IBERSOL – SGPS, SA

Public Company

Head Office: Edifício Península, Praça do Bom Sucesso, 105/159 – 9th floor, 4150-146 Porto

Share Capital: 20,000,000 €

Registered at the Porto Company Registry with the single registration and tax identification number 501669477

2012 ANNUAL REPORT AND CONSOLIDATED ACCOUNTS

- **MANAGEMENT REPORT**

- **CORPORATE GOVERNANCE REPORT**

- **FINANCIAL STATEMENTS AND ANNEXES**

MANAGEMENT REPORT

1. Introduction
2. Main indicators
3. Message from the Chairman of the Board of Directors
4. Year 2012
   - 4.1. Main events
   - 4.2. Economic context
5. The Ibersol Group
   - 5.1. Business structure
   - 5.2. Strategic profile of the Group
   - 5.3. Governing bodies
6. Financial year activity
   - 6.1. Portugal
     - 6.1.1.Restaurants and Delivery
       - 6.1.2.Counters
       - 6.1.3.Travel
       - 6.1.4. Catering
       - 6.1.5.Other businesses
   - 6.2. Spain
     - 6.2.1. Counters
     - 6.2.2. Delivery
   - 6.3. Angola
     - 6.3.1. Counters
7. Consolidated financial analysis
8. Risks and uncertainties
9. Own shares
10. Activity of the Non-Executive Member of the Board of Directors
11. Prospects
12. Distribution of Results
13. Subsequent Events and Responsibility Statement
14. Acknowledgments

1.Introduction

2012 was a year of challenges, the second with austerity programme readjustments consequent to external aid, which aggravated the economy's weaknesses. As could be expected, a practical effect of the austerity measures' impact was a major contraction of liquidity, sharp rise in unemployment and lower salaries, with the resulting fall in consumption.

Portugal is one of the European countries where restaurants contribute the most to employment and the economy. For this reason, the decision to increase the sector's VAT to the highest rate in the group of European countries (at the level of Greece and Romania) as opposed to the lowered rates imposed in France and Sweden, was predictably disastrous for the sector, with very onerous consequences for the country.

VAT is a tax borne by consumers, but given the impossibility of passing it on, most operators faced the need to lower margins to avoid shifting the burden to consumers, to thereby forestall any further drop in demand.

The recessive spiral in the Portuguese economy caused by the increased restaurant VAT rate was one of the most disruptive aspects felt (this effect was unwisely downplayed) and had very harmful consequences for employment.

The change was implemented during a period of major uncertainty arising from a set of very harsh measures, significantly amplified by media coverage.

This situation has lowered confidence levels, making the consumer's decision-making process more complex and selective, leading to an effective drop in demand which has also brought about a growing change of consumption habits and rhythms. An identical panorama characterizes the Spanish market, although political sensitivity to changes in the restaurant VAT rate has led to other options.

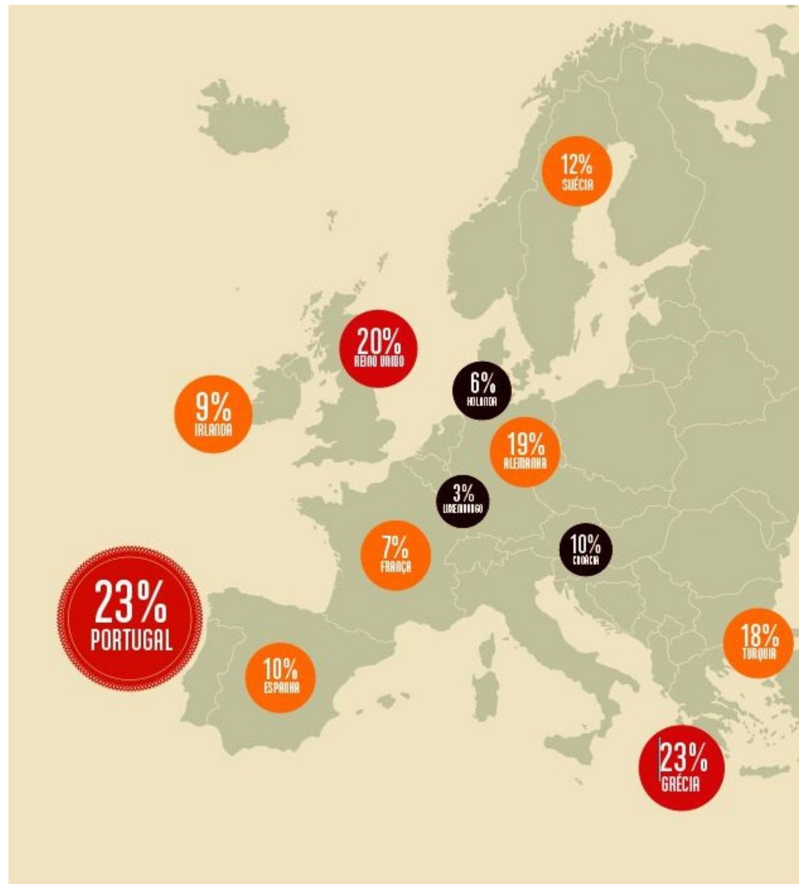
For Ibersol Group, the economic situation forced the assumption of a position centred on three major axes: readjustment and modernization of the portfolio, enhanced value of human resources and, finally, expanding the markets where it operates by means of internationalization to the Portuguese language countries and the African continent.

In each of these axes firm steps were taken to reach a new horizon of business and social accomplishment, in order to best deal with the obstacles deriving from the sharp downturn in internal demand.

At a time when the Portuguese are asked to make sacrifices it is important for Ibersol, the biggest Portuguese multinational firm operating in the modern restaurant area, to assure its stakeholders a vision of the future centred on very concrete pillars of action: to guarantee quality, safety and solidity, all in a context of sustainability that is the Group's major strategic access.

To the multi-concept Group matrix we add a still broader multinational and internationalized vision as guarantee of a sustainable investment strategy enabling us in the near future to confront fluctuations in major economic areas by committing to different market typologies and geographies.

Increase of VAT Rate in Portugal from 13% to 23%



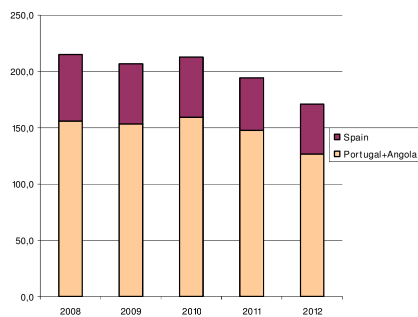
2. Main Indicators

2012 ECONOMIC INDICATORS

	Turnover	Operating Profit	Earnings before Taxes	Net Income
Mn Euros	194,5	10,4	9,2	6,5
Var %	-8,5%	-51,0%	-53,6%	-56,3%

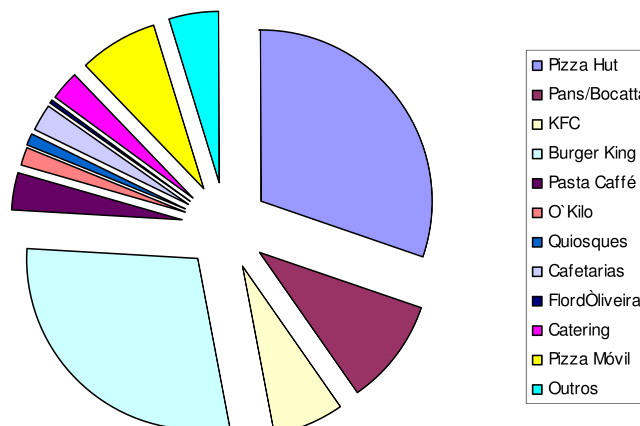
Turnover and Number of Units

Turnover (mn)

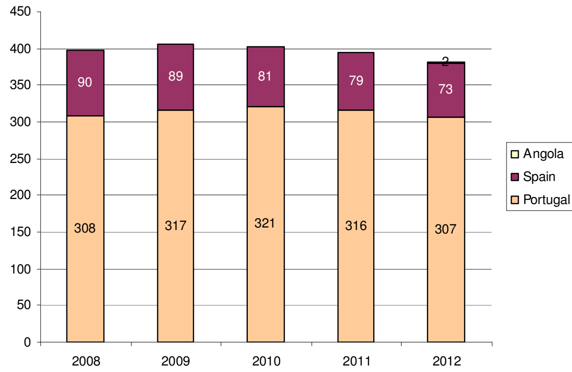


Mn €	2011	2010	CH. %
Portugal	127	147	-14%
Espanha	44	47	-6%
Angola	2		

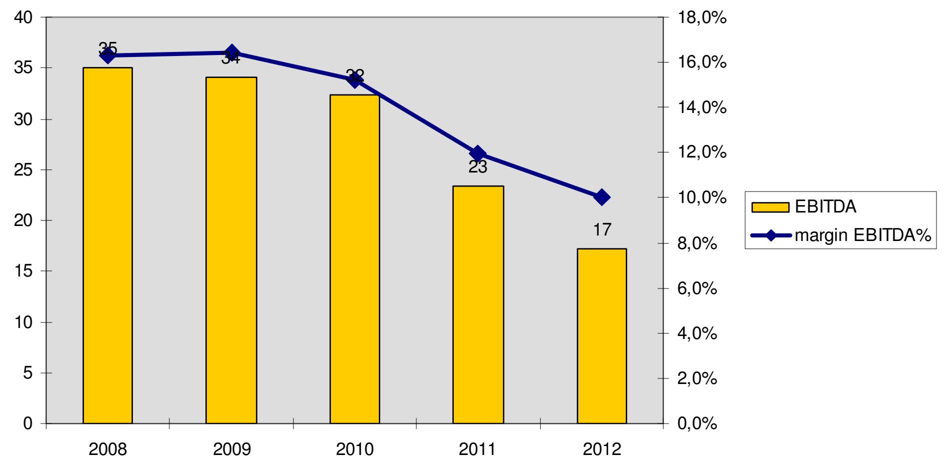
Sales distribution by brand



No. Units

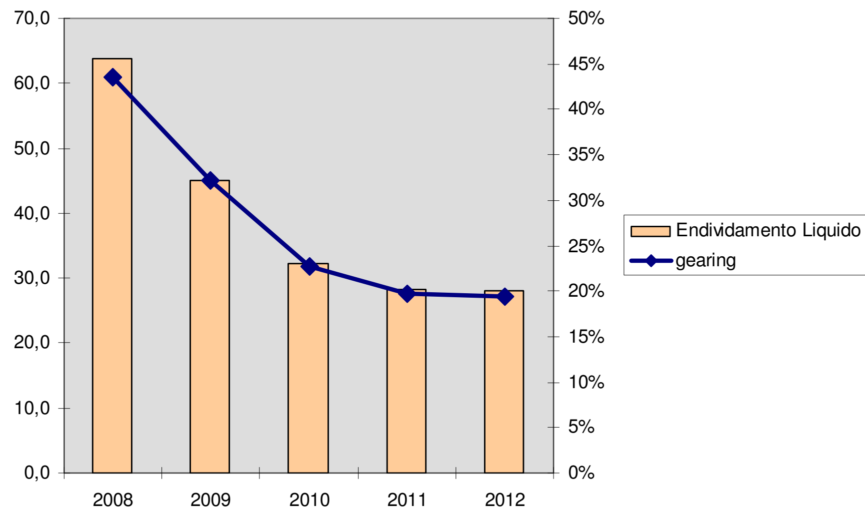


EBITDA (mn€)

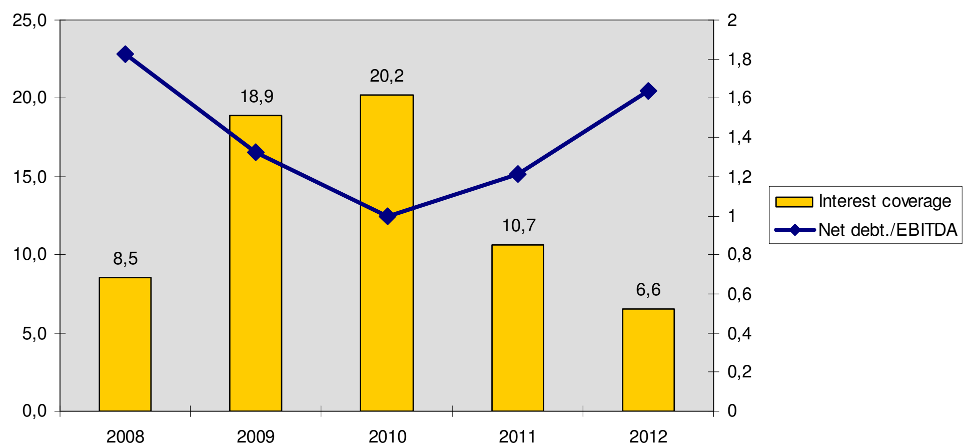


2012 FINANCIAL INDICATORS

Net Debt



Financial Ratios: interest coverage and Net Debt/EBITDA



3. Message from the Chairman of the Board of Directors

Portugal is one of the European countries where restaurants contribute the most to employment and the economy. By deciding to raise the VAT rate applied to the sector from 13% to 23% amid a situation of falling internal demand, the authorities knew that operators could not raise their sale prices to keep their margins and that demand would continue to drop. It was therefore inevitable that many restaurants would close or cut back activity, causing a significant rise in unemployment in the sector and incrementing the parallel economy.

The rate currently practiced by the sector is only accompanied by its counterparts in Greece and Romania. In France and Sweden movement has been in the reverse direction, with substantial reduction of the rate applied to the sector's operations, the goal being to create new jobs.

Unfortunately, our governing authorities are downplaying the harmful consequences of the changes they decided to implement, without trying to understand them, measure them and change the law.

The sharp drop in demand, which we estimate at 15%, meant that at the end of the financial year we employed 3,727 workers in Portugal, similar to the figure in financial year 2004. In other words, an eight-year regression in the process of creating jobs which has always guided us, as a result of fewer units and the need to establish new operational balances. We also recorded a significant drop in voluntary exits of workers and the need to eliminate or reduce the variable component of remunerations, which led to a decrease in salaries.

In this context of heightened political insensitivity to the sector's importance for Portugal, we find ourselves compelled to everyday reinvent our modus operandi to ensure that the Group remains cohesive and with a vision for the future.

With a view to satisfying demand, we have made a huge effort to meet the needs of the Portuguese, accompanying their efforts during this period of austerity. We can even assert that this was our primary and principal mission in 2012.

In the Ibersol Group everything that's done has a purpose, a reason and an objective, as do the sacrifices imposed on the Portuguese by the economic and financial policy, which cannot exhaust the capacity to attract financial resources via the return to the markets.

We believe in Portugal, we believe in the Portuguese and in their creative force which is evident throughout the world. It is up to the state and to the national and international institutions to achieve their goals, specifically those meant to create conditions that enable economic growth – the fundamental basis for the creation of wealth and jobs.

There is a need to understand why we are moving in a certain direction and what goals we aim to accomplish.

The retraction of demand was something we foresaw, although its intensity has surprised us. That's why we have sought to expand the Group's horizons, committing to new markets, adding to our original multi-concept Group an even broader multinational vision, to guarantee a sustainable investment strategy that allows us in the near future to deal with the ups and downs of the economic area where we are located.

After a great deal of effort and tenacity we opened our first units in Angola, where we aim to attain a significant market position in coming years.

Due to the country's characteristics and state of development it is going to be a long journey, with many pitfalls, yet we believe we can meet growing demand for our products there; this is an important development axis for the Group.

4. Year 2012

4.1 Main events

Modernization of the Portfolio of units and its readjustment

Modernization of the Portfolio and ongoing renewal of our operating concepts are two movements that mark our activity.

As the Group has a long term vision, the policy of renovating restaurants to make them more modern and appealing has continued in both Portugal and Spain. Highlights in this regard include modernization work carried out in the brands Pizza Hut (introduction of new proposals for consumers in the area of experience, ambience and service), KFC (implementation of the Sogood campaign) and Burger King (modernization of units on the mainland and in the autonomous regions, along with 20/20 Remodelling and the introduction of new proposals such as Virtual Play King in the Burger King guidelines).

Also in Spain, the portfolio's modernization covered a large number of units, in line with the Brand's overall strategy, whose aim is to complete a remodelling plan for nearly a hundred restaurants.

After launches such as Flor d'Oliveira, Clocks with the Chef Chakall campaign and concepts such as Spoon Café and Oregano, the Group launched a new concept called MiiT, which immediately garnered good acceptance. MiiT is a counter-based concept responding to a strong trend among Portuguese consumers, who are increasingly attentive and aware of the need to seek more careful and balanced food solutions. It is a restaurant proposal centred on strong differentiation factors: a specialist in very tasty grilled meat, white meat included, with high quality and authenticity.

Enhanced Value of Teams and Management in the Operation

In 2012 a very important step was taken to enhance the value of human resources by means of a programme meant to develop future leaders at different management levels (shift manager, store directors, coordinators and market directors). The ground was therefore laid to implement processes that enable better preparation and better training of the restaurant teams:

- a new process to reposition and expand the role of the shift manager;

- development of a new function in the brands structure, market manager, responsible for marketing, analysis and local intervention;

- a new process of online training for different restaurant teams, overseen by the restaurant director, with coaching from the coordinating director.

This new training process is aligned with the Learning Zone project, the online learning platform used by YUM, the franchising company for the Pizza Hut and KFC brands.

Implementation of the two first operational models was begun in the Burger King chain in Portugal and Spain.

In the new process of repositioning the shift manager, in alignment with the Burger King brand, the restaurant trainers' approval plays a vital role based on the concept of RESTAURANT SCHOOL as Training School.

This formula enables ON-THE-JOB training and continual accompaniment and is meant to both train leaders and recertify current teams.

In the new market manager function, the presence of a more senior figure in local intervention and accompaniment continually enables better preparation of the unit head to act appropriately in the surrounding market.

The Learning Zone is an online learning platform that enables diverse functions, specifically the storage, management and export of content, the holding of online courses and respective evaluations and the organization of virtual meetings.

This new online format makes learning more objective and interactive, besides increasing trainees' autonomy (identifying training needs at the very moment) and ensuring monitoring of training. It also develops coaching and team-building skills in real time, with the consequent reduction of costs associated to the travel of those involved and printing of materials.

It thus becomes possible for the management trainers/teams to concentrate on accompanying on-the-job training and be more focused on results.

These processes reinforce the Group's concern about understanding the behaviours of different customer typologies in their decision-making process and, with all elements focused and involved in the discussion of each unit's problems, to optimize the value proposals.

Internationalization to the Portuguese Language Countries and the African Continent

Year 2012 marks the start of the Ibersol Group's internationalization to the Portuguese language countries and the African continent.

