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Financial Reporting about Investment Properties:

Evidence from Portuguese Listed Companies

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Title:

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Abstract

Companies are increasing their investment properties; however they are not disclosing the information that is required by the IAS 40. It regulates the financial reporting of those assets, it defines the scope and the models that companies may use when measuring their investments properties. This research provides insights to understand which model the companies choose (fair value or the cost model) and why. The findings suggest that the Portuguese listed companies do not provide satisfying information about investment properties, as increases the financial leverage or the age of a company, it is more likely to adopt the fair value model.

Key Words: Investment Properties, Cost Model, Fair Value Model, Measurement

1. Introduction

Every day, the world is becoming more global. Somehow, everything and everyone is connected in a more intensive way. This fact reached the markets to all the companies disclose their financial information according to the same standards. In 2002, the European Union adopted the International Accounting Standard / International Financial Reporting Standards (IAS/IFRS)[1]. All the European listed companies should have implemented until 2005 the (IAS/IFRS). In the set of standards that the EU countries had to adopt is *IAS 40 Investment Properties*. This standard has as main subject investment properties[2], that is "an investment in land or a building, part of a building, or both, that are held by the owner with the intention of earning rentals or capital appreciation" (Epstein & Jermakowicz, 2010).

This standard allows for accounting choice regarding recognition of this type of non-current asset. The purpose of this research is to get insight into financial reporting about investment properties, how companies are recognising and measuring these type of assets, what type of information is being disclosed about them, and understand the reasons that motivate the Portuguese companies to choose the fair value or the cost model to measure the investment properties. This study is based on a sample of all the companies that were listed in the Euronext Lisbon on December 31th, 2011, which and present investment properties in the statement of financial position on that date[3].

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[1] IAS were issued by the International Accounting Standards Committee (IASC) and were released from 1973 until to 2001. In this year the International Accounting Standards Board (IASB) superseded the IASC and adopted the IAS and the Standard Interpretation Committee (SIC) (these standards are the interpretations of the IAS). The IFRS are the new standards issued by the IASB.

[2] Usually, investment properties in US are known as "real estate property". The 'real' in 'real estate' means relating to a thing. According to the *Oxford Dictionary of Law* (4th edition), New York: Oxford University Press, 1997) ,in British usage, "real property", often shortened to just "property", and generally refers to land and fixtures, while the term "real estate" is used "mostly in the context of probate law, and means all interests in land held by a deceased person at death, excluding interests in money arising under a trust for sale of or charged on land"

[3] With the exception the ones that have a fiscal year different from the civil year.

Despite of the IAS 40 be a mandatory standard to all public company, they are not disclosing all the information required in the standard and in some cases they are disclosing the required information but not in the right way. The principal issues that this Work Project it is to analyses if the companies are adopting the IAS 40 in full and which variables can lead the choice of the model (cost model or fair value model).

This research provides evidence on the current financial reporting practices about investment properties by Portuguese companies listed in the Euronext Lisbon.

This work project proceeds as follows. After the introduction, Section 2 introduces the concept investment properties, key concepts that will be used in the Work Project and briefly describes the regulatory framework which applies to the consolidated financial reports of listed companies, that is IAS 40. Section 3 presents the literature review about investment properties. Section 4 contains the description of research questions. Section 5 describes the methodology and sample. Session 6 shows the results and its interpretations, and recommendation. Finally, it comes the conclusion, limitations and suggestions for future research in Section 7.

2. Conceptual and Regulatory Framework

Investment properties are land, buildings or part of buildings that are held by the owner with the intention of earning rentals or capital appreciation (Epstein & Jermakowicz, 2010). Figure 1 summarizes the main issues that may characterize the concept investment properties:
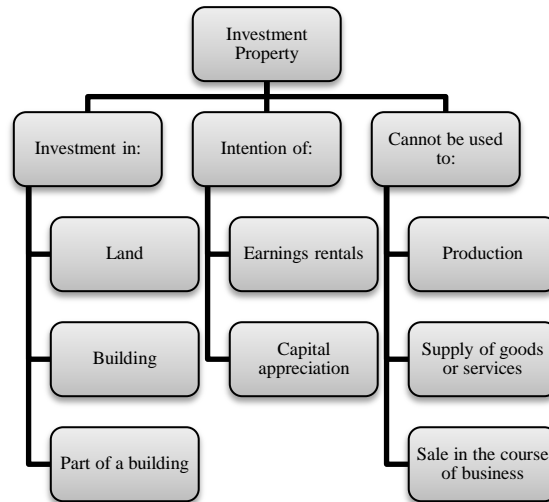
Investment Property

Investment in: Intention of: Cannot be used to:

Land Earnings rentals Production

Building Capital appreciation Supply of goods or services

Part of a building Sale in the course of business

Figure 1: Investment Property Definition

To measure the investment properties according to IAS 40, companies can choose either the Cost Model or the Fair Value Model. When adopting the former, should use the Cost Model in accordance with IAS 16, which states that the cost is "the amount of cash or cash equivalents paid or fair value of other consideration given to acquire an asset at the time of its acquisition or construction" (IAS 40, 2009). Regarding the latter, the fair value is "the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction" (IAS 40, 2009). The carrying amount is "the amount at which an asset is presented in the statement of financial position" (Epstein & Jermakowicz, 2010). The carrying amount is estimated in formula 1.

$$
\begin{aligned}
Carrying\ amount \qquad\qquad [1]\\
=\ Acquisition\ Value - Accumulated\ Depreciation\\
- Impairments \pm Business\ Combination\\
\pm Exchange\ Rate\ Effect + Additions\ and\ Increases\\
- Sales\ and\ other\ Decreases \pm Transfers\ and\ Write\\
- Offs \pm Changes\ in\ Fair\ Value
\end{aligned}
$$

The initial acquisition cost is modified, year after year. When following the cost model, the carrying amount is subject to depreciation year after year. Depreciation is the "process that

reduces the value of an asset as a result of wear and tear, or obsolescence, i.e., is a method of measuring the "consumption" of the value of long-term assets" (Epstein & Jermakowicz, 2010). There are various possible methods to estimate annual depreciation, such as straight-line, declining balance, and sum-of –the digits. The formula to calculate the straight-line method is presented in formula 2.

$$Depreciation = \frac{Cost - Estimated\ Residual\ Value}{Estimated\ Economic\ Life} \qquad [2]$$

The cost is the purchasing price or the revalued amount if the company is following a revaluation policy, and the estimated economic life or useful life of the asset is usually defined in the accounting rules. (Elliott & Elliott, 2009)

Impairment is normally a loss to the company. It is "the excess of the carrying amount of an asset or a cash-generating unit over its recoverable amount" (Epstein & Jermakowicz, 2010). Regularly is due to "problems of measurement, recognition and presentation of material reductions in value of non-current assets" (Elliott & Elliott, 2009).

