IBERSOL – SGPS, SA

Publicly Listed Company

Head office: Praça do Bom Sucesso 105/159, 9º andar, Porto

Sahre Capital: Euro 20.000.000

Commercial Registry: Oporto under the number 501669477

Fiscal Number: 501 669 477

RESULTS -1st Half 2010

- **Consolidated turnover of 101.3 million euro**
  Growth of 4% over the first half of 2009

- **Consolidated EBITDA reached 13.5 million euro.**
  YoY EBITDA in 2010 decreased by 4,3%

- **Consolidated net profit of 5.5 million euro**
  Decrease of 1.7% over the first half of 2009

ACTIVITY REPORT

Activity

The consolidated turnover in the 1st half of 2010 amounted to 101.3 million euros which compares with 97.5 million euros in the same period of 2009.

In the first six months, the restaurant market showed a poorly trend with consumer confidence still close to the minimums, reflecting the effects of a global economic recovery still waited and the uncertainty about the evolution of Portugal and Spain.

In this environment Ibersol recorded a turnover growth of 4%.

The Group was present with several brands at Rock in Rio in Lisbon which contributed with a turnover of around one million euros. If we did not consider the effect of this event, growth would be of 2.8%.

Contributions by concept and market were as follows:

SALES	**Euro million**	**% Ch. 10/09**
Pizza Hut	29,99	-2,0%
Pans/Bocatta	10,24	-0,8%
KFC	4,19	7,8%
Burger King	10,99	30,2%
Pasta Caffé (Portugal)	3,31	-5,3%
O`Kilo	2,42	-1,4%
Quiosques	1,36	-5,2%
Cafetarias	3,36	-1,2%
Flor d`Oliveira	0,23	
Catering (SeO, SCC and Solinca)	3,12	51,1%
Concessions & Other	3,98	9,1%
Portugal	**73,19**	**4,9%**
Pizza Móvil	7,42	-3,8%
Pasta Caffé (Spain)	1,02	-25,4%
Burger King Spain	15,95	*0,7%*
Spain	**24,40**	**-2,1%**
Non recurrent sales	**1,10**	
Total Sales of Restaurants	**98,68**	**4,2%**

Sales were also positively influenced by the expansion, in particular from the acquisition of Solinca Events and Catering SA, and negatively by temporary or permanent closure of units.

Different highlights on the Group sales:

Ch Sales lfl Jun 2009	*0,2%*
Openings last 12 months - 15 outlets	*5,5%*
Closures last 12 months - 13 outlets	*-1,4%*
Closures for major refurbishments -10 unidades	*-1,3%*
Events done in 2010 not 2009	*1,2%*
Total	4,2%

During the first half Burger King and KFC brands maintained the like - for like growth trend close to 10%.

Since the begin of the crisis the brands operating in the table service segment - Pizza Hut and Pasta Caffé - have been penalized by an unfavorable economic environment. In the first half like-for-like sales were negative by 1.7%, despite an higher marketing investment in the case of Pizza Hut.

The concepts operating in concession areas with a large component of convenience performed well with a growth around 9%.

Other brands show a trend of slowing sales with negative performance when compared with the first half of 2009.

The catering business grew over 50% due to the acquisition of another brand (Solinca).

In Spain, removing the effects of closures (Pizza Móvil and Pasta Caffé) and openings (Pizza Movil and Burger King) the trend was negative (around 4%).

The restructuring of the portfolio of stores resulted in the closure of eight units highlighting the closure of the Pizza Movil operation in Catalonia.

The annual expansion plan was almost completed this semester with the opening of six units - Pizza Hut Cascais, Pans and Burger King Leiria, Burger King Nó do Fojo (Gaia), KFC Parque Atlantico in Azores and KFC in the Service Area of Matosinhos - and the integration of a new Catering business (Solinca).

At the end of the semester the number of units amounted to 428, as is explained in the table below:

Nº of Stores	2009 31-Dec	Openings	2010 Closures	2010 30-Jun
PORTUGAL	**318**	**7**	**2**	**323**
Own Stores	**317**	**7**	**2**	**322**
Pizza Hut	99	1	0	100
Okilo	17			17
Pans	59	1		60
Burger King	36	2		38
KFC	16	2	1	17
Pasta Caffé	18		1	17
Quiosques	11			11
Flor d`Oliveira	1			1
Cafetarias	35			35
Catering (SeO+JSCC+Solinca)	4	1		5
Concessions & Other	21			21
Franchise Stores	**1**			**1**
SPAIN	**111**	**0**	**6**	**105**
Own Stores	**89**	**0**	**6**	**83**
Pizza Móvil	49		5	44
Pasta Caffé	6			6
Burger King	34		1	33
Franchise Stores	**22**	**0**	**0**	**22**
Pizza Móvil	**22**			22
Pasta Caffé	**0**			0
Total Own stores	**406**	**7**	**8**	**405**
Total Franchise stores	**23**	**0**	**0**	**23**
TOTAL	**429**	**7**	**8**	**428**

Results

Consolidated net profit of the first six months reached 5.5 million euro, 1.7% below when compared with the first half of 2009. Now representing 5.4% of sales revenue (5.7% in 1H09).