The first KFC in Angola opened in August, the first global modern restaurant chain to arrive in the country. The first restaurant, situated by Luanda airport, has a terrace and drive-thru; the modern three-storey building stands out and offers unimpeded views of the airport and the busy 21 de Janeiro, along with an ambience that ensures a great deal of comfort for customers.

KFC's entrance into Angola was studied for four years, following an invitation from the brand-owner Yum and Ibersol's commitment to implementing the concept in accordance with best international practices, with young Angolan personnel duly guided by expatriates so they can eventually take on different duties in the company.

The investment project approved by the ANIP, worth about 5 million USD, was almost entirely accomplished with the opening in late October of a second unit at Belas Shopping. The Ibersol team in Angola now counts 87 employees, 7 of them expatriates and 80 Angolans.

The opening of the first restaurants in Angola is part of the Group's strategy for Africa, where the aim is ensure a presence in different Portuguese language countries at a time when those countries' growth potential is apparently beginning to consolidate.

4.2 Economic context

Global situation

In 2012 global GDP grew by nearly 3.2%, confirming the expected slowdown compared to 2011 (3.9%).

The last quarter of the year saw a gradual upturn in economic activity, a trend that should be maintained and consolidated in 2013, with estimated overall growth of 3.5%. The economies of emerging markets and developing countries should be the main driving forces for growth (5.1% in 2012 and an estimated 5.5% in 2013).

In an election year the United States of America posted 2.3% growth. A slight braking is foreseen in 2013, with GDP growing by 2%, anticipating the effects that the need to adopt a more restrictive fiscal policy may cause on family consumption and in the job market.

The intensification of the sovereign debt crisis, reorganization of the Greek debt, more ECB intervention, expansion of the economic recession and disagreement about community budget funds were key circumstances that kept Europe and the euro-zone at the centre of the world's attention.

Even though the economic players' confidence has been improving in a sustained manner, indicating that the economic cycle's lowest point has most likely been crossed, the reality of numbers shows that economic activity in the euro-zone contracted by 0.4% in 2012. A further reduction on the order of 0.2% is projected for 2013.

With the French economy close to stagnation, the recession will continue to assail Spain and Italy, while Germany will see its economy's growth slow from 0.9% in 2012 to 0.6% in 2013.

The risks of an upsurge in social tensions in the southern European countries condense the uncertainty regarding short term evolution.

Situation in Portugal

The year 2012 confirmed the worst of the recessive scenarios for the Portuguese economy, with GDP contracting 3.2% over the whole year (-3.8% in the fourth quarter), a direct consequence of the huge reduction in internal demand (more than 7%).

Despite the positive contribution of exports, which attenuated an even more pronounced reduction of economic activity, the sharp drop in private consumption (-5.5%), public consumption (-4.5%) and investment (-15.5%) pushed the country into its biggest recession since 1975.

The Portuguese economy's adjustment process will continue in 2013, with product estimated to fall by around 2.2%.

The budget consolidation effort will continue, especially by means of revenues, with increased taxation of family incomes.

The austerity policies together with the near absence of public and private investment will continue to decisively affect economic activity and increase the unemployment rate. The latter should rise significantly, augmenting the number of families who live below the poverty line.

The return to the financial markets of debt emission in 2013 has been a positive occurrence which may help cut the productive sector's financing costs. But the macroeconomic panorama is still very weak.

Situation in Spain

In 2012 the Spanish economy returned to a recession panorama, with GDP falling by 1.3%; in 2013 the pace of contraction may accelerate to 1.6%, with the economic cycle's lowest point reached in the first quarter.

Initial expectations of a moderate growth in economic activity in 2012 did not happen, basically due to the negative behaviour of all the internal demand components.

The cuts in Christmas bonuses for civil servants, reducing family incomes, along with increased VAT and the aggravated unemployment situation contributed to lower consumption.

The need to reduce the state deficit forced cuts in public spending. Lower demand and uncertainty about an economic upturn led to a paralysis of investment.

An entirely similar depression scenario is expected in 2013, with exports maintained as the only positive factor, with growth on the order of 4% (3.7% in 2012) expected.

The unemployment rate should post a historic maximum of 26.5% (24.9% in 2012).

Situation in Angola

Figures recently published by the IMF indicate 6.8% growth of the Angolan economy in 2012 and a forecasted slowdown in 2013 (5.5%).

Performance was off initial expectations (9.7%), negatively impacted by internal factors (drought affecting agricultural production and postponed production of liquid natural gas) and external factors (worsening euro crisis and slow recovery of the American economy).

In March 2012 the Stand-By Agreement (SBA) signed by the IMF in 2009 was concluded. It had enabled achievement of a more stable macroeconomic position during the three years it was in force.

Despite very evident progress, Angola still faces a number of challenges in managing public finance, reinvigorating agriculture, industrializing the economy and lowering the poverty level.

The main sectors driving the non-oil economy will continue to be construction, energy and transports, which will benefit from increased public investment.

In the oil sector a daily production is forecast to rise from 1.6 to 1.8 million barrels.

Angola is now in a transition phase toward a more diversified economy, which will reduce the vulnerability deriving from excessive dependence on the oil sector.

Final Note

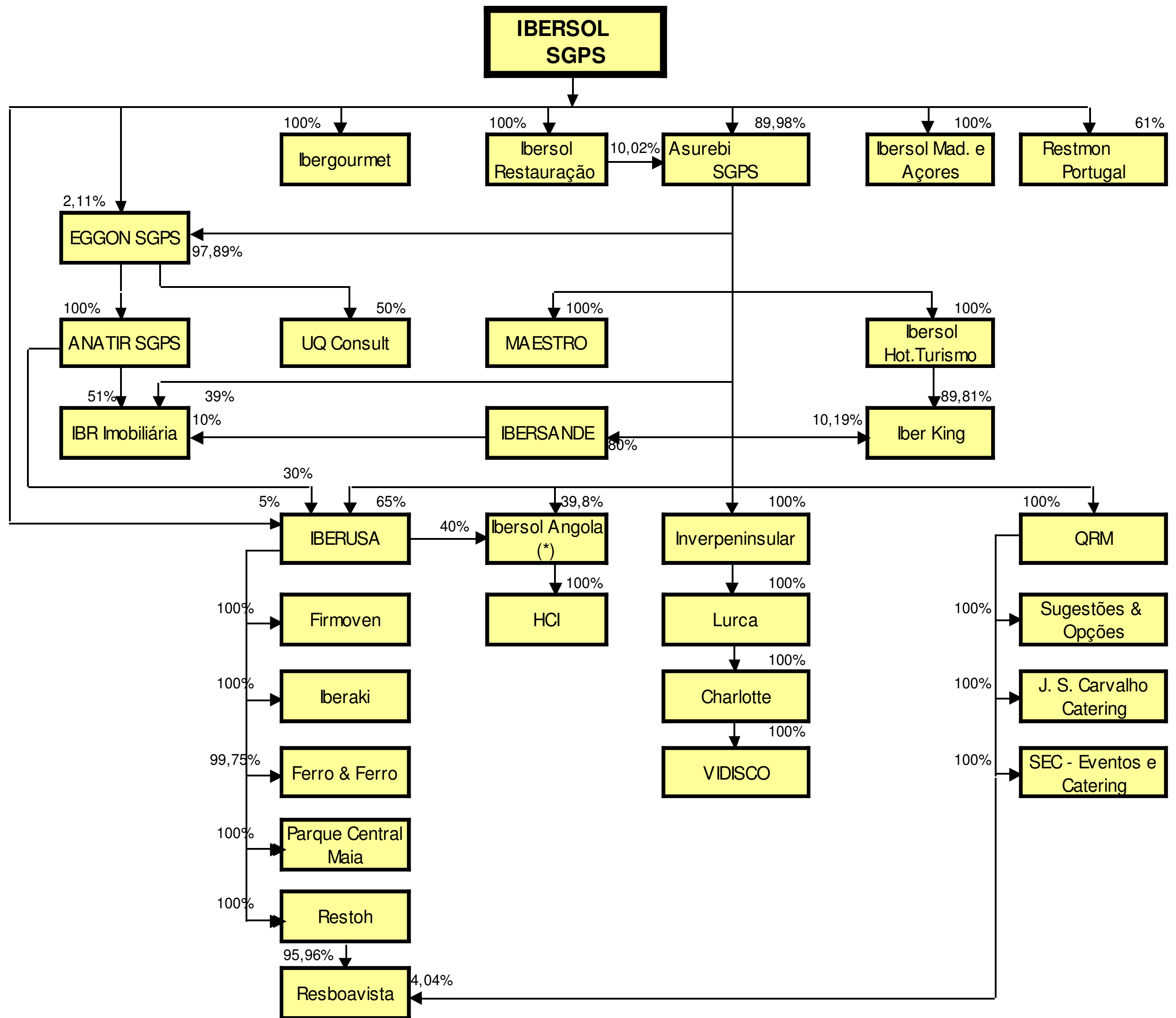
The recovery of global growth is strongly conditioned by the public policies adopted by governments of the main developed economies.

The greatest risk factor lies in uncertainty about evolution of the euro-zone and its impact on the Portuguese economy: will the austerity policies and spending cutbacks continue, with the sole aim of budget consolidation and balancing external accounts, or will we witness the introduction of balanced policies to stimulate the economy, enabling jobs to be created and relaunching economic activity, without neglecting the need to lower deficits and indebtedness?

5. The Ibersol Group

5. 1 Business structure

PARTICIPAÇÕES EM 31 DE DEZEMBRO DE 2012



(*) Restantes accionistas: ANATIR SGPS (10%), EGGON SGPS (10%) e IBERSOL SGPS (0,2%)

5.2 Strategic profile of the Group

GUARANTEEING GOOD EXPERIENCES AND QUALITY OF LIFE

Never before have the value of good experiences and quality of life been so important for our customers. We know we are an integral part of the life of millions of people and they are therefore at the centre of our attentions. The Group offers diversified products that allow consumers to choose from a broad field of taste and quality experiences. Whether for breakfast, lunch, snacktime or dinner, during the week or on the weekend, at a rest stop during a car trip, before a train departure or on an all-night flight, people spend a lot of time away from home. The Ibersol Group aims to provide enjoyable moments accompanied by balanced and carefully prepared meals well adjusted to the Portuguese lifestyle. And also today, more than ever, we need to pursue very demanding policies regarding functional aspects such as Product and Food Safety on the solid basis of what the brands offer to safeguard a decades-long relationship of trust.

FOCUSING ENERGIES ON CUSTOMER RELATIONS

At a time when consumers' available income continues to fall, the requisites for consumption away from home have increased. Perceived value must be ever higher with respect to the value proposal and the experience provided.

To meet these new demands, we have improved the organization of our units, the information systems and the systemic approach that identifies large consumer clusters and restaurant segments per the different environments and habits. We have likewise continued the active policy of Value-Based Pricing, adjusting the prices of what's offered to the benefits and respecting the heterogeneity of consumers and markets.

Every day the Ibersol Group seeks to actively experience the relationship with customers and accompany and respond to the trending habits of the 'new' consumer. To that end, it uses the most fitting and updated means to obtain a thorough knowledge of the overall situation.

A SOCIAL NETWORK WITH ADDED VALUE FOR CONSUMERS

Ibersol challenges its employees every day to actively experience the relationship with its customers, as the matrix of a social network.

The Ibersol Group possesses on the Iberian Peninsula and now also in Africa a network of emotional and trusting relationships established between our workers and customers every minute on the job.

To continually create conditions so that the Ibersol team can uphold that added-value relationship with customers – relating, communicating on a relevant basis with care and dedication – is a principle the Group wants thoroughly imprinted in its DNA. To achieve this it has continually invested in the capacities of its teams, especially the unit managers and shift managers, and their responsibility for interaction with customers.

These managers are on the front line of efforts to identify consumption profile changes. They are the ones who must 'read' changing expectations and realities and transmit them so they can be included in new value proposals.

We have also decentralized the valences associated to quality certification and thus instilled in managers the capabilities of knowing and verifying quality standards.

OVERALL MANAGEMENT AND LOGISTIC PLANNING PROCESSES

The Ibersol Group has organized a supply chain which guarantees the quality of the products it commercializes from supply via logistics to sale.

It is a single, homogeneous body streamlined every day by means of an active quality and certification policy.

Centralization of the supply chain that supports operations in Portugal and Spain was extended to operations in Angola, enhancing efficiency and productivity in the process itself and in the relationship with business partners.

The concern not to compromise quality vis-à-vis price is a rule with no exceptions. By constantly improving processes involving management of goods and resources, Ibersol aims to maintain lasting and consistent relationships with our supplier partners.

In a panorama of particular hardship for economic players, especially national suppliers, the Ibersol Group has undertaken an active tracking policy, promoting the development of its capabilities and particularly the provisioning of specific tailor-made products for the operation of some brands.

Altogether the aim is to achieve improved efficiency, with higher levels of rigour, requisites and competitiveness, playing an active role in developing the policies and practices of partners and suppliers, especially smaller ones, offering them the possibility of expanding to markets in which the Group operates.

EXCELLENCE IN FOOD QUALITY AND SAFETY

The Ibersol Group pursues a strategy of excellence in food and environmental quality and safety as proven by the certification of its entire operation (restaurants and services) with the ISO 22000 international food safety standard awarded by the APCER.

The Group’s practices exceed market standards by a large margin, due to the active development of food safety and nutrition programmes, specifically the adoption of the highest standards for frying practices, monitoring sodium levels or putting forward diet proposals for specific groups such as children, the elderly or vegetarians.

Under the *Viva Bem* (Live Well) Programme, a health information model developed exclusively by the Group, very concrete and continual steps have been taken in actions to accomplish its mission.

Thus, from the total appropriateness of children’s menus in the brands taking part in that programme and the respective communication, along with support for youth and school sports programmes, the Viva Bem Programme has become a daily reality in training practices addressing consumer health.

From Mother’s Day to Back-to-School, on the website www.vivabem.pt and especially in enriching actions such as the Open Kitchens for Schools and this year’s launch of periodic informative *Roteiros,* this programme provides active support in matters of nutrition, health, physical activity and well-being.

IBERSOL TRAINING, A SCHOOL FOR LIFE

Ibersol’s business is people-based and it is thus vital for them to be qualified to ensure its success.

Ibersol emphasizes employee training every day from the first day on.

During a panorama of marked economic contention wherein consumers’ purchasing power has fallen, inevitably increasing their requisites for choosing products and services, employee training has become even more important. By strengthening this training Ibersol aims to improve the quality of service provided, to keep itself in the vanguard of excellence.

Everyone at Ibersol Group has training in health and safety standards, product and service, to ensure that meals are served by caring workers, with all the quality, service and taste that customers appreciate.

Ibersol emphasizes training programmes at each career stage, thereby helping its management teams develop the knowledge and skills needed to perform their duties, duly aligned with the respective management guidelines. These programmes enable access to higher career levels and envisage not just initial certification for the function they address but also periodic recertification to assure that the skills acquired remain in place.

Besides training meant to improve the efficiency of operations, the Group seeks to broaden the horizon of its employees, encouraging them to actively take part in a Career Building Programme and in others enabling them to access specific qualifications.

Career building is considered a process to develop and support vocations in a working environment, furthering our employees' development by offering advancement opportunities that allow them to take on various duties in the organization.

This formula enables on-the-job training and also covers the staff qualification programme, designated by the Group as the Ibersol School, which promotes academic qualification, specifically by:

- developing skills in participants that enable them to apply strategies and actions that meet the Ibersol Group's development needs;
- promoting career development within the Group;
- increasing the academic qualification of programme participants.

AN ACTIVE RESOURCES MANAGEMENT POLICY AND RESPECT FOR THE ENVIRONMENT

Controlling costs is also a process of reinvention and change.

Teams, energy, consumables, products and waste must be reassessed, above all to instil a careful approach to changing processes and ways of doing things. This situation has led the group to redefine the employee profile, optimizing management of time, processes and resources.

That's why the Ibersol Group has continued efforts to consolidate good practices policies for resource management, specifically in the area of power consumption, with very evident results.

This policy has positive collateral results, as awareness of ways to ensure rational electric power use allows the same process to be extended to other kinds of consumption.

An excellent example of this sustainable approach is the Used Food Oil Recycling Programme, together with the biodiesel industry.

5.3 Governing Bodies

Board of Directors:
Chairman – António Carlos Vaz Pinto de Sousa;
Deputy Chairman – António Alberto Guerra Leal Teixeira;
Member – Juan Carlos Vázquez-Dodero;

Executive Committee:
CEO – António Carlos Vaz Pinto de Sousa;
Vice-President – António Alberto Guerra Leal Teixeira;

Fiscal Council:
Chairwoman – Luzia Leonor Borges e Gomes Ferreira;
Deputy Chairman – Joaquim Alexandre de Oliveira e Silva;
Member in Office – António Maria de Borda Cardoso;
Substitute Member – Eduardo Moutinho dos Santos;

Chartered Accounting Firm:
Pricewaterhousecoopers & Associados – SROC, LDA.:
represented by Hermínio António Paulos Afonso (chartered accountant)

Members of the Board of the General Assembly:
Chairwoman: Alice de Assunção Castanho Amado
Deputy Chairwoman: Anabela Nogueira de Matos
Secretary: Maria Helena Moreira Araújo

Corporate Secretary:

Secretary in Office – José Carlos Vasconcelos Novais de Queirós
Substitute Secretary – Maria Helena Moreira de Araújo

6. Financial Year Activity

6.1 Portugal

6.1.1 Restaurant and Delivery

PIZZA HUT

In 2012 and in coordination with YUM (the firm that franchises the Pizza Hut brand), we began the process of separating the brand's two business lines: restaurants and delivery.

This move will enable more specialization of processes involving services and team skills, as well as a clearer and more competitive positioning of both value proposals.

In 2012 we determined the parameters for both businesses. The goal is to implement the concepts in a clearer manner by end 2013.

This definition makes clear the separation of 25 restaurants and 17 delivery units. Due to their greater complexity and contribution to both businesses, other units are still under analysis.

Besides streamlining the inherent operational and service processes, this approach will help assure more customer satisfaction in both consumption contexts.

In this reorganization process, Pizza Hut finished financial year 2012 with sales of 49.4 million euros.

Continuing its investment policy by reworking the stores, the image of the Funchal and Centro Vasco da Gama units was remodelled, the Maia Plaza unit was converted into the new Maia Parque restaurant and four units were closed: Amadora Continente, Vila da Feira, Quinta Lambert and Tapada das Mercês. At end 2012 there were 95 units.