The risk of the financial leverage can be measure by the Debt to Equiy Ratio.

IAS 40 is the specific standard which regulates the reporting of investment properties. It covers the four key points: recognition, measurement, transfers, disposals and disclosure (IAS 40, 2009). The figure 2 resumes the previous three issues.

Cost Model	Fair Value Model
Recognition	
Investment Properties	
Measurement	
Initially measure at cost	
Apply the same model to all properties	
Reflect market conditions at the end of the reporting period	IAS 16 – Property, Plant and Equipment
Transfers	
From/to investment property to/from owner-occupied property	
From/to investment property to/from inventories	

Figure 2: Cost Model *versus* Fair Value Model

The recognition is about understanding if the asset respects the definition of IP and if the cost could be measured reliably by the chosen model (IAS 40, 2009).

The measurement in the first time is always done at cost. Subsequently, the item can be measured either at cost or using the fair value model. The fair value model should reflect the market conditions at the end of the reporting period. It is not required, but it is recommended that an entity should have an independent appraiser to recognize the fair value (IAS 40, 2009).

The cost model should respect the IAS 16, which concerns Property, Plant and Equipment. In each year the property will be depreciated (unless if it is a land) using the straight-line method. The carrying amount which is presented in the statement of the financial position is estimated by subtracting the accumulated depreciation and the accumulated impairment losses to the cost. The companies should apply the same model to all properties. This allows a better comparison and respects the consistency, which are two desirable characteristics of the financial statements according to the IASB conceptual framework). However there are exceptions to this general rule. Sometimes, a company adopts the fair value model but cannot determine it reliably. In these cases the company can use the cost model (IAS 40, 2009).

A company may change from the cost model to the fair value model. However, normally they do not change from fair value to the cost model because the information will be less reliable and comparability may be affected (IAS 40, 2009).

IAS 40 also includes rules that should apply to transfers from investment property to owner-occupied property, from investment property to inventories (in order to sale it) and vice-versa (IAS 40, 2009).

Regarding the disposals, an asset should be disposed from investment properties if it is not expected any future economic benefits or will be retired of the used. The disposal could be done by sale or a finance lease (IAS 40, 2009).

The information disclosed under the notes to the financial statements should contribute to increase the usefulness of financial reporting and thus it is important that companies disclose all accounting choices adopted for the reporting period (in the income statement) or date of reporting (in the balance sheet) concerning investment properties, namely the model of valuation, the depreciation rate in use, the useful life of the investment property, the model of valuation, and assumptions for fair value. Figure 3 lists the set of disclosures common to both models of valuation and the disclosures that are specific for each model.

Cost Model	Fair Value Model
Disclosures	
Model adopted	
Methods and assumptions applied to determine the fair value	
Rental income	
Direct operating expenses	
Cumulative change in fair value	
Fair value	Carrying amount
Depreciation method	Additions
Be Useful lives or depreciation rate	Disposals
Gross carrying amount	Net gains or losses
Accumulated depreciation	
Annual Depreciation	

Figure 3: Disclosures about investment properties: Cost Model *versus* Fair Value Model

IAS 40 regulates disclosures about investment properties. According to it, companies must disclose in the notes what is the model adopted as valuation basis, the methods and the assumptions accepted to determine the fair value, the rental income, the direct operating expenses and the accumulated changes in fair value that were recognized in the profit and losses. Other disclosures depend on the model of valuation adopted by the company, either the cost model or the fair value model of valuation. Regarding the former, the entity should disclose the fair value that is associated to that investment, the method of depreciation, the useful lives, the gross carrying amount, the accumulated depreciation and the depreciation of that period.

Concerning the fair value model the company should disclose the carrying amount, the additions done to their portfolio, the disposals and the net gains or losses (IAS 40, 2009).

3. Literature Review

The literature about investment properties is twofold. On one side, there are empirical papers about the actual practices of financial reporting of investment properties, most of them focusing in issues of measurement, namely the discussion between differences, pros and cons of cost model *versus* fair value model, and associations between the use of the measurement basis and some other variables. On the other side, there are normative studies stating what companies should do when reporting investment properties, or giving guidance to preparers of the accounting information by explaining and providing interpretations of the accounting standards which should apply, specially IAS 40. The latter are usually published in technical and professional journals, issued by the accountancy profession bodies, while the former are more often published in scientific journals, and subject to peer review.

These papers highlight the discussion between cost model and fair value model, stating pros and cons, as well as consequences of them regarding the qualitative characteristics of the financial reporting such as reliability, relevance, conservatism, and comparability. According to Kieso and Weygandt (1997), conservatism is "when in doubt choose the solution that will be least likely to overstate assets and income". This has implications in the balance sheet and in the income statement of a company and it usually results in lower values of the assets through higher depreciations expenses. European companies have been more conservative in the way to try to improve their capacity to increase the capital in global debt and equity markets (Basu, 2001). The use of fair value was introduced in the public European companies through the IFRS and when using it European firms may become less conservative (Demaria & Dufour, 2007).

After doing the analysis of the previous studies about conservatism in accounting, I can associate the choice of the cost model to a conservative option and the fair value model to a non-conservative option ((Demaria & Dufour, 2007).

Despite the fair value model is a relevant measurement basis, some concerns about reliability and comparability remains (Ernst & Young, 2005). Concerning reliability, and according to previous research by Ernst & Young (2005) "fair value measures can be considered reliable only if the variability in the range of reasonable fair value estimates is not significant". Regarding comparability, fair value has to be consistent over several methods. However, sometimes it is difficult to find a similar investment property (asset) in the market to make a comparison. In this case other techniques should be adopted, and the fair value will be estimated using a valuation model and doing assumption about the market price of the asset and its evolution. Regarding the definition of fair value[4], the fair value should be estimated in a real market and not in simulated market (Ernst & Young, 2005).

Papers in another stream of research focus in measurement models and analyze the causes and consequences of this valuation accounting choice. Some studies suggest a positive association between the size of the company and the use of the fair value model as a measurement basis of assets (Basu, 2001). Among them, a US study shows that small companies are more risky than large companies and justify that argument: small companies' returns are more unpredictable, and this motivates them to adopt a more conservative accounting to avoid the volatility associated with them (RYAN and ZAROWIN, 2001).

Previous literature also suggests that a positive relation exists between financial leverage and fair value model. Watts & Zimmerman (1990) and Fields *et al.* (2001) suggest that the choice of accounting methods is related with the avoidance of covenant violations. The managers will

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[4] The fair value is "the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction" (IAS 40, 2009).

have incentives to increase the income as the debt/equity ratio also increases. Additionally, the management teams select accounting measures that will maximize their own compensation (Watts & Zimmerman, 1990). These two facts will have a positive relation with the choice of the fair value.