The high concentration of major refurbishment of certain units in the first half was decisive for the decline in profitability in Portugal. Over the period we estimate that the closures by refurbishment had the following impact:

	Values €	% consolidated
Turnover	-1225000	-1,2%
EBITDA	-530000	-3,9%
Net Profit	-390000	-7,1%

Beyond this effect other factors contributed to less positive evolution of the margins, specially in the second quarter:

- reduction in gross margin with a more aggressive sales prices policy, namely through discounts;
- change in sales mix; strongest growth of brands (Burger King, KFC and Catering) with margins below the Group average;
- strengthen of marketing campaigns for Pizza Hut and Burger King which increased, compared to 2009 in advertising costs by approximately 300 000 euros
- operation at Rock in Rio with low profitability
- costs associated with the closure of eight units

Combination of these factors resulted in the following:

- gross margin rose from 79.4% in 2009 to 78.4% in 2010;
- external supplies and services increased 6.4% and now represent 33.1% of turnover (1H 2009: 32.3%)

The careful management of working hours and minimization of the inefficiencies caused by the temporary closures have allowed Personnel Costs to rise 2.8%, below the increase in activity despite the strong growth of the minimum wage.

Consolidated EBITDA amounted to EUR 13.5 million (1H2009: 14.1 million euros) representing a decrease of 4.3% over the same period of last year.
EBITDA margin stood at 13.3% of turnover compared with 14.5% in the first half of 2009.

When compared with the first half of 2009, and due to the effects already mentioned, in Portugal we registered a decrease in EBITDA margin from 15.4% to 13.7% and in Spain a recovery of 11.4% to 12.3%.

The consolidated EBIT margin dropped to 8.3% of turnover, ie 80 bp below the one recorded in the same period of last year.

The consolidated financial results that were negative in 740 000 EUR – a reduction of around 430,000 euros compared with the value that occurred in the first half of 2009 - also reflect the favorable differential between the reduction of the rates and higher spreads associated to the financing. Cumulatively, the level of debt this semester is lower than last year.
This semester's average interest cost of debt paid was 2.3%.

Balance Sheet

Total Assets amounted to about 218 million and shareholders' equity stood at 100 million euros, representing about 46% of Assets.

The total investment amounted to 5.3 million euros, of which 4.3 million corresponds to investment in technical refurbishment and expansion of the stores.

The net debt increased by about 2 million and in June 30, 2010 amounted to about 47 million.

Own Shares

During the first semester the company not acquired or sold company shares. On 30 June 2010 the company held 2,000,000 shares (10% of the capital), with a face value of 1€ each, for an overall acquisition value of 11,179,644 euros, corresponding an average price per share 5.59 euro.

Outlook

After the first positive signs of economic recovery, less positive data tend to discourage the economic agents and uncertainty about the likely evolution of the global economy prevails. As far as labor market is concerned, job creation still seems far away as reflected by the high rate of unemployment.

Furthermore, the restrictive measures that Portugal and Spain have been forced to adopt in an attempt to reduce budget deficits and levels of external funding.

The effects of the austerity package announced, the need to encourage increased savings as well as some positive developments in the employment market lead us to predict the evolution of consumption in the short term with some pessimism.

The weak sales performance last summer and the tendency to domestic holidays leads us to expect a moderate sales growth during the season. The sustainability of this slight recovery in the fourth quarter is still unclear.

Within this frame Group sales are expected to accelerate slightly in the third quarter helping to maintain levels of growth in first half.

By the end of the year the refurbishment program will ease - three major refurbishments- which will help to restore the levels of profitability. Our goal is to minimize this effect and sustain the levels of profitability through an accurate and efficient management of fixed costs.

The postponement to next year's of several malls under construction, which openings originally were planned for this year has implications in our expansion program that will slide in 2011, with no more openings planned for this year.

Finally, we have the intention to implement a market experience in Angola. Approval for the establishment of Ibersol Angola has already been obtained, which will hopefully materialize in

September. Furthermore two sites for the installation of the first unities have already been identified.

Porto, 27th August 2010

The Board of Directors,

António Carlos Vaz Pinto de Sousa

António Alberto Guerra Leal Teixeira

Juan Carlos Vázquez-Dodero

Declaration of conformity

In compliance with paragraph c) of section 1 of article 246 of the Securities Market Code we hereby declare that as far as is known:

(i) the consolidated financial statements of Ibersol SGPS, SA, referring to the first semester, were drawn up in compliance with applicable accounting rules and provide a true and suitable picture of the assets and liabilities, financial situation and results of Ibersol SGPS, S.A., and the companies included in the consolidation perimeter; and

(ii) the interim management includes a fair review of the important events that have occurred in the first six months of this year and the impact on the financial statements, together with a description of the main risks and uncertainties for the remaining six months.

Porto, 27 August 2010

António Carlos Vaz Pinto Sousa	Chairman of Board Directors
António Alberto Guerra Leal Teixeira	Member of Board Directors
Juan Carlos Vásquez-Dodero	Member of Board Directors

