

## 2.16 RECOGNISING REVENUE

Revenue comprises the fair value of the sale of goods and rendering of services, net of taxes and discounts and after eliminating internal sales. Revenue is recognised as follows:

### **a) Sale of goods – retail**

The sale of goods is recognised when the product is sold to the customer. Retail sales are normally made in cash or through debit/credit cards. The revenue to be recognised is the gross sale amount, including debit/credit card transaction fees. Sales of goods to customers, associated to events or congresses, are recognised when they occur.

### **b) Rendering of services**

Rendering of services is recognised in the accounting period in which the services are rendered, in reference to the transaction end date on the consolidated statement of financial position date.

### **c) Interest**

Interest is recognised taking into account the proportion of the time elapsed and the asset's effective income. When an account receivable is under impairment, the group reduces its accounting value to the recoverable value, which is equal to the current value of estimated future cash flows discounted at the asset's original effective interest rate. The discount remains recognised as financial income.

### **d) Royalties**

Royalties are recognised according to the accrual policy, according to the content of the relevant agreements.

### **e) Dividends**

Dividends are recognised when the shareholders' right to receive dividends is determined.

## 2.17 LEASING

Leasing is classified as an operating lease if a significant part of the risks and benefits inherent to the possession remain the lessor's responsibility. Payments in operating leases (minus any incentives received from the lessor) are included in the consolidated statement of comprehensive income by the equal annual amounts method during the leasing period.

Leasing of tangible assets where the group is substantially responsible for all the property's risks and benefits are classified as a financial lease. Financial leasing is capitalised at the start of the lease by the lowest amount between the fair value of the leased asset and the current value of the minimum leasing values. Leasing obligations, net of financial charges, are included in other non-current liabilities, except for the respective short-term component. The interest parcel is entered in financial expenses during the leasing period, thereby producing a constant periodic interest rate on the remaining debt in each period. Tangible assets acquired through financial leasing are depreciated by the lowest amount between the asset's lifetime and the leasing period.

## 2.18 DIVIDEND PAYMENT

Payment of dividends to shareholders is recognised as a liability in the group's financial statements when the dividends are approved by the shareholders.