According to Basu (2001), the financial sector seems to be more likely to adopt the 'non-conservative' accounting practices than other industries. His research (Basu, 2001), conducted before the recent financial crisis, suggests that financial companies are more likely to adopt the fair value model due to the fact that they need to improve each year their results to be more competitive year after year (Conceição, 2009).

To the best of our knowledge, there are very few empirical studies about financial reporting of investment properties. Most of the papers found are based on samples of European and US companies. US public companies choose the cost model for assets measurement. However, concerning investment properties, the studies show that the real state companies prefer the fair value model (Christensen & Nikolaev, 2009). In Europe, firms are more likely to choose fair value in circumstances such as when domestic standards permit its use before the mandatory implementation of IFRS, and when the ownership is more dispersed (Muller *et al*, 2008). The latter study also found evidence that European companies disclose a higher fair value than cost value, showing opportunism. As for Brazil, Batista *et al* (2012) observed that Brazilian companies with higher ratio of Investment Properties/Total Assets are more willing to choose the fair value model. This is justified by companies that present and recognize the assets value closest to the actual value. The authors also found evidence of non-accomplishment with the regulation when reporting investment properties. The same study reveals that Brazilian companies which adopt the cost model did not disclose the fair value of their investment properties although this is required by IAS 40 (Batista *et al*, 2012).

To the best of our knowledge, still there are not studies in Portugal about financial reporting of investment properties. Thus, this Work Project aims at providing evidence about financial reporting of investment properties by Portuguese listed companies, namely knowing which models of valuation are being used, by them, which disclosures are made about this specific type of asset, what motivates the accounting choice between the cost and the fair value model, and understanding the factors underlying it.

4. Research Questions

This section introduces the research questions to be answered by this project. The purpose of this research is to provide evidence on accounting practices and get insight into financial reporting about investment properties in Portugal, namely provide evidence on reporting practices by Portuguese companies, to obtain evidence about valuation methods adopted for investment properties, and what disclosures related to them are made, and understand the factors that motivate the accounting choices (fair value model *versus* cost model) about the measurement basis of investment properties and the decision to disclose information about this type of assets., To accomplish this purpose seven research questions (RQ) are addressed.

The first research questions (RQ) will contribute to a better understanding of the financial reporting of investment properties. The results of the univariate analysis of some variables are discussed, so as to characterize the financial reporting about investment properties. To the first one is to analyse the percentage of companies that adopt each model. Regarding RQ2 is necessary to analyse if the firms are disclosing the fair value when they adopt the cost model, the descriptive notes, the type of investment property, the direct cost and rentals. In RQ3 the data that is used is from companies that choose the cost model and disclose the fair value, because is the only way that exists to understand if the value of the profit change with different

models. The accounting regulation about investment properties (IAS 40) contains an option regarding the measurement basis. The first RQ is about accounting choice on measurement issues.

RQ1: *Which measurement basis for investment properties valuation do Portuguese listed companies adopt?*

The accounting regulation (IAS 40) lists the obligatory disclosures about investment properties, set as a minimum, being the companies free to disclose additional items. The second RQ is about disclosures.

RQ2: *Are Portuguese listed companies disclosing the information about investment properties required by the IAS 40?*

The following RQ will contribute to a deeper understanding on investment properties disclosures and accounting choice. By combining those variables, and develop some relationships between them. Helping to better know and understand the reporting of investment properties by Portuguese listed companies. Regarding bivariate analysis, correlations[5] between variables were computed. to understand if the variables analysed are linked. The third RQ is about the effects of accounting choice:

RQ3: *Is the model of valuation for investment properties adopted by Portuguese listed companies associated with changes in profit?*

To the RQ4 the calculations are with the variables economic sector and the model selected. In the RQ5 the study considers that the value of the assets is a good measure to indicate the size of the company. In the next RQ is mandatory to calculate the financial leverage and to understand if there is a relation between that variable and the choice of the model. The last RQ is about to understand if there is a positive relation between the choice of the fair value and the age of the company.

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[5] Correlation Coefficient between two variables *(X, Y)*, $\rho_{X,Y} = \dfrac{cov\,(X,Y)}{\sigma_X \sigma_Y}$, *cov (X, Y)* is the covariance between *X* and *Y*, σ_X and σ_Y are the standard deviation of *X* and *Y*.

RQ4: *Is there a relation between the sector where the company operates and the valuation model chosen for investment properties?*

RQ5: *Is there a relation between size of the company and the valuation model chosen for investment properties?*

RQ6: *Is there a relation between the financial leverage (debt/equity) and the valuation model chosen for investment properties?*

RQ7: *Is there a relation between the age of the company and the valuation model chosen for investment properties?*

4. Methodology and Data

This section describes the methodological issues and the procedures used to collect data for the research.

The initial sample for this research is composed by the companies listed in the Euronext Lisbon on December 31th, 2011. The fact that these companies are obliged to prepare their consolidated financial statements according to the IAS / IFRS, and so their consolidated financial reports adopt IAS 40 and report investment properties accordingly, together with the availability, easy access, and credibility of data[6] were the criteria used to select the initial sample.

Listed companies must be comparable among them. It is not possible different fiscal years and all have to follow IAS 40. Out of the 51 companies that were listed in the Euronext Lisbon on December 31st, 2011, three adopted a twelve months reporting period which coincides with their operation cycle, ending on June 30th and were excluded from the final sample for this reason[7]. The remaining 51 companies adopt the same reporting period, which coincides with the fiscal year (begins in January 1st and finishes in December 31st).

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[6] Credibility is justified by the fact that that the financial reports are subject to more severe auditing (two audit reports, one by the official auditor and a second one by the external audit).
[7] The three companies excluded are public limited sports company (*Sociedade Anónima Desportiva*, SAD): *Futebol Clube do Porto - Futebol SAD*, *Sport Lisboa e Benfica - Futebol, SAD* and *Sporting - Sociedade Desportiva de Futebol, SAD*.These companies are public limited sports company (*Sociedade Anónima Desportiva*, SAD)

The initial sample with 48 companies that were listed in the Euronext Lisbon at 31th December 2011. Data was retrieved from the companies websites and was checked for validity purposes with the same information available in the Stock Market Authority (*Comissão do Mercado de Valores Mobiliários,* CMVM) website. The data analyzed was taken from the annual financial reports of companies listed in the Euronext Lisbon, for the periods 2010 and 2011, these periods being the most recent ones for which data is publicly available.

This study analyzes the consolidated financial statements. However, two companies do not publish investment properties in their consolidated financial statements, but only in their individual financial statements[8]. Exceptionally, the research will follow in the individual financial statements.

A previous question addressed is exploratory, as follows: *Does the company have investment properties among its assets?* Twenty four companies do not have investment properties and so were withdrawn from the sample. The final sample will consists of 24[9] companies (Appendix 1). One company recognized investment in land and building, held with the intention of earnings rentals or for capital appreciation in the item 'Other Investments'[10] and not in 'Investment Properties' as the remaining companies do.