RESTAURANT

In line with the Fun and Friendly positioning, the branch launched in January a new pizza eating experience called *Rodízio de Pizzas*, doubtless the great success of 2012. To celebrate this event, Pizza Hut launched at year's end the Rodízio All Stars, whereby it gathered all the brand's star pizzas in one single *rodízio*, raising the experience to a new level.

The two major TV appearances, both with strong customer recognition, were marked by the launch of the Rodízio de Pizzas in January and February, and in June, September and October by the Portuguese Ultimate campaign, in which customers have access to the Rolling Pizza specialty with the traditional Portuguese ingredient, *chouriço* sausage, at an affordable price.

The innovation programme was strengthened by the launch of a new restaurant menu image, by expanding the offer of salads, pastas and calzones, the success of the new Cookie Dough dessert specialty and the Tuscani pizzas – thin and crispy in true Italian style.

To strengthen the family restaurant positioning with introduction of the first kid's menu, Pizza Hut launched the *Hut Aprender* (Learn Hut) programme, which promoted in schools a unique experience enabling children to become true 'pizza experts'. This experience allowed children to become more familiar with the brand, creating lasting ties of affection.

Pizza Hut continued to pay attention to the youth segment and was again present with its mobile unit at the Burning of the Ribbons in Porto and at the Optimus Alive, Optimus Porto, Marés Vivas and Paredes Coura summer festivals, as well as at the Sapo Codebits event, as a food area partner. In 2012 the brand enhanced some spaces in various restaurants to

provide different experiences to its customers. We installed goals and stadiums in five brand restaurants, with the aim of raising the football fest to another level for people watching European Cup games in a Pizza Hut restaurant. Examples of this dynamic approach included the summertime activities for kids, with balloons, magic and acrobats every Sunday afternoon in some brand restaurants.

Regarding internal processes, note the maintenance of ISO 22000 standard certification at the Foz, Norteshopping, Matosinhos, Dolce Vita Antas and Colombo units, where the brand team's care and attention to food safety for its customers is evident.

According to the 2012 Restaurant Market Study, Pizza Hut attained 98% recognition among the Portuguese population during the financial year and is Portugal's leader in the ranking of Portuguese pages in Facebook's restaurant section, with more than 200,000 fans.

DELIVERY

Pizza Hut's delivery business finished the year with 53 stores, with home delivery service covering 1,563,212 homes in markets with the most population concentration.

Continuing the policy of reworking the number of stores, units were closed at Galerias Lambert and Tapada das Mercês, with coverage of the distribution area nevertheless assured by the units at Avenida de Berna, Telheiras, Odivelas Deltas, Retail Parque and Sintra CP.

Assuming the Product Sharing and Innovation positioning, in year 2012 the brand created the new Full Meal experience and in March launched the All-in-the-Box product, comprising a medium pizza with one ingredient, a mixed-meat lasagne, garlic bread and chicken wings, with a new packing – a two-level box.

Also in the Product Innovation field, Ultimate Rolling (associated to the 2012 European football championship), Rolling Hot Dog and Rolling Creamy Cheese (specialty with cream cheese on the edges) were stars in communication with customers, especially via door-to-door distribution of flyers in the service coverage area. The brand also followed up on the strategy of differentiating from the competition in the communication of a Price Point for the Target of two people. Parallel to this, the menu for 2 and Christmas menu were examples of an offer recognized by consumers.

Continuing the commitment to communicating in the different available sales channels, 10% of recorded orders to the telephone attendance centre were placed via alternative platforms (internet and SKYPE).

Regarding internal processes, we maintained the ISO 22000 standard certification. The Matosinhos unit (as specialist store devoted to home delivery) manifested the delivery business's care and attention to food safety.

PASTA CAFFÉ

At end of year Pasta Caffé operated 16 units in Portugal and 2 in Spain, having closed the Zaragoza unit. In December the brand counted 193 employees. In 2012, despite the adverse situation, Pasta Caffé made major adjustments to most of its costs structure. Turnover in Portugal was 5.07 million euros, while in Spain the brand's sales were 880,000 euros.

The year was marked by the launch of specialties and different proposals to meet the fall in our customers' purchasing power.

Pasta Caffé assumed toward its customers a positioning as a cosy Italian restaurant (*casa di famiglia*), a reference in table service, a brand remembered for its specialty dishes (*stupendo*), typical decor and attentive service at an affordable price.

From April on the brand launched a Buffet lunch offer, meant to satisfy customers seeking a fast and variable meal at a competitive price. This proposal was very well accepted by customers

and was implemented during the year in 8 restaurants located in greater Lisbon and greater Porto.

The brand carried out three major actions in most restaurants during the year, called *Temporadas*, which enabled the creation of new sharing moments: *Rodízio de Pastas*, *Temporada do Risotto* and *Temporada do Calzone*. In these actions the differentiation of positioning as a *ristorante italiano* was reinforced. Investment was also made in more far-reaching communication, with a more suggestive and truly inspiring image.

On holidays such as Valentines' Day, Father's Day, Mother's Day, Children's Day, St John's Day in Porto and Réveillon, different proposals and communication actions were developed, involving the preparation of various graphic materials, decoration and ambiences for the day in question, Facebook pastimes and product offers for customers.

The reinforced communication and business aggressiveness was one of the marketing plan priorities whose aim was to capture new targets and increase loyalty, as customers visited less often and the average amount spent per meal fell. Pasta Caffé responded by reworking its lunch and dinner proposals during the week vis-à-vis product, price and communication.

The brand reached 10,000 fans on its official Facebook page, due to a constant relationship with its customers. This was the means used to communicate the various launches (specialità Pasta Caffé, Lunch Buffets, Temporadas, Special Days) and offers – a major incentive for visiting the restaurant.

With the aim of getting closer to consumers, investment was made in more hospitable service, which begins with reception by a host(ess) who invites customers to enter and get to know the casa di famiglia. Service in the room is attentive and professional, complemented by kitchen staff who know genuine traditional recipes from Italy. In 2012 we maintained efforts to achieve recertification in the Hygiene and Food Safety processes for shift leaders and unit heads. Recertification per the APCER ISO 22000 quality standard was also assured at the Dolce Vita Antas and NorteShopping units.

6.1.2. Counters

KFC

KFC is known for the delicious and unique flavour of its products. The ingredients we use to make the products we commercialize are mostly acquired from carefully selected national producers.

KFC finished the year with 18 units, 191 employees and net sales of about 8.5 million euros.

Per the brand orientations we introduced the So Good campaign, a planned worldwide change meant to highlight the brand's originality and heritage via a 360º approach. In this communication line we adopted the Music is So Good campaign, marking presence with the mobile unit at the following festivals: Rock in Rio Lisbon, Optimus Alive, Burning of the Ribbons in Porto, Marés Vivas, Primavera Optimus Sound and Paredes de Coura.

In 2012 KFC continued expanding its menu, including some of the brand's best international launches: Box Meals, Variety Buckets and Snack Attack formats. In the specialties we launched the Big Daddy, Brazzer Max, Godfather, Grander and Grander Texas sandwiches.

KFC is one of the brands inserted in the Viva Bem programme, which aims to promote healthy food choices. Customers seeking a healthier meal can pick from among grilled products, green salad, coleslaw or the exclusive maçaroca sweet corn.

KFC is environment-friendly; used food oil is collected in all restaurants and recycled by certified companies. We only use sunflower oil, checked twice daily to ensure the best taste, quality and safety of all products. On the other hand, all restaurants have joined the power consumption control programme meant to cut usage by applying the sector's best practices.

KFC is committed to integration in the community and has thus maintained its participation in the Future Porto project, providing more than 100 hours of training to youths. The brand also took part in the Junior Achievement programme, in which KFC employees introduce in various schools topics associated to entrepreneurship and home economy, bringing young students into contact with the reality of business and the experience of our values. A very successful effort to collect funds for the AMI was carried out at the Colombo store in December under the World Hunger Relief 2012 project. We also joined the Fight Against Hunger programme, an Ibersol/KFC joint action meant to gather donations for the Friendly Door Centres and Night Shelters of AMI.

The Dolce Vita Antas, NorteShopping, Colombo and CascaiShopping restaurants were again certified per the ISO 22000 standard, with application throughout the supply chain.

This project has been in place for three years and continues to raise qualifications in terms of internal processes and procedures; all these lessons have now been adopted by the entire KFC restaurant network.

Because KFC exists for customers – a key Ibersol Group value – we have implemented an ambitious hospitality programme known as the Champs Management System, setting very demanding targets and behaviour guidelines for employees.

Ò KILO

Ò Kilo is a restaurant specializing in convenient quick-service barbecue meats and aims to satisfy customers who want to combine the pleasure of eating grilled meat with a rich and varied diet.

The brand closed the financial year with 10 units after closing the ones at Algarve Shopping, Seixal, Gaia and Norte Shopping. It counted 90 employees, with sales of 2.8 million euros.

Ò Kilo presents an appetizing, tempting and healthy variety that allows customers to make various combinations of their own choice with a fixed price.

In 2012 the brand constantly sought to adjust its price offer, attempting to meet customer expectations and deal with the aggressive stance taken by the most direct competitors.

The quality of products is considered vital for the brand's success, whereby the selection of raw materials is extremely important. That's why suppliers are chosen according to rigorous quality standards. Given the growing importance of food safety, Ò Kilo reinforced training in use of the HACCP system, mainly for product control, on-premises hygiene and employee food handling. The brand also renewed certification of the unit at Dolce Vita Antas.

BURGER KING

Burger King ended the financial year with 409 active employees and 38 units, with sales of 19 million euros.

In 2012 the brand consolidated its cost control and team requalification processes via the international training programme BK Foundations.

We reworked investments in exterior communication, shifting to favour TV (general-audience channels TVI and SIC), radio and local billboards (Coimbra, Covilhã, Vila Real) and local mupis (Porto-Antas, Funchal, Ponta Delgada, Lisbon-Vasco da Gama). In LSM (local store marketing) we stress value, product and price.

At Burger King, customers can ask at any moment or by prior reservation to visit the kitchens of any unit to learn about the brand's quality policies and the care taken when preparing meals, as proven by the fact that all the brand's units are certified according to the most demanding quality standard – APCER ISO 22000.

In 2012 the brand continued to innovate with the launch of new products in the gourmet hamburger segment, where it was a pioneer and is a specialist. The thematic and difference-making brand-exclusive Beanburger (vegetable hamburger) so appreciated by unconditional fans returned to our offer. In December we also innovated by offering customers at the Colombo unit the possibility of repeating their drink several times (free refill), without additional cost or initial purchase, an action much appreciated by customers. At the Colombo unit we also invested in the placement of a Virtual Play King, where the youngest customers can play 25 games that we renew each quarter.

Brand consolidation was also achieved by remodelling units, with priority given to the oldest ones: Dolce Vita Douro – Vila Real, Fórum Coimbra, Dolce Vita Coimbra, Serra Shopping – Covilhã, Madeirashopping, Parque Atlântico – Ponta Delgada (Azores), Vasco da Gama and Dolce Vita Antas.

Burger King replaced in all units the broiler (industrial grill) equipment, now fed by gas instead of electricity, a change that will enable energy savings of from 12% to 15%.

As part of its policy to lessen environmental impact, sandwiches are now wrapped in recycled paper and the units' frying oil is sent for recycling. Waste continues to be separated in all units.

Burger King is part of the Ibersol Group's Viva Bem institutional programme, whose goal is to promote healthy, varied and careful food habits along with the practice of physical exercise.

PANS & COMPANY

Pans & Company ended year 2012 with 58 units and 380 employees; sales volume stood at 17.5 million euros.

Over the course of the year the brand closed 2 units and reorganized the Norteshopping unit, introducing the brand's new international image inspired by Mediterranean environments and flavours. We thus began a new renewal cycle that aims to meet the growing demands of present-day consumers.

To strengthen its position as a specialist and reference brand in the sandwich segment, in 2012 Pans & Company carried out several innovation campaigns, giving its customers the chance to try unique tastes with new recipes and different kinds of bread. Pans sandwiches are a modern, fun, multi-format and multi-taste way to have a balanced and tasty meal.

Parallel to this, we expanded the product range to adjust what we offer to meet growing demand for proposals with more value for money.

During an especially adverse period, Pans & Company reviewed all internal processes in 2012. This served to improve efficiency levels and minimize the negative effects of the current situation.

6.1.3 Travel

The Travel business essentially involves service areas situated by motorways and at airports, positioning its offer for traveling consumers.

Units in this segment are managed according to a multi-brand concept integrating more than one brand in a single area. The aim is to meet the needs of different consumers over distinct consumption times.

SERVICE AREAS

Motorway service areas are an important activity area for the Ibersol Group and at year's end comprised 33 units – 23 Sol units and 10 units for the A5, Lusoponte, A8, Carvalhos and Modivas.

In 2012 this business segment attained 6.2 million euros in sales and employed 245 people. Activity continued to be strongly impacted by the introduction of tolls on roads formerly without cost for users (SCUTs), drastically affecting the concessions operated by Ibersol Group and causing sharp drops in sales at service areas.

These measures had a doubly negative impact. There was a manifest reduction in the level of internal demand; also (as Portugal's AHRESP Hotel and Restaurant Association warned), flows of Spanish travellers and tourists also dropped after tolls were introduced on the former SCUTs. This change follows an earlier one underscored by the AHRESP: competition from motorway service station operators, contradicting the spirit of the concession, as service stations are providing services that have simultaneously been subject to operational concessions granted for separate areas.

The Sol brand specializes in restaurant service on motorways, both urban and long-distance. Its units offer quick meals and varied menus at affordable prices, freshly prepared and always with attentive personalized service. At several locations Sol units include internationally well-known brands such as Pans & Company, Burger King and KFC, all covered by the comprehensive certification plan per the ISO 22000 standard.

The Sol brand goes well beyond conventional service station café/restaurants, offering diverse services such as smoking areas, separate diaper-changing facility, lounge area, free wi-fi, sockets for charging computers or mobile phones, ATM services, consultation of daily newspapers and the sale of newspapers and magazines, last minute gifts and drive-in service.

AIRPORTS

The Group is a reference player in Portuguese airports and at year's end operated 11 units at the Lisbon and João Paulo II (Ponta Delgada) airports, after expiration of the operating licence for the units at Lisbon Airport Terminal 2. Sales volume was 7.7 million euros and the year ended with 98 employees.

The Ibersol Group has continued its commitment to modern and sophisticated spaces in operations at Portuguese airports, certified by ISO 22000, and is Portugal's reference operator in this sector. To that end, we have developed new concepts and proposals such as Clock's, Spoon, Oregano, Cockpit, Go To, Sky Plaza and Connection Coffee & Food Bar, Azure. We also operate international brands such as Pizza Hut and Pans & Company. These are modern and sophisticated design concepts, though very functional, which run from restaurant to café lounge, with mixed services (at counter and table) and very differentiated offers adjusted to distinct consumption periods and addressing an airports' different target publics.

6.1.4. Catering

The Ibersol Group's catering business operates from two production centres and two warehouses in Albarraque and Maia. It comprises three catering firms (Silva Carvalho Catering, Solinca and Sugestões & Opções).

In the production centres a team of excellent professionals makes Ibersol the sector's only business group with truly national coverage.

Sales in 2012 were 4.7 million euros; more than 240,000 customers were served at 734 events. The market contraction trend continued during the year, a result of the economic situation and an unfavourable international events agenda. In the domestic market fewer events were held and they were smaller, while in the international events area the downturn was keenly felt in the

city of Porto. Companies' and individuals' efforts to cut costs strongly impacted sale prices, with customers shifting to more affordable event typologies.

Despite the unfavourable situation overall, strict cost controls and the sophisticated budgeting process for each event enabled profitability ratios to improve. Parallel to this, the major reorganization plan carried out in 2011 led to a significant improvement of the business's overall profitability.

Year 2012 marked a turning point, especially in the Lisbon market. The entrance into the Estoril Congress Centre early in the year and the Lisbon Congress Centre in December favourably impacted the segment of congresses and major business events. The presence in these two spaces, along with others such as Exponor, Europarque, Alfândega do Porto, FIL, Parque das Nações and Pavilão Atlântico clearly situate Ibersol at the vanguard of this market, ensuring a presence in the country's biggest congress venues.

In the sporting event segment, we renewed the Dragão Stadium concession, while in the private segment we continued researching new spaces to hold weddings and parties, besides enhancing communication and sales via digital platforms.

These events make it possible to face 2013 with a certain degree of optimism, even though we envisage a tough and demanding year. The reorganizations undertaken, new locations and concessions garnered in 2012 will surely allow all those problems to be overcome, transforming them into excellent opportunities for the company and all its employees.

6.1.5 Other Businesses

COFFEE KIOSKS

The position of coffee kiosks operated under the Delta brand has been strengthened over the years and they have gained recognition as coffee specialists at their respective locations.

The year 2012 ended with 11 units corresponding to 19 customer contact points and net sales of more than 2.1 million euros.

The year's activity was marked by consolidation of the business by investing in attendance technique training for the operational team, which counted nearly 100 employees at year's end. This team is certified in knowledge areas that include food safety, customer attendance and others bearing on proper performance of the respective tasks.

The drop in coffee sales due to the general ban on smoking in closed areas, along with increased competition in the sector, have been countered in recent years by diversifying the sales range and introducing small menus that successfully complement coffee consumption.

CONCESSIONS

The Group currently operates the following concession spaces: Serralves Museum, Casa da Música, Crystal Palace, Almeida Garrett Library, VOG Tecmaia, Exponor and Campanhã CP Station.

In 2012 efforts continued to integrate this business's management in Group philosophy and principles, mainly operating under the Sugestões & Opções banner.

Overall turnover stood at 1.8 million euros and the business was able to post improvements in quality and sustain the operations' profitability level by focusing on training employees in attendance, quality and control of operations.

All units in the business are marked by characteristics that make them very different from each other, not only due to the respective public but also the needs they aim to meet. It is therefore vital to identify the target-public and what they seek at every consumption moment, in order to create a balanced offer that meets their expectations and goes beyond them. To achieve this

aim a properly trained team is necessary; for this reason the Group has given priority to investing in human resource training.

At the end of the year the Blue Coffee Shop at Campanhã and VOG maintained ISO 22000 quality standard certification.

6.2 Spain

6.2.1 Counters

BURGER KING

The first half of 2012 was basically marked by effects of the economic crisis and consequent lower consumption. In the second half of the year the brand reacted by improving cost adjustment processes and local marketing actions. Financial year 2012 ended with a sales volume of 28.3 million euros, profitability was substantially impacted by higher raw material prices, mainly for meat, not entirely reflected in sales prices.

