração consolidada dos fluxos de caixa e as respectivas notas Anexas da "ESPORÃO, SA", referentes ao exercício de 2015.

Lisboa, 14 de Março de 2016

José Maria Ribeiro da Cunha
Em representação de:
"Amável Calhau, Ribeiro da Cunha & Associados
Sociedade de Revisores Oficiais de Contas"