The final sample includes 24 companies which will be searched for answers in the annual reports. Seventeen Companies (70.8%) in the sample are holding companies (*Sociedade Gestora de Participações Sociais*, SGPS), while only seven (29.2%) are not (Appendix 5).

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[8] The two companies which only report individual accounts are EDP - Energias de Portugal S.A. and Inapa - Investimentos Participações e Gestão, S.A.
[9] This number includes the company that recognizes these non-current assets as 'Other Investments'.
[10] The company that recognizes the investment properties in 'Other Investments' is Portugal Telecom, SGPS, S.A.

All the 24 companies reported this type of non-current assets in year 2011. However, out of the 24 companies in the final sample, three do not present investment properties in 2010[11] (Appendix 2).

First of all, in order to understand the importance of investment properties in each company the total amount of this item in euros and relative to total assets (common size) *(Investment properties / Total assets)* by Portuguese listed companies in 2010 and in 2011. In 2010, only six (28.6%) companies have more than 5% of its total assets invested in investment properties, the same number of companies with less than 1% and seven companies between 1% and 5%. However, three companies do not present investment properties in 2010 and in 2011. Present less than 1% of their assets in investment properties in 2011. The companies that already presented investment properties in 2010 do not show a material change in ratio investment properties to total assets (Appendix 2). So, no one move from the group 'Less than 1%', 'Between 1% and 5%' or 'More that 5%'.

Chart 1: Investment Properties (common size)

	2010	2011
Less than 1%	28,6%	25,0%
Between 1% and 5%	33,3%	29,2%
Higher than 5%	38,1%	45,8%
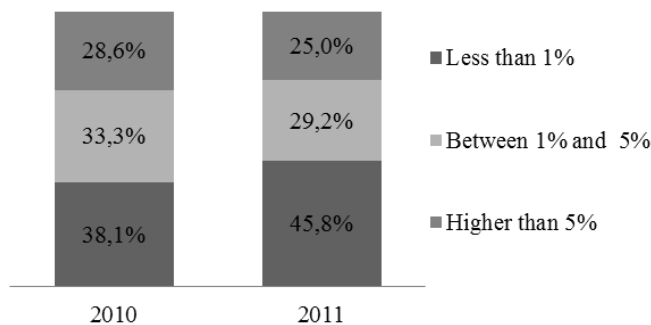
The results show that only three (12.5%) companies are not audited by one of 'The Big Four', companies. PwC and Deloitte are the companies responsible for auditing most of the companies in the sample, with one third and one quarter of the total number of companies, respectively. Thus, this result shows concentration (Appendix 5).

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[11] The three companies referred are: EDP - Energias de Portugal S.A., SAG GEST - Soluções Automóvel Globais, SGPS, S.A. and Zon Multimédia - Serviços de Telecomunicações e Multimédia, SGPS, S.A.

Companies in the sample are facing changes in their investment properties. The changes in the investment properties can be due to transfers, additions or disposals (Appendix 3). However, it is just possible to analyse these variables in some companies that have only a descriptive note.

The data about the three variables indicate the same direction; the companies are increasing their investment properties. Concerning the transfers, 35% was from inventories or owner-occupied property to investment properties and 25% was from investment properties to inventories or owner-occupied property. Still, 40% of the companies reveal no transfers in the year of 2011. The figures about additions also disclose that 55% of the companies are doing additions to their portfolio of investment properties and just 35% of the companies did disposals.

Chart 2: Additions, Disposals and Transfers
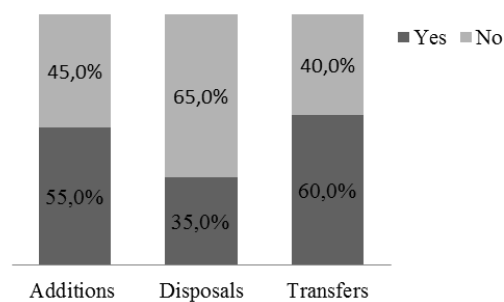
7. Results

This section contains the results in order to answer to the research questions. Doing this analysis it is possible to recognize the reasons that lead the Portuguese companies to choose the fair value or the cost model, and if disclosures are appropriate and not missing.

Measurement basis (RQ1)

Chart 3: Model Chosen
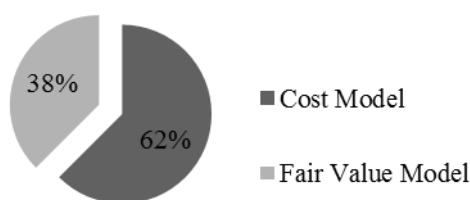
As mentioned in Section 3, according to IAS 40 two measurement criteria may be used for investment properties valuation, either the cost model or fair model. It is observed (Appendix 2)

that 15 (62.5%) of the Portuguese listed companies which have investment properties adopt the cost model while 9 (37.5%) recognize this type of asset at fair value model.

From 2010 to 2011, none of the companies changed from one model of valuation to the other, thus respecting consistency in reporting and allowing for comparability, which is a desirable characteristic of financial reporting. Thus, changes in the amounts of investment value presented in the balance sheet are due to depreciation (this only for cases using the cost model), impairments, business combination, exchange rate effect, additions, disposals, transfers or write-offs or changes in fair value (this only for cases using the fair value model).
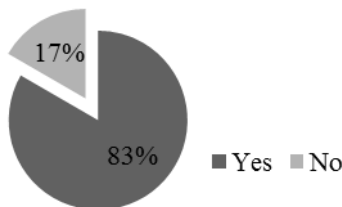
Chart 4: Descriptive Note

Disclosure (RQ2)

In section 2, there is a description of the main disclosures about investment properties required by IAS 40. Disclosures include items such has accounting policies, fair value disclosure, type of the investment, direct costs and rentals. This information is disclosed in the descriptive notes, most of the companies – 20 (83.3%) present a descriptive note, with the remaining four companies (16.7%) not presenting (Appendix 2). This note helps readers of the annual report to know the reasons why investment properties increases or decreases during the period.

Chart 5: Fair Value Disclosure
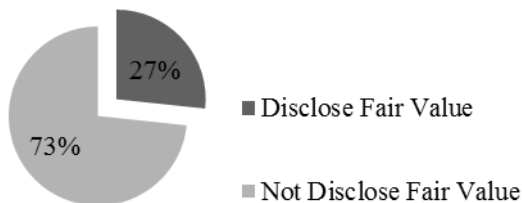
In the sample, out of the 15 companies that measure their investment properties at cost, only four (26.5%) companies disclose the fair value of their investment properties (Appendix 2). Despite the fact of being mandatory the disclosure of fair value even to the companies that adopt the cost model (IAS 40, 2009). IAS 40 states that regardless reporting at fair value or cost model should

disclose the additions, disposals, amount of impairments, differences in the exchange rate, and transfers to and from inventories and owner-occupied property (Appendix 3) (IAS 40, 2009).