To counter the consumption contraction, five renovations were carried out, at BK Coin, BK Almansa, BK Valdebernardo, BK Vallecas and BK Pinar de Chamartin. The Virtual Play King system was installed, the free refill drink system introduced and the brand's new corporate image implemented – actions which positively influenced sales performance.

The BK Moraleja restaurant closed in May due to its economic performance, whereby Lurca finished the year operating 32 Burger King brand units.

In line with the goal set by Burger King at European level, the brand now operates in Spain with a new platform called Guest Trac, which gathers opinions from customers and provides on-time information about experiences in the brand's restaurants. All BK Spain restaurants are being classified in an operational excellence ranking based on customer observations in the most important areas.

Our objective for the upcoming year 2013 is for all restaurants to be operating among the hundred best in the entire system, so that BK Spain can grow in a changing and unpredictable economy.

6.2.2 Delivery

PIZZA MÓVIL

The performance of markets in Spain in 2012 was basically marked by effects of the recession begun in the first half of 2008. Important factors are the level of joblessness and lower family and business consumption, which have naturally affected the restaurant sector in general and QSR (Quick Service Restaurants) in particular, which per available information have suffered significant drops.

In this context, and given that delivery is the main sales channel, accounting for 52.7% of sales last financial year, the Pizza Móvil system units finished the year with sales of approximately 17 million euros; company-owned units sold 11.7 million euros and the franchises 5.2 million euros.

The financial year ended with 59 units, 20 of them operating as franchises, with a total of 599 employees linked to Vidisco, SI (brand-holding company).

The narrowing market accentuated the brand's excess coverage in some regions, especially Galicia, which justified the decision to close 3 units (Vigo, Pontevedra and Corunha). The Ávila unit and two others located in Burgos and Gijón also closed, the latter two with a large part of the home channel sales shifted to other units in those cities. During the year three stores were acquired, operating as franchises in the community of Navarre.

As in previous years, efforts to modernize Pizza Móvil consolidated the presence of new technologies by promoting the brand in social networks (Facebook and Twitter) and also in e-commerce.

6.3 Angola

6.3.1 Counters

KFC

Ibersol established itself in Angola in late 2010 and decided to develop as lead banner the KFC brand. Investment was undertaken per a USD 5 million investment approved by the ANIP, now almost totally applied.

Born in the 1930s as a traditional restaurant in the USA and consolidated as an international brand from the early 1960s on, KFC has always been able to combine the traditional nature of its flavours with an urban and cosmopolitan presence now spread across all continents through more than 17,000 restaurants.

KFC is the world's biggest specialist in making chicken. Despite its size, KFC is proud that it still works in line with the characteristics set out by its founder, Colonel Sanders, whose concern about food freshness and careful preservation of his recipes' content underpins their traditional aspect and the unmatchable taste of freshly cooked food.

KFC began operating in Angola on 15 August 2012 with the opening of a drive-thru near the Luanda airport. Its second unit opened on 28 October at Belas Shopping in the same city.

These two units have led to the creation of nearly 80 jobs for Angolan citizens, 14 of them shift head positions, with a view to eventually training teams to run future units. One vital concern is fulfilment of the operational training and management programmes, to eventually create the know-how needed to ensure operational excellence.

Investments made worldwide in quality structures have enabled comfort and modern ambience to combine with the excellent taste of KFC products and sympathetic professional service.

The brand's installation is also sustained by a communication and marketing programme meant to raise awareness and make it one of the most well known in the market.

Net sales in 2012, after four-and-a-half months of activity at the airport unit and two months at Belas Shopping, were about 2.2 million euros.

In 2013 the Group will seek to further ground its operation and continue its expansion strategy if market conditions so permit.

Regarding service, the hiring, selection and training programme will continue. Plans call for the employment at year's end of more than 24 Angolan staff specializing in shift management.

In the marketing area the product range will be increased, bringing it closer to the complete basic menu. A broader range of means will be used to increase brand awareness. We are convinced that Angolan consumers will positively respond to our value proposal, thereby enabling us to consolidate the brand in the market.

7. Consolidated financial analysis

OPERATING RESULTS

In financial year 2012 consolidated operating profits were 174.1 million euros, 12.1% lower than in 2011. The EBITDA margin for the same period was 17.1 million euros, down 26.5%. Operating results stood at 5.6 million euros, down 46.5% compared to the previous year.

Sales and Other Operating Profits

Consolidated **turnover** totalled 171.3 million euros at year's end, 11.9% less than the figure for 2011.

Turnover was distributed as follows:

	million €	% Ch. 12/11
Sales of Restaurants	167,46	-12,1%
Sales of Merchandise	3,21	2,0%
Services Rendered	0,64	-17,5%
Net Sales & Services	171,31	-11,9%

Turnover in Portugal was about 125 million euros, a drop of 15% compared to the previous year. In Spain, it fell by 6% to about 44 million euros, corresponding to 26% of the Group's turnover. Angola contributed with 2.2 million euros.

Provisions of service performed more negatively due to the lower contribution from the Pizza Móvil franchises. Restaurant sales stood at 167.5 million euros, down 12.1% annually, broken down as follows:

Sales Ifl	*-11,5%*
Opening Angola	*1,2%*
Openings Portugal and Spain	*0,6%*
Closings	*-2,4%*
Total	-12,1%

Foodservice sales per concept were distributed as follows:

SALES		million €	% Ch. 12/11
Pizza Hut		50,58	-16,3%
Pans/Bocatta		16,87	-19,0%
KFC		8,86	-8,9%
Burger King		20,07	-11,3%
Pasta Caffé (Portugal)		5,07	-20,8%
O`Kilo		2,85	-34,2%
Quiosques		2,21	-15,9%
Cafetarias		4,12	-25,3%
Flor d`Oliveira		0,29	-31,8%
Catering		4,49	-8,2%
Concessions & Other		7,72	-5,3%
	Portugal	**123,12**	**-15,7%**
Pizza Móvil		12,93	-6,0%
Pasta Caffé (Spain)		0,88	-37,0%
Burger King Spain		28,29	*-4,0%*
	Spain	**42,10**	**-5,6%**
	Angola	**2,24**	
Total without Angola		**165,22**	**-13,3%**
Group Restaurants´Sales		**167,46**	**-12,1%**

In Portugal the Group's sales fell by 15.7%, in line with modern foodservice market performance:

- The VAT rate raised from 13% to 23% was not totally passed on to the sale price;
- Shopping centres recorded steep drops in traffic and foodservice sales;
- Fuel prices and the worsening crisis had a strong negative impact on traffic and consequently on foodservice sales at service areas;
- Less impact from reduced foodservice consumption in the brands KFC and Burger King, which boosted their respective market shares;
- More negative performance of Pizza Hut home delivery aggravated the brand's reduced sales;
- Pasta Caffé and Ò Kilo were the brands most affected by the worsening economic crisis and unit closures;
- Positive evolution of traffic at airports;
- Major drop in the number of events held in the catering market, particularly in the north.

In Spain a sales volume of 42 million euros was attained, corresponding to a reduction of 2 million euros:

- The effects of the economic crisis in Spain aggravated the fall in foodservice consumption throughout financial year 2012, with a consequent increase in pressure on sale prices;
- Burger King was better able to resist; with an ongoing unit renovation programme it posted better sales performance, even compared to the global foodservice market;
- In an extremely competitive segment and after a process of streamlining the unit portfolio and adjusting distribution areas, Pizza Móvil accompanied the market trend;
- Sales by the Pasta Caffé banner in Spain were strongly impacted by the closure of 2 units in 2011 and 1 unit in 2012.

In Angola the 2 units totalled sales of more than 2 million euros. The first unit opened in August and the second in late October. The need for constant evaluation of the portfolio of sales points led to the closing of 20 company-owned units. With the consumer market in recession and demanding more selectivity we only opened 2 units, whereby at year's end we operated 307 own units in Portugal and 73 in Spain.

At the end of the year the total number of units – company-owned and franchised – was 402, distributed as follows:

Nº of Stores	2011		2012		2012
	31-Dec	Openings	Transfer	Closings	31-Dec
PORTUGAL	**317**	**2**		**11**	**308**
Own Stores	**316**	**2**		**11**	**307**
Pizza Hut	99			4	95
Okilo	14			3	11
Pans	59			2	57
Burger King	38				38
KFC	18				18
Pasta Caffé	16				16
Quiosques	10				10
Flor d`Oliveira	1				1
Cafetarias	35				35
Catering (SeO,JSCCe Solinca)	5	1			6
Concessions & Other	21	1		2	20
Franchise Stores	**1**				**1**
SPAIN	**102**	**0**		**10**	**92**
Own Stores	**79**	**0**	**3**	**9**	**73**
Pizza Móvil	43		3	7	39
Pasta Caffé	3			1	2
Burger King	33			1	32
Franchise Stores	**23**	**0**	**-3**	**1**	**19**
ANGOLA	**102**	**2**			**2**
KFC	**0**	2			2
Total Own stores	**395**	**4**		**20**	**382**
Total Franchise stores	**24**	**0**		**1**	**20**
TOTAL	**419**	**4**		**21**	**402**

Note: transfer of 3 Pizza Móvil franchised units to own operation.

The other operating profits reached 2.8 million euros, of which the largest share corresponds to suppliers' contributions to marketing campaigns.

Operating expenses

Consolidated operating expenses were 168.5 million euros, 10.2% less than in the previous year, increasing their weight in sales.

Gross margin

The cost of merchandise and raw materials sold and consumed, which in 2011 accounted for 22.6% of sales, increased to 23.5%, reflecting the part of the VAT increase absorbed by the Group's margin.

The gross margin over turnover was 76.6% in this financial year, compared to 77.5% posted in the previous year.

Remunerations and personnel costs

Personnel costs fell by 8.3 million euros to 56.7 million euros. The 12.8% decrease was needed to accompany the reduced activity, showing the great effort to adjust teams and the drastic reduction of incentive bonuses. The weight of this item, which in 2011 had fallen to 33.5%, accounted for 33.1% of turnover in 2012.

Supplies and External Services

Costs with supplies and external services came to 58.5 million euros, after reaching 63.7 million euros in 2011, corresponding to a fall of 8.1%, or below the activity's evolution.

The weight of this item consequently shifted from 32.7% to 34.1% of turnover. Increased energy prices and the resilience of some costs of a more fixed nature, specifically rents, hindered a more accentuated reduction of this item despite efforts to curtail some general

expenses. Pre-opening costs for the business in Angola also impacted the performance of this item.

Other Operating Expenses

Other operating expenses came to 1.7 million euros and included about 1 million euros corresponding to the cost of closing some units during the financial year.

Stamp duties and other fees rose to 446 thousand euros in 2012.

Amortizations and Provisions

The financial year's amortizations and losses for impairment totalled 11.6 million euros, 1.3 million euros less than in 2012, and accounted for 6.8% of turnover. Impairment losses of tangible and intangible assets recognized in this financial year came to 1.6 million euros, about half the amount recorded in 2011.

EBITDA

EBITDA during the period came to 17.1 million euros, compared to 23.3 million euros the previous year. An unfavourable situation on the Iberian Peninsula and costs associated to closings were decisive factors in the reduction of consolidated EBITDA by 26.5%.

Lower turnover, loss of gross margin due to increased VAT and definitive closing costs led the EBITDA margin to fall from 12.0% in 2011 to 10.0% in 2012.

FINANCIAL RESULTS

The cost of net financing during the year was negative by 2.1 million euros, nearly 900,000 euros more than in 2011. This increased net financing cost is basically due to the higher financing spreads, lower remuneration rates for applications and also to the addition of financing in Angola, whose nominal cost is much more than the Group's average.

Payable interest was 2.6 million euros, corresponding to an average debt cost of 4.8%.

CONSOLIDATED NET RESULT

The **consolidated result before taxes** was 3.4 million euros, a reduction of 5.7 million euros, i.e. a drop of 62.6%.

Corporate Tax

The effective tax in 2012 is 1.1 million euros, versus 2.9 million euros in 2011. This figure accompanies the evolution of results and the use of available tax deferrals.

Due to the effect of deferred taxes, the amount of total tax applicable for calculating the Net Result came to a positive amount of 691,000 euros, corresponding to a rate of 20.1%.

Consolidated Result for the Financial Year

The **net consolidated result for the financial year** was 2.74 million euros, compared to the figure of 6.55 million euros recorded in 2011, representing a drop of 58.1%.

Uncontrolled interests essentially involve the direct and indirect stake of minority shareholders in the subsidiary Ibersande (Pans & Cª) and amounted to 231,000 euros.

The **net consolidated result attributable to shareholders** was 2.51 million euros, 59% less than the figure for 2011.

FINANCIAL SITUATION

Balance

Consolidated **Assets** were 224 million euros at 31 December 2012, about 4 million euros less than at end 2011.

This decrease basically resulted from fixed asset items and corresponds to the following contributions:

(i) reduction of technical fixed assets referring to financial year amortizations and impairments (about -12 million euros);

(ii) investment in expansion and renovation plans in Portugal and Spain, especially renovations (about +7.5 million euros);

(iii) investment in Angola, about +3 million euros);

(iv) closing of units and correction of asset price (about -2 million euros);

(v) increased third party debts (about +1 million euros);

(vi) increased SPE-IRC to recover (about +1 million euros);

(vii) reduction in available funds (about -2.5 million euros)

Consolidated **Liabilities** were 107 million euros at 31 December 2012, 6 million euros less than at end 2011.

At 31 December 2012 **Equity Capital** stood at 117 million euros, 2 million euros more than the end 2011 figure. About 1.0 million euros were distributed as dividends during the financial year.

CAPEX

In 2012 **CAPEX** came to 10.0 million euros, corresponding to investment in:

- expansion in Portugal and Spain: acquisition of concession of 2 spaces and renovation of 13 units (totalling 4 million euros);
- expansion in Angola: completion of first unit and installation of second KFC (3.2 million euros);
- various current and ongoing expenditures totalling 2.4 million euros.

Disinvestment also occurred due to the closure of 20 units (11 in Portugal and 9 in Spain).

Cash flow generated during the financial year was 14.8 million euros, an amount sufficient for financial coverage of CAPEX.

Consolidated net debt

At year's end net paid remunerated debt stood at 28.1 million euros, an amount similar to the end 2011 debt figure (28.3 million euros). Short term banking debt is constituted by the issuance of commercial paper with possibilities of redemption in 2013.

The gearing (net debt/(net debt + equity capital)) which at end 2011 was 19.8% fell to 19.4%.

The "net debt over EBITDA" indicator was 1.6 times at end 2012 (1.2 times in 2011) and the EBITDA to interest coverage ratio was 7 times (compared to 10 in 2011).

Given ongoing credit restrictions and uncertainties in financial markets, the company, which in 2011 carried out operations to consolidate a large part of the short-term banking debt,

proceeded during this financial year to set the debt's interest rate with more maturity (20 million euros).

The Group's financial structure continues to be very robust.

8. **Risks and uncertainties**

Risk management is one of the components of society's culture and is present throughout the Organization, in all processes. It is the responsibility of all managers and employees at the different organizational levels.

Risk management is developed with the goal of creating value by managing and controlling uncertainties and threats that can affect Group companies from a standpoint of operational continuity, with a view to taking advantage of business opportunities.

In the strategic planning scope existing business portfolio risks are identified and assessed. New businesses and more significant projects are also developed and strategies to manage those risks determined.

At operational level, the management risks associated to the goals of each business are identified and assessed and actions planned to manage those risks, which are included and monitored in the scope of the business plans and functional units.

In order to ensure compliance with set procedures the group's main internal control systems are regularly evaluated.

Internal control and monitoring of internal control systems are conducted by the Executive Committee. The specific nature of the business means there are risk areas. We call attention to the following:

- Food hygiene and quality;
- Workplace safety and hygiene;
- Financial;
- Environmental.

The sharp drop in consumption during the last year and uncertainty about performance of the economies of Spain and Portugal lead us to anticipate negative evolution of the sector and Group sales. To mitigate the effect on results the company has implemented rigorous cost controls with monthly monitoring of market evolution and consequent revision of resource usage planning.

On the other hand, as a food sector operator, epidemics or disruptions in raw material markets as well as eventual changes in the consumption pattern can have a major impact on the financial statements.

9. Own shares

During the financial year the company did not perform any transactions involving own shares.

At 31 December 2012 the company held 2,000,000 shares (10% of the capital) with a nominal value of 1 euro each, for an overall acquisition value of 11,179,643 euros.

10. Note on activity of the Non-Executive Member of the Board of Directors

The non-executive member of the Ibersol Board of Directors, Professor Juan Carlos Vázquez-Dodero, took part in 6 meetings of the Board of Directors, i.e. in 60% of the meetings held. He was provided beforehand with all information and documentation concerning the matters on the meeting agendas, even for those he did not attend.

The non-executive director took part in various meetings of the Executive Committee, particularly in those dealing with topics involving the Group's business planning and strategy.

He frequently requested detailed information from the Executive Committee about decisions made with respect to developing and expanding the businesses.

At operational level he maintained a close relationship with the Management Control and Planning Department. Professor Vázquez-Dodero met five times with the department officers to together evaluate methodologies and tools and determine ways to improve control of the businesses. He also contributed relevant macroeconomic information to help assess the situation in Spain.

Management Control supplied him quarterly with detailed information enabling him to follow operational activity and evaluate the performance of executive management vis-à-vis the plans and budgets approved by the Board of Directors. All explanations requested were provided.

The non-executive member attended all meetings with the Fiscal Council and followed all Corporate Governance matters that arose during the financial year.

11. Prospects

All prospects point toward a contraction of the Portuguese and Spanish economies in a context in which macroeconomic adjustments, specifically involving reduction of budget deficits, will continue to affect internal demand performance.

The budget consolidation measures involve: (i) elimination of holiday allowance payments in the state sector; (ii) cuts in the highest pensions and salaries; (iii) increased taxes on families; and (iv) lower income tax benefits and uncertainty about the application of additional measures. These will have a very negative impact on foodservice consumption.

In this context, the lower consumption trend is expected to worsen in 2013, with increased demand for cheaper products (and consequently lower average revenue). Additional pressure will be felt on sale prices and due to the natural shift away from eating out to meals at home.

Ibersol believes it is ready to face another decline in sales, a result of preparations begun in the second half of 2011, although the adjustment margin has been substantially reduced. We continue to keep our suppliers and partners informed, specifically the shopping centres, with a view to fitting supply to demand.

Regarding financing, the financial market is expected to remain beset by liquidity problems, with reduced availability of funds for the economy. The tendency for higher spreads will probably end; it is to be expected that the ECB interest rate will come down again.