Qualified Shareholdings

Complying with article 9 nº1 of the CMVM Regulation nº 05/2008

Shareholders	nº shares	% share capital
ATPSII - SGPS, S.A. (*)		
ATPS-SGPS, SA	786.432	3,93%
I.E.S.-Indústria, Engenharia e Serviços, SGPS,S.A.	9.998.000	49,99%
António Alberto Guerra Leal Teixeira	1.400	0,01%
António Carlos Vaz Pinto Sousa	1.400	0,01%
Total participação detida / imputável	**10.787.232**	**53,94%**
Banco BPI, S.A.		
Fundo Pensões Banco BPI	400.000	2,00%
Total participação detida / imputável	**400.000**	**2,00%**
Santander Asset Management SGFIM, SA		
Santander Acções Portugal	716.269	3,58%
Santander PPA	87.369	0,44%
Total participação detida / imputável	**803.638**	**4,02%**
Kabouter Management LLC		
Kabouter Fund II	370.000	1,85%
Talon International	32.000	0,16%
Total participação detida / imputável	**402.000**	**2,01%**
Bestinver Gestion		
BESTINVER BOLSA, F.I.	949.894	4,75%
BESTINFOND F.I.	628.111	3,14%
BESTINVER HEDGE VALUE FUND FIL	366.758	1,83%
BESTINVER MIXTO, F.I.	170.003	0,85%
BESTINVER GLOBAL, FP	140.888	0,70%
BESTINVER AHORRO, F.P.	128.795	0,64%
SOIXA SICAV	127.983	0,64%
BESTINVER BESTVALUE SICAV	114.216	0,57%
BESTINVER RENTA, F.I.	47.762	0,24%
TEXRENTA INVERSIONES SICAV	35.106	0,18%
BESTINVER PREVISION, FP	15.802	0,08%
LOUPRI INVERSIONES	8.591	0,04%
BESTINVER EMPLEO FP	6.318	0,03%
DIVALSA DE INVERSIONES SICAV, SA	6.010	0,03%
PEOPLENET, SICAV, S.A.	5.624	0,03%
ACCIONES,CUP.Y OBLI.SEGOVIANAS	4.676	0,02%
BULL CAPITAL, SICAV, S.A.	4.376	0,02%
INVERFINA SICAV	4.093	0,02%
ABEDUL 1999, S.A., SICAV	3.886	0,02%
FILIPON CMA 2000 SICAV	3.557	0,02%
LINKER INVERSIONES, SICAV, SA	3.442	0,02%
BARRARO,SICAV	3.294	0,02%
DURIEN, SICAV, S.A.	2.043	0,01%
Total participação detida / imputável	**2.781.228**	**13,91%**
The Goldman Sachs Group, Inc		
Directamente	21.285	0,11%
Goldman,, Sachs &Co	402.000	2,01%
Total participação detida / imputável	**423.285**	**2,12%**

(*) company held by the Board Directors António Pinto de Sousa and Alberto Teixeira, 50% each

Complying with article 9 nº1 of the CMVM Regulation nº 05/2008

Board of Directors	Date	Acquisictions		Sales		Balance at
		shares	av pr	shares	av pr	30.06.2010
António Alberto Guerra Leal Teixeira						
ATPS II- S.G.P.S., SA (1)		5.000				5.000
ATPS- S.G.P.S., SA (2)	25-06-2010			2.840		2.836
Ibersol SGPS, SA						1.400
António Carlos Vaz Pinto Sousa						
ATPS II- S.G.P.S., SA (1)		5.000				5.000
ATPS- S.G.P.S., SA (2)	25-06-2010			2.840		2.836
Ibersol SGPS, SA						1.400

(1) ATPS II- S.G.P.S ., SA	Date	Acquisictions		Sales		Balance at
		shares	av pr	shares	av pr	30.06.2010
ATPS- S.G.P.S., SA (2)	25-06-2010	5.680				5.680

(2) ATPS- S.G.P.S ., SA	Date	Acquisictions		Sales		Balance at
		shares	av pr	shares	av pr	30.06.2010
Ibersol SGPS, SA		361.250				786.432
	12-03-2010	350.000	8,00			
	27-04-2010	300	6,98			
	29-04-2010	3.700	6,00			
	28-04-2010	7.250	6,12			
I.E.S.- Indústria Engenharia e Seviços, SA (3)						2.455.000

(3) I.E.S.- Indústria Engenharia e Seviços, SGPS, SA	
Ibersol SGPS, SA	9.998.000

Transactions made by persons discharging managerial responsabilities

Complying with article 14 nº7 of the CMVM Regulation nº 05/2008

No transactions were reported by persons discharging managerial responsabilies and people closely connected with them during the first half of 2010.

Ibersol S.G.P.S., S.A.

Consolidated Financial Statements

30 June 2010

Consolidated financial statements Indicie

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IBERSOL S.G.P.S., S.A.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION ON 30 JUNE 2010 AND 31 DECEMBER 2009
(values in euros)

ASSETS	Notes	30-06-2010	31-12-2009
Non-current			
Tangible fixed assets	7	120.440.634	120.120.387
Consolidation differences	8	42.903.548	42.369.581
Intangible assets	8	18.183.057	18.826.684
Deferred tax assets		1.085.576	934.938
Financial assets available for sale		537.800	511.165
Other non-current assets		1.513.950	1.575.686
Total non-current assets		**184.664.565**	**184.338.441**
Current			
Stocks		3.997.710	4.170.721
Cash and cash equivalents		17.248.738	20.649.468
Other current assets		11.962.944	12.989.705
Total current assets		**33.209.392**	**37.809.894**
Total Assets		**217.873.957**	**222.148.335**