Most of the companies disclose what type of properties are the investment properties, whether it is land, building or both. Only two companies do not disclose this type of information (Appendix 4). Thus comparability is affected.

Table 1: Type of Investment Properties

Land	3	12.5%
Buildings	4	16.7%
Land and Buildings	15	62.5%
NA	2	8.3%
Total	24	100.0%

Bear in mind, that the companies just release the mandatory information and nothing more. And in some cases, required information is missing. That is the case of 87.5% companies that not disclose the direct costs and 70.8% that not release the rentals (Appendix 4).

Table 2: Disclosure of Direct Costs and Rentals

	Yes		No	
Direct Costs	3	12.5%	21	87.5%
Rentals	7	29.2%	17	70.8%

Regarding the narrative in the notes, one finds that in some cases the company just does copy past from the standards. This is the case, for example EDP - Energias de Portugal S.A. or Martifer, SGPS, S.A.

Change in Profit (RQ3)

The RQ3 is related with a significant change in profit (Appendix 6) due to the choice of the model. However, since 28.6% of the companies that adopt the cost model releases the fair value model the sample is very restricted[12], being difficult to draw conclusions. Nevertheless, for all the companies that disclose the fair value, it is higher than the cost value. It is remarkable that

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[12] Just four companies disclose their fair values. The companies are Banif, SGPS, S.A., Grupo Soares da Costa, SGPS, S.A., Sonae Indústria, SGPS, SA and Toyota Caetano Portugal, S.A.

each company that disclose the fair value shows an increase in investment properties higher than 10%, even up to 180%. Yet, just one company has a change in the assets higher than 1%[13]. This is justified by the fact that the investment properties have a high depreciation rate[14]. The difference in the net income will depend of the tax rate[15] applied to each company. If a company chooses to use the fair value model instead of the cost model the change[16] in the net income will increase by the amount of depreciation associated to that year, however it is necessary to withdraw the amount of tax related with the depreciation. The amount of profit will also increase. When an asset is revaluated the amount that exceeds the carrying amount will increase the investment properties and the equity, this will increase the financial leverage ratio and reveal a better situation of the company. Regarding this, it is possible to conclude that the companies will benefit if they adopt the fair value model. These reveal an opportunism of the companies, because the fair value is always higher than the cost value, the same conclusion is stated in the Muller *et al* (2008).

Economic Sector (RQ4)

The majority of the companies in the sample operate in the sectors of the industry (29.2%) and construction (20.8%) (Appendix 5).

Table 3: Distribution of the Companies by Sector

Sector	Number of Companies	%
Industry	7	29.2%
Construction	5	20.8%
Services	2	8.3%
Retail Trade	4	16.7%
Information Technology	2	8.3%
Hospitality & Tourism	1	4.2%
Energy	1	4.2%

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[13] The company that presents the higher change in the Asset's value is Toyota Caetano Portugal, S.A with a change of 11.8%.

[14] This company presents an average depreciation rate of 3.75% (the highest rate of the set of companies that disclose the fair value).

[15] The average tax rate is 25%.

[16] $Change\ in\ Net\ Income\ = Depreciation\ *\ (1 - Tax\ Rate)$

Financials	2	8.3%
Total	24	100.0%

The RQ4 is related with the choice of the model be or not independent of the economic sector. Since the correlation coefficient between both variables be 0.041, is possible to say that the variables are independent. This finding differs from the conclusion of Basu (2001). Still according to the same research by Basu, the companies operating in the financial sector are the more likely to choose the fair value. In this Work Project only two banks[17] were included in the sample, and each one chooses a different model. Due to this, it is impossible to draw a conclusion regarding the financial sector.

Size of the Company (RQ5)

The correlation between the size of the company (Appendix 2) and the fair value model is near zero (ρ = -0.099). With this degree of correlation it is not possible to say that as the size of the company increases also increases the likelihood of they choose the fair value model. Is possible to conclude that the variables are independent, however is necessary to bear in mind the fact that the sample is small. The studies developed by Basu (2001) and RYAN and ZAROWIN (2001) indicate that a positive relation exists between these two variables.

Financial Leverage (RQ6)

The results show a slight correlation (ρ = 0.204) between financial leverage ratio and the fair value model (Appendix 6). It is possible to say that companies with a higher financial leverage ratio are more willing to choose the fair value model. This is related with the RQ3 in the fact that when a company chooses the fair value model the financial leverage ratio decrease in contrast with the same situation except the investment properties is disclosed under the cost

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[17] The two financial companies in the sample are Banco Comercial Português, S.A. and Banif, SGPS, S.A.

model. The research done by Basu (2001) and RYAN and ZAROWIN (2001) also supports this conclusion.

Conservatism (RQ7)

This research also analyses the correlation between the age of the companies (Appendix 6) and the choice measurement model for investment properties. The correlation found is $\rho = 0.212$. It is possible to state that older companies more likely to adopt the fair value. This can be supported by Basu (2001) that states that small firms are more probable to choose a conservative model (cost model). And younger firms, normally, are also smaller than the ones formed some years before. From this point of view this RQ is related with the RQ5, because the smaller companies have also the youngest companies.

The main recommendation that is possible to withdraw from this study is that the companies need to disclose all the mandatory information about investment properties. Without all the mandatory information is more difficult to do comparisons between the European companies, since this one of the purposes with the mandatory implementation of IFRS.

7. Conclusion

This Work Project aimed at knowing how companies are reporting investment properties, to analyse if they are disclosing all the information required by IAS 40, what are the accounting choices about measurement of these type of non-current assets, understand the facts that motivate the Portuguese companies to choose either the fair value or the cost model when measuring them. To accomplish this purpose seven research questions were addressed. The research was based in the sample formed by the 24 companies that present investment properties in their balance sheet, taken from the listed at Euronext Lisbon at 31th December 2011,

The literature review and the analysis of the legal framework helped to develop the research questions. Despite the scarce information that Portuguese listed companies disclose about investment properties, some relevant conclusions come out from this study and recommends to regulators, preparers and users in order to improve the practices of financial reporting about investment properties. There is evidence that most of the Portuguese listed companies adopt the cost model and only a small number uses the fair value when recognizing investment properties. The choice of the model is independent of the economic sector and of the size of the company. However, a slight correlation was found between the financial leverage ratio and the choice by the fair value model. The same happened with the number of years that the company operates and the fair value: firms adopting the fair value are more leveraged as well as older companies are more willing to adopt the fair value model.