Regarding expansion, we keep our eyes open for opportunities and ways to strengthen the competitive position of the brands we operate. In 2013 we envisage that Ibersol may open about 3 units on the Iberian Peninsula and implement a renovation programme for some units and close others, particularly where the contract renegotiation process hinders efforts to ensure viable operation.

We will study performance of the units operating in the Angolan market and probably open two more units during the financial year, if so justified by the performance of the current ones.

12. Distribution of Results

In financial year 2012, Ibersol SGPS, S.A., presented a net consolidated result of 2,744,133.00 euros and a net result in the individual accounts of 2,514,018.00 euros.

As indicated in the individual management report, the Board of Directors proposes the following application:

Non-distributable reserves	1,040,455.00 €
Free reserves	373,563.00 €
Dividends	1,100,000.00 €

whereby each share should be allocated an illiquid dividend of 0.055€. In the case of the company holding own shares the said allocation of 0.055€ for each circulating share shall be maintained, reducing the overall amount of the allocated dividends.

13. Subsequent events and statement of responsibility

No significant events worthy of note occurred up to the date of this report's approval.

In compliance with paragraph a) of section 1 of article 245 of the Securities Market Code we declare that to the best of our knowledge:

- the management report, annual accounts and other documents setting out the accounts of Ibersol SGPS, S.A., required by law or regulation and referring to financial year 2012, were drafted in compliance with applicable accounting rules and provide a truthful and appropriate image of the assets and liabilities, financial situation and results of Ibersol SGPS, S.A., and the companies included in the Group; and
  the information contained in the management report faithfully depicts the evolution of the businesses, performance and position of Ibersol SGPS, S.A., and the companies included in the consolidation perimeter, and includes a description of the main risks and uncertainties they face.

14. Acknowledgments

The first vote of thanks from this Board of Directors is addressed to all of the Group's employees, for their dedication and enthusiasm in confronting a market as adverse as the current one.

We gratefully acknowledge the collaboration provided over the course of the year by the banking establishments, our suppliers and other partners.

We likewise extend our thanks to all shareholders for the trust they have deposited in Ibersol.

The Fiscal Council, auditors and chartered accountant must also be recognized for the assiduous collaboration and capacity for dialogue they have manifested when following and examining the company's management.

Porto, 1 April 2013

The Board of Directors

____

António Carlos Vaz Pinto de Sousa

____

António Alberto Guerra Leal Teixeira

____

Juan Carlos Vazquez-Dodero

Corporate Governance Report

This present report contains a description of the IBERSOL SGPS, SA. structure and Corporate Governance practices ("Corporate Governance"), was drawn up to comply with the provisions stated by the 245th - A article of the Corporate Governance Code of the Securities Market Commission [CMVM – *Comissão do Mercado de Valores Mobiliários*], on appliance of the CMVM Regulation nº 1/2010 on the Governance of Listed Companies, adopting the dispositions and the recommendatory practice set in the CMVM Corporate Governance Code, according with the previsions introduced in January 2010 - regulation that is available for consultation at the CMVM site www.cmvm.pt.

Chapter 0. Statement of Compliance

IBERSOL SGPS, SA. is a quoted company ruled under Portuguese law, issuer of shares admitted to trading on the regulated market Euronext Lisbon, submitted to legal dispositions of the Portuguese legal system, namely the legal framework of it´s corporate governance, also as stated on the Commercial Societies Code (CSC), the Securities Code, CMVM Regulation nº 1/2010 over the Corporate Governance, as well as adopting the recommendations of the Corporate Governance Code of the Securities Market Commission according with the previsions introduced in January 2010, in www.cmvm.pt .

0.1 The Company follows the CMVM Code of Governance for Listed Companies, namely through the application of CMVM Regulation nº 1/2010. This regulation and the recommendations are available for consultation on the CMVM website, at **www.cmvm.pt**.

0.2 Detailed description of the recommendations contained in the Corporate Governance Code that have or have not been adopted. Recommendations that are not fully met are understood to be non-implemented.

RECOMMENDATIONS (Corp. Gov. Code)	COMPLIANCE	
I. General Meeting		
I.1 General Meeting Board		
I.1.1	Complied with	See Chap.I. Point I.1

I.1.2	Complied with	See Chap. I. Point 1.3
I.2 Participation at the Meeting		
I.2.1	Complied with	See Chapter I Point I.4
I.2.2	Complied with	See Chapter I Point I.5
I.3 Voting and Exercising Voting Rights		
I.3.1	Complied with	See Chapter I Point I.9 and I.12.
I.3.2.	Complied with	See Chapter I Point I.11
I.3.3	Complied with	See Chapter I Point I.6, 1.7
I.4 DELIBERATIVE QUORUM		
I.4.1	Complied with	See Chapter I Point I.8
I.5 MINUTES AND INFORMATION ON ADOPTED RESOLUTIONS		
I.5.1	Complied with	See Chapter I Point I.13 and I.14

I.6 MEASURES ON CORPORATE CONTROL

I.6.1	Complied with	See Chapter I Point I.19 and I.20
I.6.2	Complied with	See Chapter I Point I.20

II. MANAGEMENT AND SUPERVISORY BODIES
II.1. GENERAL MATTERS

II.1.1.STRUCTURE AND DUTIES

II.1.1.1	Complied with	See Chapter 0 Point 03 and Chapter II Point II.4
II.1.1.2	Complied with	See Chapter II Point II.5
II.1.1.3	Complied with	See Chapter II Point II.6
II.1.1.4	Complied with	See Chapter II Point II.9
II.1.1.5	Complied with	See Chapter II Point II.7.

II.1.2 INCOMPATIBILITIES AND INDEPENDENCE

II.1.2.1	Complied with	See Chapter II Point II.1 and II.14

II.1.2.2	Not complied with	See Chapter 0 Point 04, II.1.2.2
II.1.2.3.	Complied with	See Chapter II Point II1.2.3.
II.1.3 ELIGIBILITY CRITERIA AND APPOINTMENT		
II.1.3.1	Complied with	See Chapter II Point II.21.
II.1.3.2	Not complied with	See Chapter 0 Point II.16
II.1.4. POLICY ON REPORTING IRREGULARITIES		
II.1.4.1	Complied with	See Chapter II Point II.35.
II.1.4.2.	Complied with	See Chapter II Point II.35.
II.1.5 REMUNERATION		
II.1.5.	Not complied with	See chapter 0 Point 04. II.1.5.1
II.1.5.2	Not complied with	See Chapter 0 Point 04, II.1.5.2

II.1.5.3	Not complied with	See Chapter 0 Point 04.II.1.5.3
II.1.5.4	Complied with	See Chapter I Point I.17 and I.18
II.1.5.6	Not Complied with	See Chapter 0 Point II.1.5.6
II.1.5.7	Complied with	See Chapter II Point II.31
II.2 BOARD OF DIRECTORS		
II.2.1	Complied with	See Chapter II. Point II.3
II.2.2	Complied with	See Chapter II. Point II.3
II.2.3	Complied with	See Chapter II. Point II.3 and II.8
II.2.4.	Complied with	See Chapter II. Point II.17
II.2.5	Complied with	See Chapter II. Point II.11
II.3 CHIEF EXECUTIVE OFFICER (CEO), EXECUTIVE COMMITTEE AND EXECUTIVE BOARD OF DIRECTORS		
II.3.1	Complied with	See Chapter II Point II.3,II12 and II 13

II.3.2	Complied with	See Chapter II Point II.13
II.3.3.	Not applicable	See Chapter 0 Point 04.II.3.3
II.4. GENERAL AND SUPERVISORY BOARD, FINANCIAL MATTERS COMMITTEE, AUDIT COMMITTEE AND STATUTORY AUDIT COMMITTEE		
II.4.1	Not applicable	See Chapter 0 Point 04.II.4.1
II.4.2	Complied with	See Chapter II and III Point II.4 and III.15
II.4.3	Complied with	See Chapter II and III Point II.4 and III.15
II.4.4.	Complied with	See Chapter II Point II.21
II.4.5	Complied with	See Chapter II Point II.21
II.4.6	Complied with	See Chapter II Point II.4.6
II.5. Specialized Committees		
II.5.1.	Not complied with	See Chapter 0 Point 04.II.5.1

II.5.2	Complied with	See Chapter II Point II.38 and II.39
II.5.3	Complied with	See Chapter II Point II.39.
II.5.4	Complied with	See Chapter II Point II.37.
III. INFORMATION AND AUDITING		
III.1 GENERAL DISCLOSURE DUTIES		
III.1.1	Complied with	See Chapter III Point III.16
III.1.2		
a)	Complied with	See Chapter III Point III.16
b)	Complied with	See Chapter III Point III.16
c)	Complied with	See Chapter III Point III.16
d)	Complied with	See Chapter III Point III.16
e)	Complied with	See Chapter III Point III.16

f)	Complied with	See Chapter III Point III.16
g)	Complied with	See Chapter III Point III.16
h)	Complied with	See Chapter III Point III. 16
III.1.3	Complied with	See Chapter III Point III. 18
III.1.4	Complied with	See Chapter III Point III. 17
III.1.5	Complied with	See Chapter III Point III. 17
IV - CONFLICTS OF INTEREST		
IV.1 RELATIONS WITH SHAREHOLDERS		
IV. 1	Complied with	See Chapter III Point III. 11.
IV 1.2.	Complied with	See Chapter III Point III. 13.

0.3 The Board of Directors declares that the corporate governance model adopted is suitable to the proper internal and external functioning of the Corporation. The Board of Directors has a Executive Committee, composed by two members, it convenes weekly and evaluates the diverse affairs related with the corporate managing of the society, also meeting regularly with the non executive member, sharing relevant and detailed information over significant aspects of corporation’s life. The annual Management Report describes the

performed non-Executive member activity. The Board of Directors has no commission specialist support. There's no notice of any kind of embarrassment or repair to the functioning of the corporate governance, by any corporate body, attended the accuracy and frequency which this information is provided to. Minutes of the Executive Committee and Remuneration Committee are prepared.

0.4. II.1.2.2 The Company's management body is composed of three directors and includes one member, Prof. Juan Carlos Vázquez-Dodero, who is a non-executive member. The mentioned member is a board of director's member of affiliated companies, in which he does not exercise executive functions. He does not carry out any activities or business with the company, as per the provisions of articles 397 and 398 of the CSC. However, he does not fulfil the independence requirements of art. 414 section 5 of the CSC, although he is a non executive board of director's member of affiliated companies, complying in this sense, the European Commission Recommendation nº 2005/162/CE of 15th February 2005 on this matter, he does not comply with the more restrictive understanding of CMVM. Regarding verification of the incompatibility requirements, the same non-executive director does comply with such rules, except for paragraph c) of section 1 of art. 414 – A of the CSC.
In conclusion, and although the Company's administrative structure is not governed by an audit committee included in its Board of Directors (hence the legal requirement contained in article 423-B of the CSC, namely its sections 4 and 5, is not imposed on the latter), according to CMVM understanding the requirement of point II.1.2.2 of the Corporate Governance Code is not fulfilled.

II.1.5.1 This Recommendation is not complied with, regarding the executive members of the Board of Directors. The Shareholder's Company ATPS-SGPS, SA, has rendered management services to the Group, having received from the affiliated company Ibersol, Restauração, SA., for the rendered services, the amount of 756.034,00€ in 2012. Among the ATPS - Sociedade Gestora de Participações Sociais, SA. obligations and under the contract terms with Ibersol, Restauração, SA. is included the obligation of assuring that the Company´s Board of Director's members, António Carlos Vaz Pinto de Sousa e António Alberto Guerra Leal Teixeira perform their functions without any further costs for the company. The Company does not allow, directly, any payment to it´s executive board of Director´s members. Being ATPS – Sociedade Gestora de Participações Sociais, SA. held, in equal shares, by the board of directors members António Carlos Vaz Pinto de Sousa e António Alberto Guerra Leal Teixeira, from the mentioned amount of 756.034,00€ in 2012, it will correspond to each one of those board of director's members the amount of 378.017,00€.
The non executive member of the board obtained an annual remuneration of 6.000€.

II.1.5.2 and II.1.5.3 For setting the Board of Directors and the Statutory Audit Committee remunerations there were not taken any comparative remuneration policies or practices over payments made by other companies, being

understood that the society follows, in this matter, a policy that behaves in an equivalent average valuation. It has been not regarded or pre determined any policy over payments related to the dismissal or termination of the administrators function, by agreement.
Regarding the Directors remuneration policy, it is stated by the Board of Directors in it's Statement joined to this Corporate Governance Report, that there are no significant variable components of it´s remunerations, either regarding the type and decomposition of fixed remuneration to these directors, whether as to the respective amounts.

II.1.5.6 The company has not complied with this Recommendation at the Annual G. Meeting taking place in 2012, because that representative has not been present at the Meeting.

II.3.3 This recommendation is not applicable in the meaning of the text. It is clarified in the Chapter II, Point II.12 and II.13.

II.4.1 This recommendation is not applicable because the Company is not structured under the mentioned model.

II.5.1 The company does not have specialized committees, unless the Remuneration Committee. The company has been following the understanding that it has been sufficient the existence of the Remuneration Committee regarding the organizational model that has been adopted – which has been proved entirely reliable, effective and interactive, producing the necessary and relevant response to the needs of a perfectly performance adjusted to the criteria of independence and good performance that are required, taking in account the size of the company.

II.16 These rules emerge from the legal rules that are incumbent upon the electoral shareholders' meeting, where this body, without prejudice to freely elect the members of the Board, is responsible for the selection process and this one will be drawn up enjoying the profile of each candidate in terms of their qualifications, technical knowledge and professional experience. However, regarding a control position that confers to determined shareholder's, mainly being simultaneously executive Directors, the possibility of choosing executive and non-executive directors, it is not possible to assure the necessary distance the recommendation seeks to ensure. So, it arises from the Ibersol shareholders structure the failure of this recommendation.

Chapter I

General Assembly

I.1. Identification of the members of the General Meeting Board

Chairwoman: Alice de Assunção Castanho Amado;
Vice-Chairwoman: Anabela Nogueira de Matos;

Secretary: Maria Helena Moreira Araújo;

The Company provides the Chairman of the General Meeting the human and logistics resources to suit her needs, through support services of the company's Secretary and the Legal Office, this one composed by three lawyers, so considering this support as an adequate support face to the society's dimension and economic situation. The Investor Relations Office / Representative for the market also provides support at the general meetings, responding to requests for information from shareholders, organizing accreditation of participation in the general meeting, in liaison with the company Secretary and the Board of the general meeting.

I.2. Designation of the commencement and end of the mandates: 2009 – 2012.

I.3. Designation of the Chairman's General Meeting Board remuneration:
In 2012 the remuneration obtained by the Chairwoman of the General Meeting Board was € 1.333,44.

I.4. Indication of the prior notice for share-blocking for participation at the General Meeting.
The Company's articles of association at present require in their 20th article, number 1, that shareholders prove to the company their ownership and deposit of shares up to five working days before the date the Annual General Meeting is held, being applicable the *record da*te system. The 49/ 2010 Law Decree the 19th May has changed the Securities Code, introducing new rules applicable to the General Meeting´s shareholders participation, having eliminated the need to block shares as a condition of participation in the General Meeting.

I.5. Indication of the applicable rules for share-blocking should the General Meeting be suspended.
Under 20th Company's Association Articles, nº 3, if the meeting is suspended, the Company does not oblige the shares or subscription titles to be blocked during the entire period until the session is resumed, the ordinary prior notice required upon first summons is sufficient.

I.6. Number of shares that equals a vote.
Each share of the Company equals one vote, under 21st nº 1 of the Association Articles.

1.7 The existence of statutory rules which provides the existence of shares that do not confer voting rights or stating that no voting rights are counted over a certain number when issued by a single shareholder or shareholders related to it.
In the article 20º nº 2 of the Company's Association Articles is stated that the shareholders of preference shares without voting rights and bondholders may

not participate in general meetings, being represented by the same common representative.

I.8. The existence of statutory rules on the exercise of voting rights, including constitutive or deliberating quorums or systems for equity rights.

According to article 23rd of the Association Articles, for the General Meeting to be able to meet and deliberate upon first summons it is indispensable that shareholders holding shares comprising more than fifty percent of the share capital be present or represented. Under 21st n.1 and 2 of the Association Articles, each share equals a vote and the deliberations in the General Meeting will be taken by a simple majority, except if the law demands differently.

I.9. Existence of statutory rules on the exercise of voting rights via postal voting.

Statutory rules exist about exercising the postal voting right in art. 22nd nºs 3 to 11, postal voting limits are inexistent. The Company provides a postal vote bulletin, indicating the necessary procedures for exercising this voting right, under the model provided in www.ibersolpt.

I.10. Availability of a model format for exercising the voting right by postal means.

The company provides a format for exercising the postal voting right. This form is posted on the company's website, www.ibersol.pt .

I.11. A deadline requirement for the receipt of the postal bulletins and the date on which the General Meeting is held.

Postal votes can be received up to three days before the General Assembly is held in terms of the 22nd nº 4 of the Association Articles.

I.12. The exercise of voting rights by electronic means.

The exercise of voting rights by electronic means is still not available. Note that up till now the Company has not received any solicitation or expression of interest by shareholders or investors with the purpose of providing such a function.

I.13. Shareholder's possibility of access on the company's website to the minutes extracts of the General Meeting in a five days period after the meeting is held.

On the Company's website are available to the shareholders the minutes of the General Meeting in the mentioned term, as well as a simple statistic about the number of present shareholders, agenda and resolutions taken in the last five years.

I.14. Existence of a historical in the company's website over the resolutions taken in the General Meetings, the share capital represented and the voting results with reference to the previous three years.

There are available to the shareholders on the Company's website the minutes of the General Meeting, the share capital represented and the voting results referring to the previous five years.

I.16. Information upon the intervention of the General Meeting on matters concerning the remuneration policy of the company and the performance evaluation of the members of the Board of Directors.
The remunerations policy for the governing bodies is the responsibility of the Remuneration's Committee, which in 2013 will submit that policy at the Shareholders General Meeting approval.
The working agenda of the Annual General Meeting has included a point addressed to an overall evaluation of the company's administration and supervision, in compliance with the provisions of art. 376 nº1 al. c) of the CSC (Companies Code).

I.17. Information upon the General's Meeting intervention over the proposal concerning plans to allot shares and / or options to acquire shares, or based on price changes for the shares, to members of the board, supervisory and other directors, within the meaning of paragraph 3 of Article 248 B of the Securities Code, and on the evidence provided to the General Meeting with a view to their correct evaluating of those plans.
There were no proposals to the General Meeting over plans to allot shares and/or any other kind or modality of shares attribution such as referred above.