EQUITY AND LIABILITIES			
EQUITY			
Capital and reserves attributable to shareholders			
Share capital		20.000.000	20.000.000
Own shares		-11.179.644	-11.179.644
Consolidation differences		156.296	156.296
Reserves and retained results		81.878.302	68.255.660
Net profit in the year		5.447.095	14.612.638
		96.302.049	**91.844.950**
Minotiry interests		3.520.863	3.477.604
Total Equity		**99.822.912**	**95.322.555**
LIABILITIES			
Non-current			
Loans		15.435.536	30.113.106
Deferred tax liabilities		10.826.980	10.191.272
Provisions for other risks and charges		33.257	33.257
Other non-current liabilities		2.334.449	2.686.574
Total non-current liabilities		**28.630.222**	**43.024.209**
Current			
Loans		45.443.387	31.285.323
Accounts payable to suppl. and accrued costs		34.947.695	37.440.532
Other current liabilities		9.029.741	15.075.716
Total current liabilities		**89.420.823**	**83.801.571**
Total Liabilities		**118.051.045**	**126.825.780**
Total Equity and Liabilities		**217.873.957**	**222.148.335**

The Board of Directors,

IBERSOL S.G.P.S., S.A.
STATEMENT OF COMPREEHENSIVE INCOME
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE, 2010 AND 2009
(values in euros)

	Notes	30-06-2010	30-06-2009
Operating Income			
Sales	5	100.393.180	96.548.698
Rendered services	5	914.877	904.428
Other operating income		2.114.003	1.853.477
Total operating income		103.422.060	99.306.603
Operating Costs			
Cost of sales		21.835.944	20.113.067
External supplies and services		33.487.824	31.465.983
Personnel costs		33.976.160	33.065.043
Amortisation, depreciation and impairment losses	7 e 8	5.124.449	5.205.980
Provisions		0	63.093
Other operating costs		611.315	551.958
Total operating costs		95.035.692	90.465.124
Operating Income		8.386.368	8.841.479
Net financing cost		-739.675	-1.171.427
Pre-tax income		**7.646.693**	**7.670.052**
Income tax		2.156.339	2.083.024
Afther-tax income		**5.490.354**	**5.587.028**
Consolidated profit for the period		**5.490.354**	**5.587.028**
Other income		-	-
Total income		-	-
TOTAL COMPREEHENSIVE INCOME FOR THE PERIOD		**5.490.354**	**5.587.028**
Profit attributable to:			
Shareholders		5.447.095	5.525.177
Minotiry interests		43.259	61.851
Total compreehensive income atrrribuable to:			
Shareholders		5.447.095	5.525.177
Minotiry interests		43.259	61.851
Earnings per share	9		
Basic		**0,30**	**0,31**
Diluted		**0,30**	**0,31**

The Board of Directors,

IBERSOL S.G.P.S., S.A.
STATEMENT OF COMPREEHENSIVE INCOME
FOR THE SECOND TRIMESTER OF 2010 AND 2009
(values in euros)

	2nd TRIMESTER 2010	2nd TRIMESTER 2009
Operating Income		
Sales	51.326.986	48.983.351
Rendered services	533.493	433.978
Other operating income	1.184.906	951.776
Total operating income	53.045.385	50.369.105
Operating Costs		
Cost of sales	11.124.573	10.109.027
External supplies and services	17.846.975	16.075.292
Personnel costs	17.183.017	16.661.224
Amortisation, depreciation and impairment losses	2.591.401	2.683.808
Provisions	0	63.093
Other operating costs	397.715	383.620
Total operating costs	49.143.681	45.976.064
Operating Income	3.901.704	4.393.041
Net financing cost	-362.967	-482.807
Pre-tax income	**3.538.737**	**3.910.234**
Income tax	999.006	1.030.686
Afther-tax income	**2.539.731**	**2.879.548**
Consolidated profit for the period	**2.539.731**	**2.879.548**
Other income	-	-
Total income	-	-
TOTAL COMPREEHENSIVE INCOME FOR THE PERIOD	**2.539.731**	**2.879.548**
Profit attributable to:		
Shareholders	2.520.798	2.844.977
Minotiry interests	18.933	34.571
Total compreehensive income atrrribuable to:		
Shareholders	2.520.798	2.844.977
Minotiry interests	18.933	34.571
Earnings per share		
Basic	**0,14**	**0,16**
Diluted	**0,14**	**0,16**

The Board of Directors,

IBERSOL S.G.P.S., S.A.
Statement of Alterations to the Consolidated Equity
for the six months period ended 30 June, 2010 and 2009
(value in euros)

	Note	Attrivutable to shareholders						
	Note	**Share Capital**	**Own Shares**	**Reserv. & Retained Results**	**Net Profit**	**Total**	**Minority Interests**	**Total Equity**
Balance on 1 January 2009		20.000.000	-11.179.644	55.424.813	13.688.813	77.933.982	4.997.029	82.931.011
Net consolidated income for the six months period ended 30 June 2009					5.525.177	5.525.177	61.851	5.587.028
Total Compreehensive Income		-	-	-	5.525.177	5.525.177	61.851	5.587.028
Transactions with shareholders								
Application of the consolidated profit from 2008								
Transfer to reserves and retained results				12.698.813	-12.698.813	-		-
Paid dividends					-990.000	-990.000		-990.000
Acquisition/ (sale) of own shares								
		-	-	12.698.813	-13.688.813	-990.000	-	-990.000
Balance on 30 June 2009		**20.000.000**	**-11.179.644**	**68.123.626**	**5.525.177**	**82.469.159**	**5.058.880**	**87.528.039**
Balance on 1 January 2010		20.000.000	-11.179.644	68.411.956	14.612.638	91.844.950	3.477.604	95.322.554
Transactions with shareholders								
Net consolidated income for the six months period ended 30 June 2010					5.447.095	5.447.095	43.259	5.490.354
Total Compreehensive Income		-	-	-	5.447.095	5.447.095	43.259	5.490.354
Application of the consolidated profit from 2009								
Transfer to reserves and retained results				13.622.638	-13.622.638	0		0
Paid dividends					-990.000	-990.000		-990.000
Acquisition/ (sale) of own shares						0		0
		-	-	13.622.638	-14.612.638	-990.000	-	-990.000
Balance on 30 June 2010		**20.000.000**	**-11.179.644**	**82.034.594**	**5.447.095**	**96.302.045**	**3.520.863**	**99.822.908**