There is room for improvement of investment properties reporting in Portugal, namely because companies are not disclosing all the mandatory information required by IAS 40, and there is unclear information. So this study recommends in order to addressing those issues. The main recommendation is addressed to preparers and users of the financial reporting of companies that were part of this study. Companies should follow the standards that are mandatory and disclose all the information that is required by the IAS 40 available. This will make company more transparent and the main stakeholders will value it.

Since it is, to the best of our knowledge, the first Portuguese study about financial reporting of investment properties this can be a starting point to other researches. Forthcoming research may expand the analysis to other periods, namely observing the same sample from 2005 to 2012 when these listed companies were following IAS 40. The scope of this Work Project was the listed companies; however the recommendation can be expanded to non-listed companies. If this research is expanded to non-listed companies, it can help to overcome the major limitation

of this Work Project, the reduced sample. Because Portuguese non-listed companies that do not

adopt IFRS, differences in reporting may emerge from such a study. .Also, it is interesting to

analyse differences in reporting investment properties in various countries, comparing

companies in Portugal and in other countries, namely Spain.

Overall, this Work Project offers a first insight about measurement and disclosures issues in

financial reporting of investment properties in Portugal and the reasons that leads or not the

companies to choose either the fair value or the cost model.

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9. Appendices

Appendix 1: Which companies present have investment properties?

Yes	No
Banco BPI, S.A.	Altri SGPS, S.A.
Banco Espírito Santo, S.A.	Banco Comercial Português, S.A.
Banco Popular Español, S.A.	Banif, SGPS, S.A.
Banco Santander Totta, S.A.	Corticeira Amorim, SGPS, S.A.
Brisa - Auto-Estradas de Portugal, S.A.	EDP - Energias de Portugal S.A.
Cimpor Cimentos de Portugal SGPS, S.A.	Estoril Sol, SGPS, S.A.
Cofina SGPS S.A.	F. Ramada - Investimentos, SGPS, S.A.
Compta-Equipamentos e Serviços de Informática, S.A.	Grupo Soares da Costa, SGPS, S.A.
EDP Renováveis, S.A.	Impresa - Sociedade Gestora de Participações Sociais, S.A.
Espírito Santo Financial (Portugal) SGPS,S.A.	Inapa-Investimentos Participações e Gestão, S.A.
Fisipe - Fibras Sintéticas de Portugal, S.A.	Jerónimo Martins,SGPS, S.A.
Galp Energia SGPS, S.A.	Martifer, SGPS, S.A.
Glintt - Global Intelligent Technologies, SGPS, S.A.	Mota-Engil, SGPS, S.A.
Grupo Media Capital, SGPS, S.A.	Portugal Telecom, SGPS, S.A.
Ibersol, SGPS, S.A.	Sacyr Vallehermoso, S.A.
Imobiliária Construtora Grão-Pará, S.A.	SAG GEST - Soluções Automóvel Globais, SGPS, S.A.
Lisgráfica - Impressão e Artes Gráficas, S.A.	Semapa - Sociedade de Investimento e Gestão, SGPS, S.A.
Novabase, SGPS, S.A.	Sociedade Comercial Orey Antunes, S.A.
Portucel - Empresa Produtora de Pasta e Papel, S.A.	Sonae Indústria, SGPS, SA
Reditus - SGPS, S.A.	Sonae, SGPS, S.A.
REN - Redes Energéticas Nacionais, SGPS, S.A.	Teixeira Duarte - Engenharia e Construções, S.A.
Sonae Capital, SGPS, S.A.	Toyota Caetano Portugal, S.A.
SONAE.COM, SGPS, S.A.	VAA - Vista Alegre Atlantis, SGPS, S.A.
SUMOL+COMPAL, S.A.	Zon Multimédia - Serviços de Telecomunicações e Multimédia, SGPS, S.A.

10. Data-base

Appendix 2: Data selected from annual reports

Company	IP 2010	Assets 2010	IP/Assets 2010	IP 2011	Assets 2011	IP/Assets 2011	Cost Model=0; Fair Value=1	Disclosure Fair Value	Descriptive Note (No=0; Yes=1)
Altri SGPS, S.A.	214,213 €	1,190,476,397 €	0.02%	534,226 €	1,127,723,819 €	0.05%	0	-	1
Banco Comercial Português, S.A.	404,734,000 €	98,546,755,000 €	0.41%	560,567,000 €	93,482,076,000 €	0.60%	1	-	0
Banif, SGPS, S.A.	28,924,000 €	15,061,054,000 €	0.19%	56,221,000 €	16,725,859,000 €	0.34%	0	66,638,000 €	1
Corticeira Amorim, SGPS, S.A.	7,733,000 €	561,766,000 €	1.38%	7,576,000 €	605,053,000 €	1.25%	0	-	1
EDP - Energias de Portugal S.A.	-	18,167,608,000 €	-	11,468,000 €	18,710,681,000 €	0.06%	0	-	0
Estoril Sol, SGPS, S.A.	232,721 €	256,353,898 €	0.09%	226,551 €	278,401,982 €	0.08%	0	-	1
F. Ramada - Investimentos, SGPS, S.A.	81,721,677 €	186,127,402 €	43.91%	85,860,729 €	183,886,541 €	46.69%	0	-	1
Grupo Soares da Costa, SGPS, S.A.	10,026,295 €	1,661,281,528 €	0.60%	9,907,556 €	1,763,692,936 €	0.56%	0	15,990,000 €	1
Impresa - Sociedade Gestora de Participações Sociais, S.A.	6,107,685 €	484,403,263 €	1.26%	6,229,834 €	441,809,872 €	1.41%	0	-	1
Inapa-Investimentos Participações e Gestão, S.A.	17,104,200 €	354,410,600 €	4.83%	16,540,400 €	357,208,500 €	4.63%	0	-	1
Jerónimo Martins,SGPS, S.A.	52,047,000 €	4,159,022,000 €	1.25%	52,128,000 €	4,481,283,000 €	1.16%	1	-	1
Martifer, SGPS, S.A.	14,981,893 €	1,095,697,651 €	1.37%	17,274,846 €	1,037,833,335 €	1.66%	1	-	1
Mota-Engil, SGPS, S.A.	88,614,797 €	3,456,166,184 €	2.56%	62,947,053 €	3,524,296,928 €	1.79%	1	-	1
Portugal Telecom, SGPS, S.A.	15,051,101 €	15,169,932,161 €	0.10%	12,821,604 €	22,943,790,952 €	0.06%	0	-	1
Sacyr Vallehermoso, S.A.	2,654,463,000 €	21,113,095,000 €	12.57%	2,623,606,000 €	16,710,346,000 €	15.70%	0	-	1
SAG GEST - Soluções Automóvel Globais, SGPS, S.A.	-	973,098,255 €	-	1,478,500 €	801,777,520 €	0.18%	1	-	1
Semapa - Sociedade de Investimento e Gestão, SGPS, S.A.	845,791 €	3,569,649,634 €	0.02%	830,412 €	3,785,556,572 €	0.02%	0	-	0
Sociedade Comercial Orey Antunes, S.A.	4,650,900 €	103,114,994 €	4.51%	4,581,483 €	95,788,152 €	4.78%	1	-	1
Sonae Indústria, SGPS, SA	1,401,731 €	1,485,594,812 €	0.09%	1,357,473 €	1,431,607,388 €	0.09%	0	1,500,000 €	1
Sonae, SGPS, S.A.	1,733,205,596 €	7,551,813,932 €	22.95%	1,679,859,268 €	7,740,715,012 €	21.70%	1	-	1
Teixeira Duarte - Engenharia e Construções, S.A.	509,516,000 €	2,721,252,000 €	18.72%	522,016,000 €	2,753,194,000 €	18.96%	1	-	1
Toyota Caetano Portugal, S.A.	16,910,528 €	291,170,549 €	5.81%	17,113,956 €	261,292,853 €	6.55%	0	48,000,000 €	1
VAA - Vista Alegre Atlantis, SGPS, S.A.	21,472,000 €	131,430,000 €	16.34%	24,962,000 €	130,872,000 €	19.07%	1	-	1
Zon Multimédia - Serviços de Telecomunicações e Multimédia, SGPS, S.A.	-	1,650,712,294 €	-	883,980 €	1,785,610,564 €	0.05%	0	-	0