I.18. Information upon the General's Meeting intervention on the approval of the main characteristic of the retirement benefits that board of directors members, supervisory and other directors may benefit, within the meaning of paragraph 3 of Article 248 B of the Securities Code.
There was not raised, submitted or accepted any proposal or resolution in the general meeting in the sense and / or the content displayed.

I.19 Existence of a statutory rule which provides for the duty to impose at least every five years, the resolution of the general assembly, maintenance and removal of statutory rule which provides for limiting the number of votes capable of holding or exercise by a single shareholder individually or in concert with other shareholders.
There is no statutory rule in the mentioned sense – such as limiting the number of votes capable of holding or exercising by any shareholder.

I.20. Indication of the defensive measures that are intended to immediately instigate asset erosion in cases such as changes in the control or to the composition of the Board of Directors.
There are no defensive measures in the Company whose effect would be to automatically cause a serious erosion of the Company's assets in case of change of control, or change of composition of the Board of Directors, at any terms or conditions and independently of any temporal or factual moment – so,

by nature, it involves the non existence of eventual measures that will operate in a previous moment to a potential takeover bid. There are no *voting caps* or *shareholders agreements,* or any other kind of measures or means that will limit, in any way, the transfer of shares.

I.21. Main agreements in which the company is part of that will come into force, if changed or ended in cases such as a change in company's control, as well as related outcome, unless that disclosure measure, by it's nature, is highly damaging to the company, except the company is specifically obliged to disclose such information by force of legal imperatives.

Franchise Contracts exist in the Company concerning concession of the operation, under licence, of international foodservice brands in which Ibersol, SGPS, SA., figures as an accessory and warrant party for the respective compliance, figuring the subsidiaries companies a main party of those same contracts. They set some limits on the change of control in Ibersol, SGPS, SA., holding, as well as in companies with a dominant position over Ibersol, SGPS, SA. Such limits, subject to the necessary conditions of reasonability and contractual balance, basically consist of the duty of prior notice and/or approval by those franchisors, as well as the prevention of competition in the operational branch of the mentioned foodservice brands.

I.22. Agreements between the company and the Board of Director's members and main Directors, within the meaning of 248-B nº3 article of the Securities Code, that provide for compensation if they resign or are discharged without a valid cause or if their employment ceases following a change in company control.

There are no agreements between the Company and the Board of Directors members and other main directors, as per section 3 of article 248-B of the Securities Code, which envisage compensation should they resign, be discharged without a valid cause, or if their employment ceases following a change in company's control.

Chapter II
Management and Supervisory Bodies
Section I – General themes

II.1. Identification and composition of the corporate bodies:
Board of Directors:
Chairman – António Carlos Vaz Pinto de Sousa;
Vice Chairman – António Alberto Guerra Leal Teixeira;
Member – Juan Carlos Vázquez-Dodero;

Executive Committee:
Chairman – António Carlos Vaz Pinto de Sousa;
Vice Chairman – António Alberto Guerra Leal Teixeira;

Statutory Audit Committee:
Chairwoman – Luzia Leonor Borges e Gomes Ferreira;
Vice Chairman – Joaquim Alexandre de Oliveira e Silva;
Effective Member – António Maria de Borda Cardoso;
Alternate Member – Dr. Eduardo Moutinho dos Santos;

Chartered Accounting Firm:
Pricewaterhousecoopers & Associados – SROC, LDA.;
Represented by Hermínio António Paulos Afonso (ROC);

Company's Secretary:
Effective Secretary – José Carlos Vasconcelos Novais de Queirós;
Alternate Secretary – Maria Helena Moreira de Araújo.

II.1.2.3 The evaluation of the independence of the non-executive directors by the management body shall take into account the legal rules and regulations in force on the requirements of independence and the regime of incompatibilities applicable to the members of other social bodies, assuring coherency systematically and throughout time in the application of independence criteria to the entire company. The director which, in other corporate body, would not be able to assume that quality under the applicable rules, shall not be considered as independent.

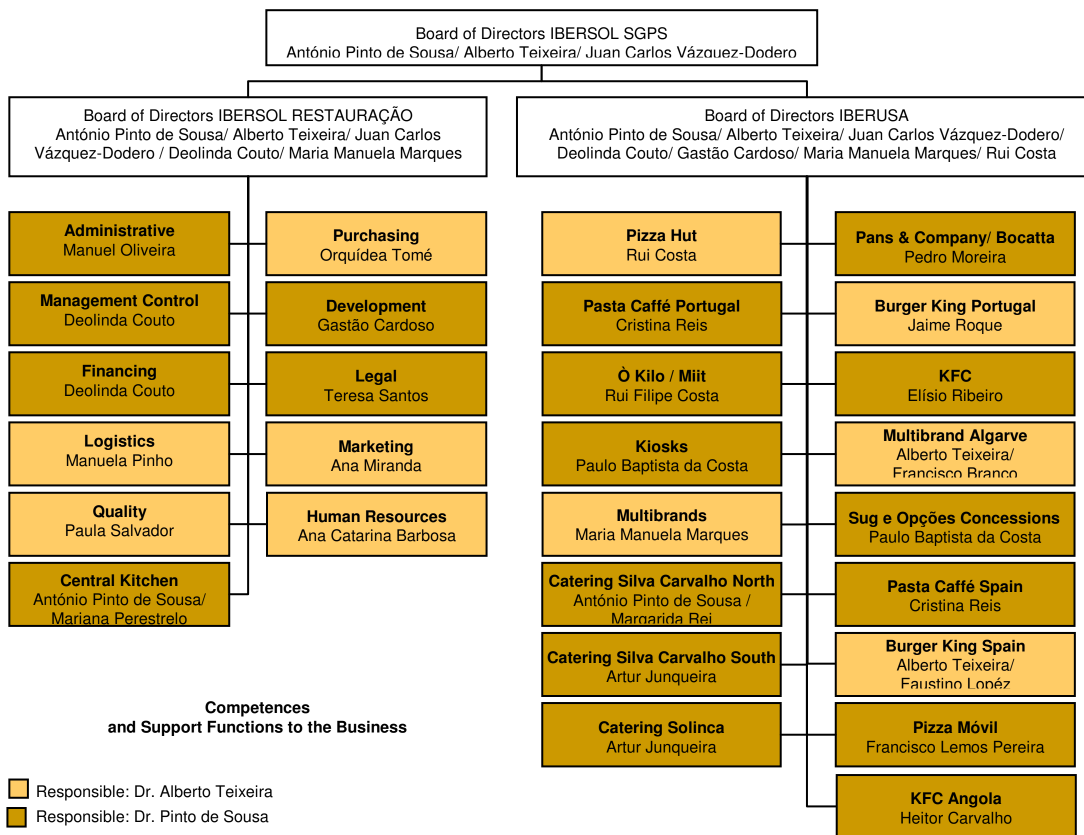
The Board of Directors body is composed by three members and includes a member, Prof. Juan Carlos Vázquez-Dodero that is a non-executive member. The mentioned member is a non-executive director of affiliated companies.
This member does not accomplish any business or activities with the Company in the meaning of the 397º and 398º articles of the Commercial Societies Code(CSC). However he does not accomplish the requirements of independence stated in the 414th, nº 5 article of the mentioned CSC, in the meaning that he, however, is a non-executive member of the board of directors of affiliated companies - and in this sense he accomplishes the UE Recommendation the 15th February 2005 over this theme - he does not accomplish the more restrictive meaning stated by the CMVM. Regarding the items of incompatibility, the same non-executive director accomplish those rules with the exception of the c) and h) alineas of the nº 1 of the CSC 414-A article.
In conclusion, however the Company's administration structure is not governed by a auditory committee that takes part of it's Board of Directors (and so the company is not legally obliged to accomplish the 423º-B article of CSC code, namely nºs 4 and 5), it is understood that the item required under the points II.1.2.3. of the Corporate Governance Code is complied with.

II.2. Identification and composition of other committees created with responsibilities for the management or the supervision of the company.

Not existent;

II.3. Organizational structure or functional chart concerning the delegation of responsibilities among the various corporate bodies, committees and/or departments within the company, including information on the scope of delegating responsibilities or distributing duties among the members of the Management or Supervisory bodies, as well as a list of non-delegable subject matters and delegable subject matters.

Company Organization Chart



Management Body

Ibersol, SGPS, SA. has a Board of Directors composed of three members: one Chairman, one Vice-Chairman and one Vogal Member.

Two of its members exercise executive functions and form an Executive Committee, which was elected and whose powers were delegated by the Board of Directors per the terms of art. 8º section 4 of the Company Association Articles, and one other Director who exercises non-executive functions.

The Executive Committee operationally coordinates the functional directions and different businesses mentioned above, meeting periodically with the respective directors. The decisions made by the Functional and Business Directors, which must respect the overall guidelines, emanate from the delegation of powers granted by the Executive Committee and are coordinated in the aforementioned meetings.

The powers delegated to the Executive Committee are namely the following:

a) full powers for decision-making, management and strategic accompaniment of corporate activity, within the legal limits set by art. 407º section 4 of the CSC;

b) to develop, plan and programme the action lines of the management body, internally and externally for the accounting year, fully pursuing the social goals per the Company's ends, with a special aim to assist the Board of Directors properly verifying the instruments for supervising the economic/financial situation and carry out the controlling function of the companies that are part of the Ibersol Group.

c) it is incumbent upon to help the Board of Directors to update its assessment and functional support structures, as well as the procedures of companies integrated in the Ibersol Group, with consistent adjustment to changing business needs, acting to determine the profiles and characteristics of its strategic partners, clients, workers, collaborators and other players, and in development of the behaviour standard for the company's relations with the outside world, and may specifically proceed to acquire, dispose of and encumber moveable goods, establishing or ceasing cooperation with other companies.

The distribution of functions within the Board of Directors, specifically in terms of turnover responsible for financial matters is understanding of the company that the rotation does not serve the corporate interests, being a measure that would not contribute to stabilization and continuous improvement of its objectives, but even more so is society's understanding that this requirement, if any, will only be objectively required for the future, ie after two mandates from the date of commencement of validity of the recommendation contained in section II.2.5 of the Government Corporations Code (the latter with effect from September 2007). The Board of Director´s members when requested by other board members provide timely, adequately and fairly, all the requested information.

II.4 Reference to the fact that the annual reports on the activities of the General Council and Supervisory Board, the Commission for financial matters, the Audit Committee and the Audit Committee include a description of the supervisory activity detected indicating any constraints, and be subject to disclosure on the website of the company, together with the documents of accountability.

The Report of the Supervisory Board includes a description of the supervisory activity and, when appropriate, it refers any constraints encountered, which are disclosed on the website of the company, together with the documents of accountability. The Board of Directors declares that the corporate governance model adopted is suitable to the proper internal and external functioning of the Corporation. The Board of Directors has a Executive Committee, composed by two members, it convenes weekly and evaluates the diverse affairs related with

the corporate managing of the society, also meeting regularly with the non executive member, sharing relevant and detailed information over significant aspects of corporation's life. The annual Management Report describes the performed non-Executive member activity. The Board of Directors has no commission specialist support. There's no notice of any kind of embarrassment or repair to the functioning of the corporate governance, by any corporate body, attended the accuracy and frequency which this information is provided to. Minutes of the Executive Committee and Remuneration Committee are prepared.

II.4.6 The Internal Audit Services and those who ensure the compliance of the norms applied to the company (compliance services) shall functionally report to the Audit Committee, the General and Supervisory Board or, in case of companies that adopt the Latin model, to an independent director or the Supervisory Board, regardless the hierarchical relation that those services have with the executive administration of the company.

The Company has not specifically internal audit services with specific functional and direct report to the Supervisory Board (given the adopted Latin model), and the mentioned compliance services are provided by the respective departments of the Company. Underlining that, organically and functionally, the different directive departments of the Company's Group head directly the *compliance s*ervices nearby the Board of Directors and the Statutory Audit Committee – namely whenever requested by this last organ – these responsible are dully identified on the company's organization chart in point II.3, and the respective performance is detailed in point II.5. Stating that the governing model is the Latin one, the *compliance services* are granted by the proper departments of the Company, and those services are assured in interaction both with the Supervisory Board and the non-executive board member, reporting functionally to this Board member, independently of any hierarchical relationship that those same departments keep with the Board of Directors of the company. Under the Auditory services, the External Auditor meets with the different group Departments, at least once a year, regarding the analyses and supervision of the internal control system, preparing the report to the Statutory Audit Committee and to the further discussion with the Board of Directors, namely with the non-executive member.

II.5. Description of the internal control and risk management systems within the company, namely over the financial information disclosure system, as well as it's functioning system and it's effectiveness.

Risk management is a component of the company's culture and is present in all processes; it is the responsibility of all managers and collaborators at the different levels of the organization.

Risk management is undertaken with the aim of creating value through the management and control of uncertainties and threats that can affect Group companies from a standpoint of operational continuity, with a view to taking advantage of business opportunities.

In the context of strategic planning, risks to the portfolio of existing businesses are identified and evaluated; new businesses and more relevant projects are also developed and strategies to manage those risks determined.

At operational level, management risks are identified and evaluated regarding the objectives of each business and actions to manage those risks are planned; they are included and monitored in the scope of the business plans and the functional units.

Regarding risk to the security of tangible assets and persons, politics and standards are defined and a self-control compliance face to that risk is undertaken; external audits are carried out on all units and actions are implemented to prevent, identify and correct those risks.

In order to guarantee conformity of the established procedures, the group's main internal control systems are periodically evaluated.

Internal control and accompaniment of the internal control systems are carried out by the Executive Committee. For specific business aspects there are risk areas whose management has been assigned to functional departments, standing out:

Food Quality and Safety

In the foodservice business the risk associated to hygiene and food safety is of major importance.

Management of this risk area is coordinated by the Quality Division. Its main concerns imply responsible and proactive action, following the principles of prevention, training, monitoring of indicators and the search for continual improvement in order to minimize food-related risks that impact consumers' health.

This risk area's main management aspects are:

- Qualification and Selection of Suppliers and Products in the food quality/safety area and the Periodic Control Programme for Suppliers/Products and Services;
- to ensure effectiveness of the implemented Tracing System;
- the control of the units' Productive Process by means of HACCP Systems;
- the system to Develop Food Safety Skills;
- Maintenance and Monitoring of measurement devices;
- Food Crisis Management System, which allows existing food warning systems to be monitored at all times and ensures immediate action when necessary;
- System for Continual Improvement, supported among other instruments by the External Audits Programme in all Group units; programme for micro-biological analyses of end products carried out per sample by the accredited external entity; Complaint Handling System, Mystery Customer Programme and Internal Audits Programme with respect to the indicators associated to Food Safety;

- Live Well Programme, by which the Group informs consumers about its Food Safety system and the opportunity to have healthy food habits, providing them transparently with the information needed to make the most correct choices.

- Certification process-management system for food safety in the framework of ISO 22000, demanding international standard in food safety.

Workplace Safety and Hygiene

Coordination of this risk area's management process is the responsibility of the Human Resources Division, which coordinates the Training Plans and monitors application of the standards and procedures set out in the SHT Manual in effect at Ibersol.

Financial

Risk management in the financial area is carried out by the Financial Division and it concentrates in monitoring the volatility of financial markets, especially interest rates. The current market situation has conduced to a major relevance of the liquidity risk. The main sources of risk exposure are:

a) Exchange rate risk

The exchange rate risk is very small because Ibersol Group is mainly present in the iberian market, the bank loans are denominated in euros, and the purchase volume outside Eurozone does not assume significant proportions. In the same way, the purchases and the external financing of the Angolan subsidiaries (here taking in account that one substantial part of the assets are granted by it´s own founds) have still a small expression.

Regarding future financing outside Eurozone, Ibersol Group shall proceed a policy of a natural coverage, using local funding whenever the conditions of interest rates recommend so.

The increase of the angolan activity shall revel an increased exchange risk, that will affect the value of assets and liabilities.

b) Interest rate risk

As the Group does not have remunerated assets with significant interests, the profit and cash flows from financing activity are largely independent of any changes in the market interest rate.

The Group's interest rate risk comes from liabilities, specifically long term loans. Loans issued with fixed rates expose the Group to cash flow risks linked to interest rates. With the actual level of the interest rate, the group politic is, in long maturity loans, to proceed to total or partial fixing of interest rates. The Ibersol group has resorted to hedging the interest rate risk for 40% of obtained loans. Regarding the liquidity policy followed in recent years and representing

the cash assets about 35% of liabilities paid, it is understood to be reduced the exposure to interest rate risk.

c) Credit risk

The Group's main activity is carried out with sales paid in cash or debit/credit card; the Group, therefore, has no relevant credit risk concentrations. However, with increased sales of the catering business, with a significant proportion of credit sales, the Group has to monitor more regularly the accounts receivable in order to:

i) limiting the loans to customers;
ii) analyze with the operations the seniority and recoverability of receivables;
iii) analyze the risk profile of customers.

d) Liquidity risk

As mentioned above, the current situation on financial markets has given greater relevance to liquidity risk. Financial planning based on forecast cash flows in more than one scenario and for longer periods than one year has become a requirement for the Group. The short-term treasury is based on the annual planning that is reviewed quarterly and adjusted daily. Related to the dynamics of the underlying business, the Group's Treasury has provided a flexible management of commercial paper and the negotiation of credit lines available at all times. The policy of open dialogue with all partners has allowed to maintain a financial relationship with a high degree of confidence, despite the liquidity constraints that are now debating the Portuguese Banking. The Group, instead of the cost, has privileged the liquidity risk and has been strengthening the medium and long term funding that emerged in replacement of short-term lines, leaving some surplus for the constitution of applications.

Management of liquidity risk also involves maintaining a comfortable level of financial resources available. The Group ended the year with about 26 million euros in financial resources available, 19 millions of it in time deposits which represents about 35% of the liability remunerated. However, the reduction of the liquidity risk does increase the risk of application of treasury surplus.

e) Capital risk

The company seeks to maintain a level of equity capital that suits the characteristics of its main business (cash sales and supplier credit) and to ensure continued expansion. The balance of capital structure is monitored based on the ratio of leverage (defined as net interest bearing debt / (net interest bearing debt + equity)) with the aim of within the range 35% -70%. By prudently address the constraints of existing markets in 2012, we record a ratio of 19%.

Environmental

Management of this risk area is coordinated by the Quality Division. Its main focus is on implementing the policy deriving from the Ibersol Sustainability Principles, so that the processes and procedures, across all hierarchic levels, can be applied to the environment. The adoption of good environmental management is a concern of the Board of Directors of Ibersol which consists in promoting a responsible and proactive in managing resources and waste.

The procedures dealt with in the Ibersol Standards Manual concerning this area mainly focus on rational electricity usage and recycling used oils.