The Board of Directors,

IBERSOL S.G.P.S., S.A.
Consolidated Cash Flow Statements
for the six months period ended 30 June, 2010 and 2009
(value in euros)

	Note	Period ending on June 30	
		2010	**2009**
Cash Flows from Operating Activities			
Flows from operating activities (1)		**6.398.662**	**14.856.061**
Cash Flows from Investment Activities			
Receipts from:			
Financial investments		0	0
Tangible assets		109.748	61.000
Intangible assets		0	817.200
Investment benefits		0	0
Interest received		101.215	75.341
Dividends received			
Other			
Payments for:			
Financial Investments		512.635	2.325
Tangible assets		5.265.072	6.491.934
Intangible assests		647.582	619.124
Other			
Flows from investment activities (2)		-6.214.326	-6.159.842
Cash flows from financing activities			
Receipts from:			
Loans made			
Loans obtained		10.860.841	
Financial leasing contracts			
Sale of own shares			
Other			
Payments for:			
Loans obtained		4.904.202	5.576.848
Amortisation of financial leasing contracts		1.099.918	1.155.216
Interest and similar costs		825.643	1.257.997
Dividends paid		1.140.000	990.000
Capital reductions and supplementary entries			
Acquisition of own shares			
Other			
Flows from financing activities (3)		2.891.078	-8.980.061
Change in cash & cash equivalents (4)=(1)+(2)+(3)		**3.075.414**	**-283.842**
Effect of exchange rate differences			
Cash & cash equivalents at the start of the period		13.817.861	6.014.733
Cash & cash equivalents at end of the period		**16.893.275**	**5.730.891**

The Board of Directors,

IBERSOL S.G.P.S., S.A.
Consolidated Cash Flow Statements
for the second trimester of 2010 and 2009
(value in euros)

	Note	Second trimester 2010	Second trimester 2009
Cash Flows from Operating Activities			
Flows from operating activities (1)		**4.748.537**	**5.467.133**
Cash Flows from Investment Activities			
Receipts from:			
Financial investments		0	61.000
Tangible assets		93.373	730.525
Intangible assets			
Investment benefits		0	
Interest received		39.145	42.355
Dividends received			
Other			
Payments for:			
Financial Investments		-23.365	0
Tangible assets		3.100.564	2.360.857
Intangible assests		526.813	177.449
Other			
Flows from investment activities (2)		-3.471.494	-1.704.426
Cash flows from financing activities			
Receipts from:			
Loans made			
Loans obtained		8.854.099	
Financial leasing contracts			
Sale of own shares			
Other			
Payments for:			
Loans obtained		2.212.279	5.363.950
Amortisation of financial leasing contracts		555.273	558.200
Interest and similar costs		417.862	566.107
Dividends paid		990.000	990.000
Capital reductions and supplementary entries			
Acquisition of own shares			
Other			
Flows from financing activities (3)		4.678.685	-7.478.257
Change in cash & cash equivalents (4)=(1)+(2)+(3)		**5.955.728**	**-3.715.550**
Effect of exchange rate differences			
Cash & cash equivalents at the start of the period		10.937.547	9.446.441
Cash & cash equivalents at end of the period		**16.893.275**	**5.730.891**

The Board of Directors,

IBERSOL SGPS, S.A.

ANNEX TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2010

(Values in euros)

1. INTRODUCTION

IBERSOL, SGPS, SA ("Company" or "Ibersol") has its head office at Praça do Bom Sucesso, Edifício Península n.º 105 a 159 – 9º, 4150-146 Porto, Portugal. Ibersol's subsidiaries (jointly called the Group), operate a network of 428 units in the restaurant segment through the brands Pizza Hut, Pasta Caffé, Pans & Company, Kentucky Fried Chicken, Burguer King, O' Kilo, Bocatta, Café Sô, Quiosques, Pizza Móvil, Flor d'Oliveira, Sol, Sugestões e Opções e José Silva Carvalho, Catering. The group has 405 units which it operates and 23 units under a franchise contract. Of this universe, 105 are headquartered in Spain, of which 83 are own establishments and 22 are franchised establishments.

Ibersol is a public limited company listed on the Euronext of Lisbon.

2. MAIN ACCOUNTING POLICIES

The main accounting policies applied in preparing these consolidated financial statements are described below.

2.1 Presentation basis

These consolidated financial statements were prepared according to the International Financial Reporting Standards (IFRS), as applied in the European Union and in force on 30 June 2010.

The accounting policies applied on 30 June 2010 are identical to those applied for preparing the financial statements of 31 December 2009.

3. IMPORTANT ACCOUNTING ESTIMATES AND JUDGMENTS

There where no substantially differences between accounting estimates and judgments applied on 31 December 2009 and the accounting values considered in the six months period ended on the 30 June 2010.