Appendix 3: Changes in Investment Properties from 2010 to 2011

Company	Change in IP Value	Depreciation	Impairments	Business Combination	Exchange Rate Effect	Additions	Sales	Transfers and Write-offs	Changes in Fair Vale
Altri SGPS, S.A.	320,013 €	- 10,818 €	-	-	-	367,795 €	-	- 36.964 €	-
Banco Comercial Português, S.A.	155,833,000 €	-	-	-	-	-	-	-	-
Banif, SGPS, S,A,	27,297,000 €	- 321,000 €	- 3,076,000 €	-	-	22,157,000 €	- 1,443,000 €	9,980,000 €	-
Corticeira Amorim, SGPS, S,A,	- 157,000 €	- 700,000 €	-	-	-	53,000 €	- 266,000 €	756,000 €	-
EDP - Energias de Portugal S,A,	11,468,000 €	-	-	-	-	-	-	-	-
Estoril Sol, SGPS, S,A,	- 6,170 €	- 6,170 €	-	-	-	-	-	-	-
F, Ramada - Investimentos, SGPS, S,A,	4,139,052 €	-	-	-	-	4,200,213 €	- 61,161 €	-	-
Grupo Soares da Costa, SGPS, S,A,	- 118,739 €	- 232,956 €	-	-	12,535 €	691,537 €	-	- 589,855 €	-
Impresa - Sociedade Gestora de Participações Sociais, S,A,	122,149 €	-	-	-	-	122,149 €	-	-	-
Inapa-Investimentos Participações e Gestão, S,A,	- 563,800 €	- 563,800 €	-	-	-	-	-	-	-
Jerónimo Martins,SGPS, S,A,	81,000 €	-	-	-	-	19,000 €	-	1,613,000 €	- 1,551,000 €
Martifer, SGPS, S,A,	2,292,953 €	-	-	-	- 433,334 €	-	-	1,891,036 €	835,252 €
Mota-Engil, SGPS, S,A,	- 25,667,744 €	-	-	-	9,637 €	2,559,749 €	- 29,401 €	- 28,207,729 €	-
Portugal Telecom, SGPS, S,A,	- 2,229,497 €	- 2,276,120 €	- 94,709 €	-	-	-	-	-	-
Sacyr Vallehermoso, S,A,	- 30,857,000 €	- 51,320,000 €	4,904,000 €	-	3,236,000 €	13,621,000 €	- 1,370,000 €	72,000 €	-
SAG GEST - Soluções Automóvel Globais, SGPS, S,A,	1,478,500 €	-	-	-	-	-	-	1,478,500 €	-
Semapa - Sociedade de Investimento e Gestão, SGPS, S,A,	- 15,379 €	-	-	-	-	-	-	-	-
Sociedade Comercial Orey Antunes, S,A,	- 69,417 €	-	-	-	-	-	- 78,900 €	-	9,483 €
Sonae Indústria, SGPS, SA	- 44,258 €	- 44,258 €	-	-	-	-	-	-	-
Sonae, SGPS, S,A,	- 53,346,328 €	-	- 192,054 €	3,000,000 €	- 22,953,710 €	58,242,520 €	- 66,699,764 €	- 5,810,758 €	- 18,932,562 €
Teixeira Duarte - Engenharia e Construções, S,A,	12,500,000 €	-	-	-	2,459,000 €	1,721,000 €	-	- 82,000 €	8,402,000 €
Toyota Caetano Portugal, S,A,	203,428 €	- 633,721 €	-	-	-	-	-	837,149 €	-
VAA - Vista Alegre Atlantis, SGPS, S,A,	3,490,000 €	-	78,000 €	-	-	-	-	-	3,412,000 €
Zon Multimédia - Serviços de Telecomunicações e Multimédia, SGPS, S,A,	883.980 €	-	-	-	-	-	-	-	-

Appendix 4: Data about Type of IP, Depreciation, Cost and Rentals

Company	Type of IP	Depreciation Method	Useful Lives Buildings (Years)	Costs	Rentals
Altri SGPS, S.A.	Land	Straight Line	10 to 50	-	-
Banco Comercial Português, S.A.	-	-	-	-	-
Banif, SGPS, S.A.	Land and Buildings	Straight Line		-	-
Corticeira Amorim, SGPS, S.A.	Land and Buildings	Straight Line	20 to 50	-	-
EDP - Energias de Portugal S.A.	-	Straight Line	8 to 50	-	-
Estoril Sol, SGPS, S.A.	Buildings	Straight Line	50	-	-
F. Ramada - Investimentos, SGPS, S.A.	Land	Straight Line	10 to 50	-	5,720,000 €
Grupo Soares da Costa, SGPS, S.A.	Land and Buildings	Straight Line	100	-	-
Impresa - Sociedade Gestora de Participações Sociais, S.A.	Land	Straight Line	10 to 50	-	-
Inapa-Investimentos Participações e Gestão, S.A.	Land and Buildings	Straight Line	10 to 50	-	-
Jerónimo Martins,SGPS, S.A.	Land and Buildings	-	-	-	-
Martifer, SGPS, S.A.	Land and Buildings	-	-	-	-
Mota-Engil, SGPS, S.A.	Land and Buildings	-	-	-	2,729,641 €
Portugal Telecom, SGPS, S.A.	Buildings			-	80,186 €
Sacyr Vallehermoso, S.A.	Land and Buildings	Straight Line	50 to 68	40,759,000 €	230,820,000 €
SAG GEST - Soluções Automóvel Globais, SGPS, S.A.	Buildings	-	-	9,462 €	65,388 €
Semapa - Sociedade de Investimento e Gestão, SGPS, S.A.	Land and Buildings	Straight Line	12 to 30	-	-
Sociedade Comercial Orey Antunes, S.A.	Land and Buildings	-	-	-	-
Sonae Indústria, SGPS, SA	Land and Buildings	Straight Line	20 to 40	273,453 €	316,870 €
Sonae, SGPS, S.A.	Buildings	-	-	-	-
Teixeira Duarte - Engenharia e Construções, S.A.	Land and Buildings	-	-	-	-
Toyota Caetano Portugal, S.A.	Land and Buildings	Straight Line	20 to 50	-	-
VAA - Vista Alegre Atlantis, SGPS, S.A.	Land and Buildings	-	-	-	275,000 €
Zon Multimédia - Serviços de Telecomunicações e Multimédia, SGPS, S.A.	Buildings	Straight Line	3 to 50	-	-