Contingency

The unpredictable evolution of the financial markets may lead to increased financing costs and credit access problems, although we believe the company will be able to overcome such difficulties.

The sharp fall in public consumption in the last year, mainly in Portugal, with reflexion in restaurant sales, makes us provide a very negative trend in sales in 2013. To mitigate the effect on income, the society is to adopt a strict control of costs, a monthly monitoring of market developments and consequent revision of the resource planning to use.

On the other hand, operations in the foodservice area can be affected by eventual epidemics or raw material market distortions or eventual changes in consumption standards, which may significantly impact the financial statements.

II.6 Responsibility of the board and the supervisory body in the creation and operation of internal control and risk management in society, as well as evaluating the functioning and adjustment to society's needs.

The board of the company constantly monitors the systems of internal control and risk management company, offering efficient and updated information, assessing current and systematic way for its functioning and adjustment to society's needs, providing the supervisory board all the information you requested.

II.7. Indication on the existence of regulations on the functioning of the corporate bodies or any internally defined rules on incompatibility and the maximum number of positions that a member is entitled to hold and the place where these rules may be consulted at.

The company has Board of Directors and Statutory Audit Committee regulations about its functioning rules, published in the company's website.

A list of incompatibilities has not been determined, nor has the maximum number of positions directors may accumulate in management bodies of other companies, so far as the company's directors, except for the non-executive director, only exercise executive functions in the companies comprising the Group.

The non-executive member attended board of directors meetings, and he has been timely informed of the respective agenda. He participates, with regularity,

in the executive committee reunions, especially those ones over discussion of the strategic and planning of the corporate business. He provides special support to the Management Control function and to the development of personnel in that Department. Permanently, he receives from the management control department, the information that suites him to follow the current activity.

Section II – Board of Directors

II.8 If the Chairman of the Board performs executive duties, indicate the mechanisms for coordinating the work of non-executive members to ensure the independent and informed nature of their decisions.
The Chairman of the Board, exercising executive functions, undertake the necessary coordination mechanisms with other members of the Board, particularly with the non - executive, by means of permanent and direct information, without any constraints that prevent independent and informed decisions.

II.9 Identification of main risks to economic, financial and legal matters that society is exposed to in the pursuit of it´s activity.
As developed in Section II.5, the unpredictability of developments on financial markets may result in increased financing costs, while from a financial point of view, the main risk that society is exposed to, is an interest rate risk. Moreover, operating in the food sector, possible epidemics or distortions in the markets for raw materials as well as possible changes in consumption patterns can have significant impacts on economic standpoint.
As for legal risks, they do not take significant dimension to the corporate structure, since it can be considered contained in its various spheres materials, in the normal and low-risk, both in terms of regulatory litigation promoted by public regulatory bodies applicable to the sector activity and it is not noted as relevant judicial litigation or any other extra-judicial litigation, both commercial, employment or other.

II.10. Powers of the Board, particularly regarding deliberations of a capital increase.
The powers of the Board are assigned by the Companies Code and those contained in Articles 4, paragraph 2, 8, 11 and 12 of the Association Articles. Regarding the deliberations of a capital increase, the contract of society in its article 4 paragraph 2 authorizes the Board of Directors to resolve capital increase of up to one hundred million euros.

II.11. Information about the policy of rotation of functions on the Board, including the responsibility for financial matters and on the rules governing the appointment and replacement of members of the administration and supervision.

The policy of rotation of functions on the Board, including the responsibility for financial matters and the rules governing the appointment and replacement of members of the administration and supervision under the Companies Code, still follows the understanding that such requirement will apply to the end of two terms from the date of beginning of validity of the recommendation contained in section II.2.5 of the Code of Corporate Governance in its previous wording (the latter with effect from September 2007). Thus, such rotation there would at the end of the current term (2009/2012).

II. 12. Number of meetings held by the Management and Supervisory Bodies as well as reference to the minutes of those meetings.
Also in accordance with the Company articles of association, the Board of Directors normally meets once each quarter and, besides that, any time the Chairman or two of its members summon it; the resulting resolutions should be contained in the respective minutes. The Board of Directors can only deliberate if a majority of its members are present or represented and resolutions will be decided by majority of issued votes. The Board of Directors met ten times and the Statutory Audit Committee five times over the course of financial year 2012. The Executive Committee regular meets twice a moth, and has met twenty two times in the year 2012. The board of directors and statutory audit committee meeting minutes are contained in the respective books.

II.13. Indication about the number of meetings of the Executive Committee or the Board of Directors, as well as the holding of minutes of these meetings and it´s sent, together with the calls, as appropriate, to the Chairman of the Board of Directors, the Chairman of the Audit or the Audit Committee, the Chairman of the Supervisory Board and the President's Commission for financial issues.
Refer to the terms of the information provided in the preceding paragraph, noting that the Executive Committee met on 22 occasions in 2012, and provides the minutes to the Board of Directors and the Chairman of the Supervisory Board. Therefore it is not applicable any formal call of these organs.

II. 14. Distinction of the executive members of the non - executives, and among these, discrimination of members that would meet if they were to apply the rules of incompatibility provided for in paragraph 1 of Article 414-A of the Companies Code, other than that specified in subparagraph b) and the independence criteria set out in paragraph 5 of article 414, both of the Companies Code (CSC).
The Board of the Society is composed of three directors and includes a member, Prof. Juan Carlos Vázquez-Dodero, which is a non-executive member not associated with groups of specific interests of the Company or its shareholders, not to have relevant interests which may conflict or interfere with the free exercise of their social mandate, longer referring it was not set up any internal control committee. That member is a director of affiliated companies, in

which not exercise executive functions. Not active with the company or business within the meaning of provisions of article 397 paragraphs and Article 398 of the CSC, fulfilling the other requirements for independence of article 414 paragraph 5 of the CSC. The verification requirements of incompatibility, the same non-executive director meets these rules, except for point c) of paragraph 1 of Article 414 -A of the CSC.

II.15. Indication of legal rules, regulations and other criteria that have been based on the evaluation of the independence of its members made by the board.

Such as stated in the previous point, no other criteria are applied beyond the law criteria.

II. 17. Reference to the fact that the Annual Management Report of the Company include a description of the activities undertaken by non-executive directors and eventual constraints identified.

The Annual Management Report includes a description of the activity of the non-executive Director, not reporting any constraints.

II.18. Professional qualifications of the members of the Board of Directors, the professional activities carried out by them at least during the last five years, the number of company shares they hold and the date of the commencement and end of the first mandate;

and

II.19. Duties that the members of the Board of Directors carry out in other companies as well as those carried out in companies of the same holding.

All members of the Board of Directors exercise functions in management bodies of other companies, as specified below:

Dr. António Carlos Vaz Pinto de Sousa

Academic background

- Degree in Law – Faculty of Law at the Coimbra University
- CEOG – Management Course – Catholic University of Oporto

Professional activity

- Chairman of the Board of Directors of Ibersol, SGPS, SA.
- Director of other companies in which Ibersol, SGPS, SA. has a stake.

Date of commencement and end of mandate– 1991 / 2012;

Duties carried out in management bodies of other Ibersol Group companies:

ASUREBI - Sociedade Gestora de Participações Sociais, SA
EGGON – SGPS, SA
ANATIR – SGPS, SA
CHARLOTTE DEVELOPS, SL
FIRMOVEN - Restauração, SA
IBERAKI - Restauração, SA
IBERGOURMET - Produtos Alimentares, SA
IBERKING - Restauração, SA

IBERSANDE - Restauração, SA
IBERSOL - Hotelaria e Turismo, SA
IBERSOL - Restauração, SA
IBERSOL MADEIRA e AÇORES, RESTAURAÇÃO, SA
IBERUSA - Hotelaria e Restauração, SA
IBERUSA - Central de Compras para a Restauração, ACE
INVERPENINSULAR, SL
MAESTRO - Serviços de Gestão Hoteleira, SA
VIDISCO SL. Y LURCA SA., Union Temporal de Empresas
VIDISCO, SL
LURCA, SA
IBR – Imobiliária, SA
QRM – Projectos Turísticos, SA
RESTOH – Restauração e Catering, SA
JOSÉ SILVA CARVALHO – Catering, SA
SUGESTÕES E OPÇÕES – Actividades Turísticas, SA.
SOLINCA EVENTOS E CATERING, SA.
IBERSOL ANGOLA, SA.

MANAGER
FERRO & FERRO, Lda.
RESTMON (Portugal) - Gestão e Exploração de Franquias, Lda.
PARQUE CENTRAL DA MAIA - ACTIVIDADES HOTELEIRAS, SOCIEDADE UNIPESSOAL, LDA.

Duties carried out in management bodies of companies outside the Ibersol Group:
ATPS - Sociedade Gestora de Participações Sociais, SA;
ATPS II, SGPS. SA.;
MBR, IMOBILIÁRIA, SA.;
CHEF GOURMET, SA
I.E.S. - Indústria, Engenharia e Serviços, SGPS, SA.;
POLIATLANTICA, SA.;
PLASTEUROPA-Embalagens,SA.;

Number of directly or indirectly held shares in Ibersol, SGPS, SA:
1.400 representative shares of the sharecapital of Ibersol SGPS, SA.
3.384.000 representative shares of the sharecapital of ATPS II, SGPS, SA (50% of the share capital).
- ATPS II, SGPS,SA at 31st December 2012 holds 5.680 representative shares of 50,04% of the share capital of ATPS, SGPS, SA..
- ATPS, SGPS, SA., at 31st December 2012 helds 786.432 representative shares of the share capital of IBERSOL, SGPS, SA. and 2.455.000 representative shares of 100% of the IES – Indústria Engenharia e Serviços, SGPS, SA. and helds 146.815.181 representative shares of 100% of Regard – SGPS, SA share capital.
- IES – Indústria, Engenharia e Serviços, SGPS, SA,at 31st December 2012 helds 9.998.000 representative shares of the capital of Ibersol, SGPS, SA.

- REGARD – SGPS, SA. at 31st December 2012 helds 99.927 representative shares of Ibersol, SGPS. SA. share Capital.

Dr. António Alberto Guerra Leal Teixeira

Academic background

- Degree in Economics – Faculty of Economics, Oporto University

Professional activity

- Vice-Chairman of the Board of Directors of Ibersol, SGPS, SA
- Director of other companies in which Ibersol, SGPS, SA. has a stake.

Date of commencement and end of mandate– 1997 / 2012;

Duties carried out in management bodies of other Ibersol Group companies:

ASUREBI - Sociedade Gestora de Participações Sociais, SA
EGGON – SGPS, SA
ANATIR – SGPS, SA
CHARLOTTE DEVELOPS, SL
FIRMOVEN - Restauração, SA
IBERAKI - Restauração, SA
IBERGOURMET - Produtos Alimentares, SA
IBERKING - Restauração, SA
IBERSANDE - Restauração, SA
IBERSOL - Hotelaria e Turismo, SA
IBERSOL - Restauração, SA
IBERSOL MADEIRA e AÇORES - Restauração, SA
IBERUSA - Hotelaria e Restauração, SA
IBERUSA - Central de Compras para a Restauração, ACE
INVERPENINSULAR, SL
MAESTRO - Serviços de Gestão Hoteleira, SA
VIDISCO SL. Y LURCA SA. Union Temporal de Empresas
VIDISCO, SL
LURCA, SA
IBR – Imobiliária, SA
QRM – Projectos Turísticos, SA
RESTOH – Restauração e Catering, SA
SUGESTÕES E OPÇÕES – Actividades Turísticas, SA.
SOLINCA EVENTOS E CATERING, SA.
IBERSOL ANGOLA, SA.

MANAGER

FERRO & FERRO, Lda.
RESTMON (Portugal) – Gestão e Exploração de Franquias, Lda.
PARQUE CENTRAL DA MAIA - ACTIVIDADES HOTELEIRAS, SOCIEDADE UNIPESSOAL, LDA.

Duties carried out in management bodies of companies outside the Ibersol Group:

ATPS - Sociedade Gestora de Participações Sociais, SA.

ATPS II,SGPS, SA.
I.E.S. - Indústria, Engenharia e Serviços, SGPS, SA
MATEIXA Soc. Imobiliária, SA.
CHEF GOURMET,SA.

Number of directly or indirectly held shares in Ibersol, SGPS, SA:
1.400 representative shares of the sharecapital of Ibersol SGPS, SA.
3.384.000 representative shares of the capital of ATPS II, SGPS, SA (50% of the share capital).

- ATPS II, SGPS,SA at 31st December 2012 holds 5.680 representative shares of 50,04% of the share capital of ATPS, SGPS, SA..
- ATPS, SGPS, SA., at 31st December 2012 helds 786.432 representative shares of the share capital of IBERSOL, SGPS, SA. and 2.455.000 representative shares of 100% of the IES – Indústria Engenharia e Serviços, SGPS, SA. and helds 146.815.181 representative shares of 100% of Regard – SGPS, SA share capital.
- IES – Indústria, Engenharia e Serviços, SGPS, SA,at 31st December 2012 helds 9.998.000 representative shares of the capital of Ibersol, SGPS, SA.
- REGARD – SGPS, SA. at 31st December 2012 helds 99.927 representative shares of Ibersol, SGPS. SA. share Capital.

Juan Carlos Vázquez-Dodero

Academic background

- Degree in Law – Universidad Complutense de Madrid
- Degree in Entrepreneurial Sciences – I.C.A.D.E. Madrid
- Master's in Economics and Business Administration – I.E.S.E. Universidade de Navarra
- Doctorate in Business and Administration - I.E.S.E. Universidade de Navarra
- "Managing Corporate Control and Planning" and "Strategic Cost Management" programmes – Harvard University

Professional activity

- Ordinary Professor at the IESE
- Advisor and consultant to various European and American companies
- Member of the Board of Directors of Ibersol, SGPS, SA
- Director of other companies in witch Ibersol, SGPS, SA, has a stake

Date of commencement and end of mandate: 1999 / 2012

Duties carried out in management bodies of other Ibersol Group companies:
IBERUSA - Hotelaria e Restauração, SA
IBERSANDE - Restauração, SA

IBERSOL - Restauração, SA.
IBERSOL ANGOLA, SA.

Duties carried out in management bodies of companies outside the Ibersol Group:
ATPS - Sociedade Gestora de Participações Sociais, SA
I.E.S. - Indústria, Engenharia e Serviços, SGPS, SA
ATPS II, SGPS, SA.;
Promociones Inmobiliarias Polska,SA.
FINAVES I, SCRRC,SA.
Number of directly or indirectly held shares in Ibersol, SGPS, SA :
Holds no shares of the company.

SECTION III - General and Supervisory Council, Committee to the Audit and Financial matters, and Supervisory Board

II.21. The identification of the members of the Statutory Audit Committee by listing those members that comply with the incompatibility rules provided for in article 414º-A/1 and the independency criteria provided for in article 414º/5, both from the Commercial Company Code.
For this purpose, the Statutory Audit Committee proceeds to it's self evaluation.

Statutory Audit Committee:
Chairwoman – Luzia Leonor Borges e Gomes Ferreira;
Vice Chairman – Joaquim Alexandre de Oliveira e Silva;
Effective Member – António Maria de Borda Cardoso;
Alternate Member – Eduardo Moutinho dos Santos;

All members of the Statutory Audit Committee fulfill the independence requirements set out in art. 414º section 5 of the CSC and non-existence items of incompatibilities envisaged in art. 414º- A section 1 of the CSC.
All members are entitled with suitable qualifications and professional experience to the performance of it's duties and functions, namely the Chairwoman, Dr.ª Luzia Leonor Borges e Gomes Ferreira, such as described as follows (II.13 and II.14).
It competes to the Statutory Audit Committee, in joint with the Chartered Accountant Firm the company's supervision, namely:

- Accounting politics compliance;
- Supervision of the management risks and internal control system efficiency ;
- Supervision of the financial information preparation process and it's disclosure;
- Supervision of the accounting reports;

It also competes to this organ to submit to the annual general meeting the nomination of the Chartered Accountant Firm and to supervise it's independence, namely the matters referred to the additional service render.

The annual report on the activity carried out by the Statutory Audit Committee is subject to disclosure together with the financial statements on the company's internet website.
For all effects the Statutory Audit Committee represents the Company nearby the External Auditor, pursuing the assurance of all the rendered services conditions, being it's interlocutor and receiver of the respective reports, as well as the Board of Directors.
In this document the Statutory Audit Committee refers that meetings were carried out, quarterly, in the presence of the Chartered Accountant Firm and the External Auditor, in which they presented their supervising activity plan and obtained the Statutory Audit Committee accordance, and no constraints were mentioned. This body held its self-evaluation for compliance with independence requirements.

II.22. The professional qualifications of the Statutory Audit Committee members, the professional activities carried out by them, at least during the last five years, the number of company shares they hold and the commencement and end date of the first mandate;
and

II.23. The duties that the members of the Statutory Audit Committee carry out in other companies as well as those carried out in companies of the same holding.

Chairwoman – Luzia Leonor Borges e Gomes Ferreira;
Academic background
- Degree in Law from the Faculty of Law at the Universidade de Coimbra;
- Post-graduate degree in European Studies from the Faculty of Law at the UN de Coimbra;
- Finances course for non-Financial by the EGP;
Professional activity during the last five years:
- Director of Legal Counselling of "Sonae – SGPS, SA.";
Date of commencement and end of mandate: 2007 / 2012.
Duties carried out in governing bodies of other Ibersol Group companies: carries out no duties in other Ibersol Group companies.
Number of directly or indirectly held shares in Ibersol, SGPS, SA:
Holds no shares of the company.

Vice Chairman – Joaquim Alexandre de Oliveira e Silva;
Academic background
- Degree in Economics from the Faculdade de Economia do Porto (1970);
Professional activity in the last five years:
- University teaching;
- Fiscal consultancy;
Date of commencement and end of mandate: 2008 / 2012.

Duties carried out in governing bodies of other Ibersol Group companies: carries out no duties in other Ibersol Group companies.
Number of directly or indirectly held shares in Ibersol, SGPS, SA:
Holds no shares of the company.

Effective Member – António Maria de Borda Cardoso;
Academic background
- Degree in Economics from the Faculdade de Economia do Porto (1966);
Professional activity in the last five years:
- "Sonae Indústria – PCDM, SA." as Director;
- Pensioner since 25/10/2005;
- Director of "Laminar – Indústria de Madeiras e Derivados, SA." since 29/11/2002;
- Partner (not managing) at 50% of the limited company "Borda Cardoso – Assessoria de Negócios, Lda." since 2/12/2005;
Date of commencement and end of mandate: 2007 / 2012.
Duties carried out in governing bodies of other Ibersol Group companies: carries out no duties in other Ibersol Group companies.
Number of directly or indirectly held shares in Ibersol, SGPS, SA:
Holds no shares of the company.