4. INFORMATION ABOUT THE COMPANIES INCLUDED IN THE CONSOLIDATION AND OTHER COMPANIES

4.1. Alterations to the consolidation perimeter

4.1.1. Acquisition of new companies

2010	Company	Entry Date	Head Office	% Shareholding
	Solinca - Eventos e Catering, S.A.	Abril 10	Porto	100,00%

The afore mentioned acquisition in 2010 had the following impact on the consolidated financial statements on 30 June 2010:

	Acquidition date	Jun-10
Acquired net assests		
Tangible and intangible fixed assets (Note 7 and 8)	522.955	482.357
Stocks	-	-
Deferred tax assets	-	-
Other assets	-	1.272.388
Cash and cash equivalents	42.417	132.573
Loans	-	-
Deferred tax liabilities	-	-9.388
Other liabilities	-1.064.417	-1.846.315
	-499.045	31.615
Diferenças de consolidação (Nota 8)	549.045	
Interesses minoritários	-	
Acquisition price	50.000	
Payments made	50.000	
Amounts payable in the future	-	
	50.000	
Net cash flow arising from the acquisition		
Payments made	50.000	
Cash & cash equivalents acquired	42.417	
	7.583	

The impact in profit and loss account was as follows:

	Jun-10
Operating income	1.287.539
Operating costs	-1.320.393
Financial income	-71
Pre-tax income	-32.925
Income tax	-11.481
Net profit	-44.406

4.1.2. Disposals

In the six months period ended 30 June 2010 the group did not sell any of its subsidiaries in 2010.

5. INFORMATION PER SEGMENT

Main Report Format – geographic segment

The results per segment for the six months period ended 30 June 2010 are as follows:

30 June 2010	Portugal	Spain	Group
Restaurants	74.284.426	24.396.769	98.681.195
Merchandise	662.705	1.049.280	1.711.985
Rendered services	380.479	534.398	914.877
Turnover por Segment	**75.327.610**	**25.980.447**	**101.308.057**
Operating income	6.128.615	2.257.753	8.386.368
Net financing cost	-411.427	-328.248	-739.675
Share in the profit by associated companies	-	-	-
Pre-tax income	**5.717.188**	**1.929.505**	**7.646.693**
Income tax	1.603.357	552.982	2.156.339
Net profit in the year	**4.113.831**	**1.376.523**	**5.490.354**

The results per segment for the three months period ended 30 June 2009 were as follows:

30 June 2009	Portugal	Spain	Group
Restaurants	69.787.347	24.928.791	94.716.138
Merchandise	666.998	1.165.562	1.832.560
Rendered services	285.540	618.888	904.428
Turnover por Segment	**70.739.885**	**26.713.241**	**97.453.126**
Operating income	6.870.818	1.970.661	8.841.479
Net financing cost	-578.050	-593.377	-1.171.427
Share in the profit by associated companies	-	-	-
Pre-tax income	**6.292.768**	**1.377.284**	**7.670.052**
Income tax	1.795.724	287.300	2.083.024
Net profit in the year	**4.497.044**	**1.089.984**	**5.587.028**

Transfers or transactions between segments are performed according to normal commercial terms and in the conditions applicable to independent third parties.

6. UNUSUAL AND NON-RECURRING FACTS AND SEASON ACTIVITY

No unusual facts took place during the six months period ended 30 June 2010.

In the restaurant segment season activity is characterized by an increase of sales in the months of July, August and December, witch leads to a greater activity on the second half of the year. The previous years have evidenced that, in comparable perimeter and with an equal distribution of openings and closings, in the period that understands the six first months of the year, sales are about 48% of annual volume and, with the dilution effect of the fixed costs with the increase of the activity, the operating income represents about 38%.

7. TANGIBLE FIXED ASSETS

In the six months period ended 30 June 2010 and in the year ending on 31 December 2009, the following movements took place in the value of tangible fixed assets, and in the respective amortisation and accumulated impairment losses:

	Land and buildings	Equipment	Tools and utensils	Other tang. Assets	Fix. Assets in progress	Total
1 January 2009						
Cost	112.625.244	69.200.730	4.186.400	7.486.554	1.905.864	195.404.792
Accumulated depreciation	18.544.148	43.083.486	3.333.393	5.481.075	-	70.442.102
Accumulated impairment	5.089.531	1.236.113	49.287	103.820	-	6.478.751
Net amount	**88.991.565**	**24.881.131**	**803.720**	**1.901.659**	**1.905.864**	**118.483.939**
31 December 2009						
Initial net amount	88.991.565	24.881.131	803.720	1.901.659	1.905.864	118.483.938
Changes in consolidat perimeter	-	-	-	-	-	-
Additions	8.098.112	3.766.519	247.658	851.059	22.888	12.986.236
Decreases	955.727	504.448	18.906	-6.851	8.024	1.480.253
Transfers	2.396.427	-1.072.913	17.459	428.836	-1.869.779	-99.969
Depreciation in the year	2.699.863	4.639.331	387.514	832.591	-	8.559.298
Deprec. by changes in the perim.	-	-	-	-	-	-
Impairment in the year	1.210.267	-	-	-	-	1.210.267
Final net amount	**94.620.248**	**22.430.959**	**662.418**	**2.355.814**	**50.949**	**120.120.387**
31 December 2009						
Cost	120.925.169	66.957.564	4.207.359	8.878.487	50.949	201.019.529
Accumulated depreciation	22.982.300	43.762.363	3.528.788	6.476.541	-	76.749.993
Accumulated impairment	3.322.621	764.242	16.153	46.132	-	4.149.149
Net amount	**94.620.248**	**22.430.959**	**662.418**	**2.355.814**	**50.949**	**120.120.387**