Appendix 5: Data about Sector, Auditor and SGPS

Company	Sector	Auditor	SGPS (No=0; Yes=1)
Altri SGPS, S.A.	Industry	Deloitte	1
Banco Comercial Português, S.A.	Financials	KPMG	0
Banif, SGPS, S.A.	Financials	Ernst & Young	1
Corticeira Amorim, SGPS, S.A.	Industry	PwC	1
EDP - Energias de Portugal S.A.	Energy	KPMG	0
Estoril Sol, SGPS, S.A.	Hospitality & Tourism	Lampreia & Viçoso	1
F. Ramada - Investimentos, SGPS, S.A.	Industry	Deloitte	1
Grupo Soares da Costa, SGPS, S.A.	Construction	Grant Thornton	1
Impresa - Sociedade Gestora de Participações Sociais, S.A.	Services	Deloitte	1
Inapa-Investimentos Participações e Gestão, S.A.	Industry	PwC	0
Jerónimo Martins,SGPS, S.A.	Retail Trade	PwC	1
Martifer, SGPS, S.A.	Industry	PwC	1
Mota-Engil, SGPS, S.A.	Construction	Deloitte	1
Portugal Telecom, SGPS, S.A.	Information Technology	Deloitte	1
Sacyr Vallehermoso, S.A.	Construction	Ernst & Young	0
SAG GEST - Soluções Automóvel Globais, SGPS, S.A.	Retail Trade	Ernst & Young	1
Semapa - Sociedade de Investimento e Gestão, SGPS, S.A.	Industry	PwC	1
Sociedade Comercial Orey Antunes, S.A.	Construction	Ernst & Young	0
Sonae Indústria, SGPS, SA	Industry	PwC	1
Sonae, SGPS, S.A.	Retail Trade	Deloitte	1
Teixeira Duarte - Engenharia e Construções, S.A.	Construction	Mariquito, Correia & Associados	0
Toyota Caetano Portugal, S.A.	Retail Trade	PwC	0
VAA - Vista Alegre Atlantis, SGPS, S.A.	Services	Ernst & Young	1
Zon Multimédia - Serviços de Telecomunicações e Multimédia, SGPS, S.A.	Information Technology	PwC	1

Appendix 6: Data about Conservatism and Financial Leverage

Company	Year	Age	Assets in 2011 recognized at Fair Value	Asset Variation	IP Variation	Debt	Equity	Debt/Equity
Altri SGPS, S.A.	2005	7	-	-	-	986,961,190 €	140,762,629 €	7.01
Banco Comercial Português, S,A,	1985	27	-	-	-	89,107,706,000 €	4,374,370,000 €	20.37
Banif, SGPS, S,A,	1988	24	16,736,276,000 €	0,06%	18,53%	15,906,404,000 €	819,455,000 €	19.41
Corticeira Amorim, SGPS, S,A,	1870	142	-	-	-	322,761,000 €	282,292,000 €	1.14
EDP - Energias de Portugal S,A,	1976	36	-	-	-	11,973,896,000 €	6,736,785,000 €	1.78
Estoril Sol, SGPS, S,A,	1958	54	-	-	-	178,956,862 €	77,397,037 €	2.31
F, Ramada - Investimentos, SGPS, S,A,	1935	77	-	-	-	133,792,300 €	50,094,241 €	2.67
Grupo Soares da Costa, SGPS, S,A,	1918	94	1,769,775,380 €	0,34%	61,39%	1,647,170,444 €	116,522,493 €	14.14
Impresa - Sociedade Gestora de Participações Sociais, S,A,	1972	40	-	-	-	317,959,977 €	123,849,895 €	2.57
Inapa-Investimentos Participações e Gestão, S,A,	1965	47	-	-	-	157,945,100 €	199,263,400 €	0.79
Jerónimo Martins,SGPS, S,A,	1949	63	-	-	-	3,059,598,000 €	1,421,685,000 €	2.15
Martifer, SGPS, S,A,	1990	22	-	-	-	754,516,699 €	283,316,635 €	2.66
Mota-Engil, SGPS, S,A,	1946	66	-	-	-	3,109,472,342 €	414,824,586 €	7.50
Portugal Telecom, SGPS, S,A,	1887	125	-	-	-	19,200,984,859 €	3,742,806,093 €	5.13
Sacyr Vallehermoso, S,A,	1921	91	-	-	-	14,162,065,000 €	2,548,281,000 €	5.56
SAG GEST - Soluções Automóvel Globais, SGPS, S,A,	-	-	-	-	-	771,235,451 €	30,542,068 €	25.25
Semapa - Sociedade de Investimento e Gestão, SGPS, S,A,	1991	21	-	-	-	2,403,536,685 €	1,382,019,887 €	1.74
Sociedade Comercial Orey Antunes, S,A,	1886	126	-	-	-	69,333,540 €	26,454,612 €	2.62
Sonae Indústria, SGPS, SA	1959	53	1,431,749,915 €	0,01%	10,50%	1,195,730,827 €	235,876,561 €	5.07
Sonae, SGPS, S,A,	1959	53	-	-	-	5,775,743,962 €	1,964,971,050 €	2.94
Teixeira Duarte - Engenharia e Construções, S,A,	1921	91	-	-	-	2,420,543,000 €	332,651,000 €	7.28
Toyota Caetano Portugal, S,A,	1946	66	292,178,897 €	11,82%	180,47%	129,169,038 €	132,123,815 €	0.98
VAA - Vista Alegre Atlantis, SGPS, S,A,	1824	188	-	-	-	97,574,000 €	33,297,000 €	2.93
Zon Multimédia - Serviços de Telecomunicações e Multimédia, SGPS, S,A,	1989	23	-	-	-	1,550,596,701 €	235,013,863 €	6.60