	Land and buildings	Equipment	Tools and utensils	Other tang. Assets	Fix. Assets in progress	Total
30 June 2010						
Initial net amount	94.620.248	22.430.959	662.418	2.355.814	50.949	120.120.387
Changes in consolidat perimeter	5.861	189.262	-	327.672	-	522.795
Additions	2.548.582	1.243.571	-	436.898	88.024	4.317.075
Decreases	161.180	124.390	-	2.083	7.611	295.264
Transfers	-14.206	12.910	-662.418	662.418	-4.981	-6.276
Depreciation in the year	1.329.247	2.264.436	-	624.402	-	4.218.085
Deprec. by changes in the perim.	-	-	-	-	-	-
Impairment in the year	-	-	-	-	-	-
Final net amount	**95.670.058**	**21.487.876**	**0**	**3.156.317**	**126.381**	**120.440.632**
30 June 2010						
Cost	122.855.484	67.539.091	-	13.787.323	126.381	204.308.280
Accumulated depreciation	24.019.751	45.327.088	-	10.585.059	-	79.931.898
Accumulated impairment	3.165.676	724.127	-	45.947	-	3.935.750
Net amount	**95.670.058**	**21.487.876**	**0**	**3.156.317**	**126.381**	**120.440.632**

8. INTANGIBLE ASSETS

Intangible assets are broken down as follows:

	Jun-10	Dec-09
Consolidation difference	42.903.548	42.369.581
Other intangible assets	18.183.057	18.826.684
	61.086.605	**61.196.265**

In the six months period ended 30 June 2010 and in the year ending on 31 December 2009, the movement in the value of intangible fixed assets and in the respective amortisation and accumulated impairment losses were as follows:

	Consolidat. differences	Leasehold conveyance	Brands and Licences	Develop. Expenses	Industrial property	Fix. assets in progress (1)	Total
1 January 2009							
Cost	46.047.391	2.029.398	22.680.465	821.005	16.528.191	3.103.407	91.209.858
Accumulated amortisation	-	688.700	21.341.762	648.536	3.500.109	-	26.179.107
Accumulated impairment	1.800.437	25.833	183.397	-	212.472	-	2.222.140
Net amount	**44.246.954**	**1.314.866**	**1.155.306**	**172.469**	**12.815.610**	**3.103.407**	**62.808.611**
31 December 2009							
Initial net amount	44.246.954	1.314.866	1.155.306	172.469	12.815.610	3.103.407	62.808.611
Changes in consolidat. Perimeter	-	-	-	-	-	-	-
Additions	-1.831.210	-	549.035	59.658	1.152.730	530.895	461.108
Decreases	-	6.761	50.473	-	14.143	3.889	75.266
Transfers	-	-313.930	-160.426	-	1.290.148	-974.797	-159.005
Depreciation in the year	-	151.470	793.620	69.259	778.668	-	1.793.017
Deprec. by changes in the perim.	-	-	-	-	-	-	-
Impairment in the year	46.163	-	-	-	-	-	46.163
Final net amount	**42.369.581**	**842.705**	**699.821**	**162.868**	**14.465.677**	**2.655.616**	**61.196.268**
31 December 2009							
Cost	44.216.181	1.433.631	22.623.705	880.663	19.122.970	2.655.616	90.932.767
Accumulated amortisation	-	590.926	21.774.811	717.795	4.448.851	-	27.532.384
Accumulated impairment	1.846.600	0	149.073	-	208.442	-	2.204.115
Net amount	**42.369.581**	**842.705**	**699.821**	**162.868**	**14.465.677**	**2.655.616**	**61.196.268**

	Consolidat. differences	Leasehold conveyance	Brands and Licences	Develop. Expenses	Industrial property	Fix. assets in progress (1)	Total
30 June 2010							
Initial net amount	42.369.581	842.705	699.821	162.868	14.465.677	2.655.616	61.196.268
Changes in consolidat. Perimeter	549.045	-	-	-	160	-	549.205
Additions	-	-	97.817	5.287	115.684	28.708	247.496
Decreases	-	-	0	-	417	-	417
Transfers	-	-	-4.988	-	384.882	-379.472	422
Depreciation in the year	-	75.122	345.641	32.891	437.633	-	891.287
Deprec. by changes in the perim.	-	-	-	-	-	-	-
Impairment in the year	15.078	-	-	-	-	-	15.078
Final net amount	**42.903.548**	**767.583**	**447.009**	**135.264**	**14.528.353**	**2.304.852**	**61.086.609**
30 June 2010							
Cost	44.765.226	1.352.671	22.716.534	885.950	19.440.716	2.304.852	91.465.950
Accumulated amortisation	-	585.088	22.120.452	750.686	4.703.921	-	28.160.148
Accumulated impairment	1.861.678	0	149.073	-	208.442	-	2.219.193
Net amount	**42.903.548**	**767.583**	**447.009**	**135.264**	**14.528.353**	**2.304.852**	**61.086.609**

(1) the balance of the fixed assets items in progress refers mainly to the 3 new concessions yet to be open, in service areas of the following motorways: Guimarães, Fafe and Paredes. These service areas are still in the design stage and awaiting for platforms delivery. Moreover, the movement in the year arises from the opening of Burguer King Nó do Fojo whose work was completed.

The table below summarises the consolidation differences broken down into segments:

	Jun-10	Dec-09
Portugal	10.000.021	9.466.054
Spain	32.903.527	32.903.527
	42.903.548	**42.369.581**

9. INCOME PER SHARE

Income per share in the six months period ended 30 June 2010 and 2009 was calculated as follows:

	Jun-10	Jun-09
Profit payable to shareholders	5.447.095	5.525.177
Mean weighted number of ordinary shares issued	20.000.000	20.000.000
Mean weighted number of own shares	-2.000.000	-2.000.000
	18.000.000	18.000.000
Basic earnings per share (€ per share)	0,30	0,31
Earnings diluted per share (€ per share)	0,30	0,31
Number of own shares at the end of the year	2.000.000	2.000.000

Since there are no potential voting rights, the basic earnings per share is equal to earnings diluted per share.

10. DIVIDENDS

At the General Meeting of 29 March 2010, the company decided to pay a gross dividend of 0,055 euros per share (0,055 euros in 2009), which was paid on 28th April 2010 corresponding to a total value of 990.000 euros (990.000 euros in 2009).

11. CONTINGENCIES

The group has contingent liabilities regarding bank and other guarantees and other contingencies related with its business operations. No significant liabilities are expected to arise from the said contingent liabilities.

On 30 June 2010, responsibilities not recorded by the companies and included in the consolidation consist mainly of bank guarantees given on their behalf, as shown below:

	Jun-10	Dec-09
Guarantees given	131.445	142.188
Bank guarantees	4.020.506	4.010.175

Bank loans with the amount of 952.086 € (1.194.556 in 2009) are secured by Ibersol's land and buildings assets.

12. COMMITMENTS

No investments had been signed on the Balance Sheet date which had not taken place yet.

13. OTHER INFORMATION

In the six months period ended 30 June 2010, current liabilities reached 89 million euros, compared with 33 million euros in current assets. This disequilibrium is, on one hand, a financial characteristic of this business and, on the other hand, due to the option of considering the maturity date as the renewal date for the subscribed commercial paper programmes, regardless of its initial stated periods. In order to ensure liquidity of the short term debt it is expected that in the year 2010 the Group will renew the maturity date of the subscribed commercial paper programmes.

14. SUBSEQUENT EVENTS

There were no subsequent events as of 30 June 2010 that may have a material impact on these financial statements.

15. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors and authorised for emission on 27th August 2010.

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Limited Review Report on Consolidated Financial Statements

(Free Translation from the original in Portuguese)

Introduction

1 In accordance with the Portuguese Securities Market legislation ("Código dos Valores Mobiliários") we present the limited review report on the consolidated financial information for the period of six months ended 30 June 2010 of **Ibersol, SGPS, SA**, comprising the consolidated Management Report, the consolidated balance sheet (which shows total assets of Euros 217.873.957 and total shareholder's equity of Euros 99.822.912, which includes Minority Interests of 3.520.863 euros and a net profit of Euros 5.447.095), the consolidated statements of income by nature, the consolidated statement of changes in equity and the consolidated cash flow statement for the period then ended and the corresponding notes to the accounts.

2 The amounts included in the financial statements, as well other additional information, are derived from accounting registers.

Responsibilities

3 It is the responsibility of the Company's Management: (a) to prepare consolidated financial statements which present fairly, in all material respects, the financial position of the company and its subsidiaries and the consolidated results of their operations; (b) to prepare consolidated financial statements applying the International Financial Reporting Standards (IFRS), as adopted in the European Union, in particular the International Accounting Standard nº 34 – Interim Financial Information, and the principles requested by the Portuguese Security Market legislation; (c) to adopt appropriate accounting policies and criteria; (d) to maintain adequate systems of internal accounting controls; and (e) to disclose any relevant fact that has influenced the activity of the company and its subsidiaries, its financial position or results.

4 Our responsibility is to verify the consolidated financial information presented on these documents, in particular if it is complete, faithful, actual, comprehensible, objective and lawful, in accordance with Portuguese Security Market legislation with the objective of expressing an independent and professional report on this information based on our review.

Ibersol, SGPS, SA

Scope

5 We conducted our limited review in accordance with the Standards and Technical Recommendations approved by the Portuguese Institute of Statutory Auditors, which require that we plan and perform the review to obtain moderate assurance as to whether the consolidated financial statements are free of material misstatement. Our limited review consisted, principally, in inquiries and analytical procedures designed to evaluate: (i) the faithfulness of the assertions in the financial information; (ii) the adequacy and consistency of the accounting principles adopted, taking into account the circumstances; (iii) the applicability, or not, of the going concern basis; (iv) the overall presentation of the financial statements; and (v) verification of the completeness, faithfulness, actuality, comprehensiveness, objectivity and lawfulness of the information presented, in accordance with the Portuguese Securities Market legislation.

6 Our review also included the verification of the consistency of the consolidated Management Report with the information contained in the financial statements

7 We believe that our review provides a reasonable basis for our limited review report.

Opinion

8 Based in our limited review, which was performed in order to provide a moderate level of assurance, nothing has come to our attention that cause us to conclude that the consolidated financial statements of the period of six months ended 30 June 2010 contain material errors that affect their conformity with the International Financial Reporting Standards (IFRS), as adopted in the European Union, in particular the International Accounting Standard nr. 34 – Interim Financial Information, and the information there included is complete, faithful, actual, comprehensible, objective and lawful.

Porto, 27 August 2010

PricewaterhouseCoopers & Associados, S.R.O.C., Lda.
represented by:

José Pereira Alves, R.O.C.