Alternate Member – Eduardo Moutinho dos Santos;
Academic background
- Degree in Law from the Faculty of Law of the UN de Coimbra (1978);
Professional activity in the last five years:
- Practices law privately in the County of Porto**;**
Date of commencement and end of mandate: 2007 / 2012.
Duties carried out in governing bodies of other Ibersol Group companies: carries out no duties in other Ibersol Group companies.
Number of directly or indirectly held shares in Ibersol, SGPS, SA:
Holds no shares of the company.

II. 24. Reference to the fact that the Audit Committee evaluates annually the external auditor and the possibility of the proposed general meeting of the auditor's dismissal for just cause.

The supervisory board carries out the annual evaluation of the External Auditor and includes its findings in its report and opinion, issued under and for the purposes of paragraph g) of paragraph 1 of Article 420 of the Companies Code.

IV SECTION - REMUNERATION

II.30 Description of the remuneration policy of the administration and supervision as referred to in Article 2 of Law nº 28/2009 of 19 June.
For setting the remunerations of the Board of Directors members and Statutory Audit Committee there weren´t attended any comparative practices or remuneration policies practiced in other companies' group. It is not defined, as

well, any politics over payments for the dismissal or termination, by agreement, of the administrator role.
Regarding the remuneration politic over the Company's Executives, this one is attended in the Board's of Directors Declaration, joined in this Governance Report. There are no important or significant variable components in the remuneration of the executive directors.

II.31 Indication of the annual amount of remuneration received by individual members of the administration and supervision of the company, including fixed and variable remuneration, and for this, mention the different components that originated it, what portion is deferred and installment that has already been paid .

The Shareholder's Company ATPS-SGPS,SA, has rendered management services to the Group, having received from the affiliated company Ibersol, Restauração, SA., for the rendered services, the amount of 756.034,00€ in 2012. Among the ATPS- Sociedade Gestora de Participações Sociais,SA. obligations and under the contract terms with Ibersol, Restauração, SA. it is included the obligation of assuring that the Company´s Board of Director's members, António Carlos Vaz Pinto de Sousa e António Alberto Guerra Leal Teixeira perform their functions without any further costs for the company. The Company does not allow, directly, any payment to it´s executive board of Director´s members. Being ATPS – Sociedade Gestora de Participações Sociais, SA. held, in equal shares, by the board of directors members António Carlos Vaz Pinto de Sousa e António Alberto Guerra Leal Teixeira, from the mentioned amount of 756.034,00€ in 2012, it will correspond to each one of those board of director's members the amount of 378.017,00€. The board of executive directors members do not allow any remuneration from other companies of the Group, neither have pension rights earned in the year in question.
The non executive member of the board obtained an annual fixed remuneration of 6.000€, and he has not been allowed with any other remunerations, at any title, namely performance bonuses, bonuses, or any additional performance fees, pension supplements and / or any additional payments to the annual amount of 6,000 euros which have been provided by the company. Remuneration of Supervisory Board members, overall the year 2012 were as follows: President: - 8.785,92 €, Vice - President: - € 8.785,92, Member: - 8.785,92 euros. SROC: – 34.499,98€.

The Compensation Committee is independent of the Board, being responsible for the submission to the General Assembly annual remuneration policy of the company.

II.32. Information on how remuneration is structured to allow the alignment of interests of members of the board with the delay term interests of society as well as on how it is based on evaluation of performance and discourage the excessive risk taking.

The remuneration policy of Directors is the responsibility of the Remuneration Committee, which will submit to the approval of shareholders of the Company

at the Annual General Meeting of 2013, as stated in the Annex I. The general principles of the policy of remuneration of the Supervisory Board and the General Assembly Board are as follows:
a) Duties performed:
Regarding the duties performed by each office-holder in the aforementioned governing bodies, and bearing in mind the nature and activity effectively exercised, as well as the incumbent responsibilities they are attached to. In the organic/functional sense they will not be in the same position and equal for all members of the Statutory Audit Committee or the General Meeting Board, as well as the Chartered Accountants. The weighting of these functions should obey diverse criteria such as, for example, the responsibility, time spent or the value resulting from a given sort of intervention or institutional representation.
b) Company's economic situation:
This criterion will also be a source of interpretation. The size of the company and the degree of functional complexity, in relative terms, will be one of the significant aspects.

II.33. Concerning the remuneration of the Board of Directors executive members :

a) Reference to the fact that the executive director's remuneration includes a variable component and information on how this component depends on the performance evaluation;

- Not applicable;

b) Indication of the society's organs with the competency to conduct the evaluation of executive's board of directors performance;

- The Remuneration Committee evaluates the mentioned performance;

c) Indication of the predetermined criteria for the evaluation of the executive's board of director's performance;

- Not applicable;

d) Explanation of the relative importance of variable and fixed components of remuneration of Directors, as well as an indication of the maximum limits for each component ;

- Not applicable;

e) Indication of the deferment of payment of the variable remuneration component, specifying the period of deferral;

Not applicable.

f) Explanation on how the payment of variable compensation is subject to continued positive performance of the company during the period of deferral.

Not applicable.

g) Sufficient information about the criteria on which the variable remuneration in shares, as well as on the maintenance, by the executive members, the shares of the society they have entered on any contracts relating to such shares, including contracts hedging (hedging) or risk transfer, its boundary and its relation to the face value of total annual remuneration;

Not applicable, since it does not appear to apply these criteria, and no variable remuneration or any criteria for retention of company shares, and / or any type of contracts such as the above described.

h) Sufficient information about the criteria on which the award of variable compensation in options and indicate the period of deferral and the exercise price;

- There is no variable remuneration.

I) Identification of main parameters and rationale for any annual bonus scheme and any other non-cash benefits;

- Not existent;

j) Remuneration paid in the form of profit sharing and / or bonus payments and the reasons why such premiums and / or participation in profits were allowed.

- There is no such type of compensation.

l) Compensation paid or owed to former executive directors following the termination of his duties during the year;

- There were not been paid or were owed any damages to former executive for the cessation of functions during exercise.

m) Reference to contractual limitation provided for compensation to pay for dismissal without just cause of the board of directors member's and its relationship with the variable component of remuneration;

- There is no contractual limitation provided for compensation to pay for dismissal without just cause of the board of director's member's, and it doesn't also exist the indicated relationship with the variable remuneration component (this component variable is not contractually stipulated).

n) any amounts paid out by other companies in a control or group relation;

- There are no other amounts paid in any way by other companies in a control or group relation. As indicated in Chapter 0, Section 04. II.1.5.1, society Shareholder ATPS - Sociedade de Participações Sociais, SA. provided administration and management services to the group, having received from subsidiary Ibersol, Restauração, SA., for such services, the amount of 756.034,00 euros in 2012.

o) Description of the main characteristics of supplementary pension or early retirement for administrators and indicate whether or not subject to the Shareholders General Meeting;

- There is no supplementary pension or early retirement for administrators.

p) An estimate of non-cash benefits considered as remuneration not covered above.

- There are no non-financial benefits that may be considered as remuneration, allocated to any one the board of directors members;

q) The existence of mechanisms that prevent the executive board of directors members of contracts that undermine the rationale for the variable pay;

- Not applicable;

II. 34 Reference to the fact that the remuneration of non-executive directors of the board does not include variable components.

The remuneration of non-executive director does not include variable components.

II.35. Information over the policy adopted for reporting irregularities in the Company (media, people who are entitled to receive communications, treatment applicable and indication of the persons and bodies with access to information and their intervention in the procedure).

The Company has established a policy for receiving communications, or complaints about irregularities occurred in the company. As stated in the Regulations of the Audit Committee reported on the company's website, this body " …notes written reports of irregularities that have been addressed by promoting, as appropriate, the necessary representations to the administration and auditing on them and draw up its report.". Thus, this kind of irregularities can be communicated non-anonymously to the Audit Committee, by notice to the Company addressed the Board of the Audit Committee. The company will forward the information received to the Chairman of that body, ensuring confidentiality.

V Section – Specialized Committees

II.36 Identification of the committee´s members constituted for the purpose of assessing individual performance and overall executive board of directors members, reflection on the governance system adopted by the Company and identification of potential candidates for the job of board of director's member.

There is established a Remuneration Committee comprising three members, Vitor Sevilhano Pratas, Dr. Amândio Mendonça da Fonseca and Don Alfonso Munk Pacin.

II.37. Number of meetings of committees set up with jurisdiction over the management and supervision during the year concerned as well as reference for carrying out the minutes of these meetings.

The Remuneration Committee meets regularly and annually, for a time, and draw up the minutes thereof.

II. 38. Reference to the fact that a member of the Remuneration Committee has knowledge and experience in remuneration policy.

Particular member of the Remuneration Committee, Dr. Amândio Mendonça da Fonseca, has knowledge and experience in the mentioned areas.

II.39. Reference to the independence of individuals or companies engaged in the remuneration committee by an employment contract or a service's contract for the Board of Directors and, when applicable, the fact that these people have current relationship with the consultant firm.

The Members of the Remuneration Committee are independent members face to the Board of Directors, and it has not been hired to support the Remuneration Committee any natural or legal person that, in the last three years, has provided services to any structure subject of the Board of Directors,

to the Board of Directors of the company itself, or is otherwise connected with the current consultant to the company.

Chapter III
Information and auditing

III.1. The equity structure including those shares that are not admitted to trading, the different category of shares, rights and duties of these shares and the equity percentage that each category represents.

The share capital of Ibersol, SGPS, SA., is represented by 20.000.000 common nominative shares, each with a face value of 1 euro; the rights and duties inherent to all the shares are equal.
The capital is composed of a total of 20.000.000 shares, in the form of scriptural representation, corresponding to equal total face value in euros; all are negotiable on Euronext Lisbon with the code PTIBS0AM0008.

III.2. Qualifying holdings in the issuer's equity calculated as per article 20 of the Securities Code.
The qualified holdings as at 31/12/2012 are presented in the table below.

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%
Regard - SGPS, SA	99.927	0,50%
António Alberto Guerra Leal Teixeira	1.400	0,01%
António Carlos Vaz Pinto Sousa	1.400	0,01%
Total attribubutable	**10.887.159**	**54,44%**
Banco BPI, S.A.		
Fundo Pensões Banco BPI	400.000	2,00%
Total attribubutable	**400.000**	**2,00%**
Avelino da Mota Gaspar Francisco	**401.000**	**2,01%**
Santander Asset Management SGFIM, SA		
Fundo Santander Acções Portugal	410.272	2,05%
Fundo Santander PPA	30.839	0,15%
Total attribubutable	**441.111**	**2,21%**
Bestinver Gestion		
BESTINVER BOLSA, F.I.	927.021	4,64%
BESTINFOND F.I.M.	899.032	4,50%
BESTINVER GLOBAL, FP	262.510	1,31%
BESTVALUE F.I..	253.745	1,27%
SOIXA SICAV	171.763	0,86%
BESTINVER MIXTO, F.I.M.	130.061	0,65%
BESTINVER AHORRO, F.P.	137.598	0,69%
BESTINVER SICAV-BESTINFUND	89.885	0,45%
BESTINVER SICAV-IBERIAN	104.966	0,52%
DIVALSA DE INVERSIONES SICAV, SA	5.771	0,03%
BESTINVER EMPLEO FP	6.414	0,03%
LINKER INVERSIONES, SICAV, SA	4.571	0,02%
BESTINVER EMPLEO II, F.P.	370	0,00%
Total attribubutable	**2.993.707**	**14,97%**
Norges Bank		
Directly	**764.825**	**3,82%**
FMR LLC		
Fidelity Managemment & Research Company	**400.000**	**2,00%**

(*) *ATPS II- SGPS, SA.* is withheld in 50% by António Carlos Vaz Pinto de Sousa, and in 50% by António Alberto Guerra Leal Teixeira.

On 31/12/2012 Ibersol, SGPS, SA., held 2.000.000 own shares, corresponding to 10% of the share capital, each one with the face value of one euro, with a global value of purchasing of 11.179.643,00 euros.
During the financial year of 2012 the company made no transactions of it's own shares.

III.3. Identification of the shareholders that detain special rights and a description of those rights.

At Ibersol, SGPS, SA, there are no shareholders or shareholder categories that hold special rights.

III.4. Possible restrictions on share-transfer, i.e. consent clauses for their disposal or restrictions on share-ownership.
At Ibersol, SGPS, SA., there are no restrictions of any kind on share transfer or ownership.

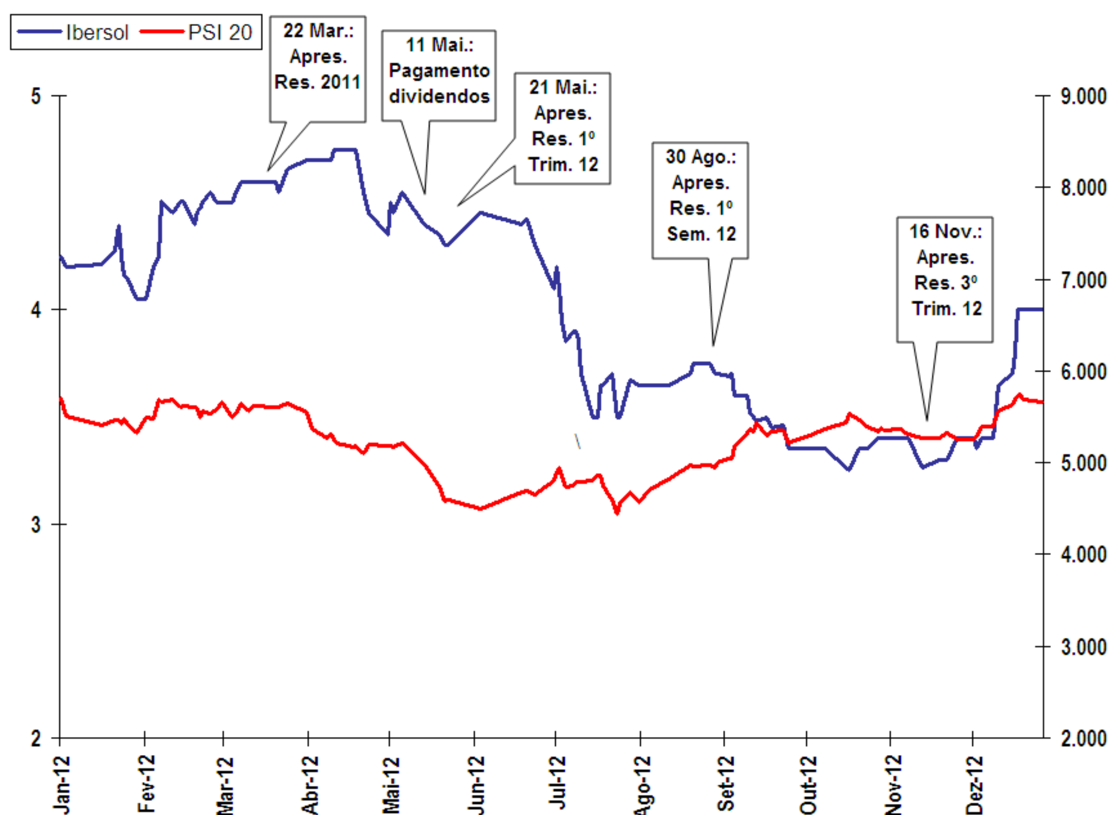
III.5. Shareholder agreements which the company may be aware of and that may restrict the transfer of securities or voting rights.
The company is unaware of the existence of any shareholder agreement that may lead to restrictions in the matter of transfer of securities or voting rights.

III. 6. Rules applicable to the amendment of the articles of association;
At Ibersol, SGPS, SA., there are no special rules concerning the amendment of its statutes. The general system resulting from the Commercial Companies Code shall be applicable.

III.7. Control mechanisms for a possible employee´s-shareholder system in as much as the voting rights are not directly exercised by them.
At Ibersol, SGPS, SA., there are no mechanisms for employee participation in its capital.

III.8. Description concerning the evolution of the issuer's share price and taking the following into account:
a) The issuance of shares or other securities that entitle the subscription or acquisition of shares;
b) The outcome announcement;
c) The dividend payment for each share category including the net value per share.

In the year 2012, the shares of Ibersol SGPS, SA., registered a devaluation of 4,5% face to a valuation of PSI 20 of 2,5%. The maximum value of €4,85 per share was attained on the1oth April 2012, and the minimum value of €3,25 per share was attained on the 18th October 2012. The highest number of shares traded in one session was on the 23rd March 2012, when 124.499 shares were negotiated.
988.808 Ibersol shares were traded during the year, corresponding to a value of 3.891.556 Euros. The average volume was 8.105 shares per day and the average price was €3,91 per share.
The stock market capitalization on 31 December 2012 was 80 million Euros.
The below graph indicates the evolution of the company's share quotation, identifying the most relevant occurrences during the year:



During the year 2012 there was no emission of shares or of other securities.
The dividends for financial year 2011 were paid as from the 11th May 2012. A gross value of €0.055 per share was paid, which in net terms represented a value of €0.04125 per share.

III.9. Description of the dividend distribution policy adopted by the company, including the dividend value per share distributed during the last three periods.

The dividends policy is the responsibility of the Board of Directors and depends on various factors, including the Ibersol results, investment plans, financing needs and business evolution prospects. If no abnormal circumstances occur the policy of previous years distribution policy of 0,055€ per share will be maintained.

The dividend history for the past years is set out below:

Year	2009	2010	2011	2012 (*)
Dividends per share (euros)	0,055	0,055	0,055	0,055
Dividends (000 euros)	990,00	990,00	990,00	990,00
Dividend Yield (%)	0,7%	0,7%	0,8%	1,4%
Pay out ratio	8,0%	6,8%	16,2%	39,4%

(*) proposal to be approved at the next General Meeting of Shareholders

III.10. A description of the main characteristics of the share and stock option plans adopted or valid for the financial year in question, the reason for adopting the mentioned scheme and details of the category and number of persons included in the scheme, share-assignment conditions, non-transfer of share clauses, criteria on share-pricing and the exercising option price, the period during which the options may be exercised, the characteristics of the shares to be distributed, the existence of incentives to purchase and/or exercise options, and the responsibilities of the Board of Directors for executing and/or changing the plan.
Details shall also include the following:

a) The number of shares required for the share allotment and the number of shares required for the exercise of the exercisable options at the start and end of the year in question;
b) The number of allotted, exercisable and extinct shares during the year;
c) The general meetings' appraisal of the plans adopted or in force during the period in question.

No plans to attribute shares and stock acquisition options are in effect.

III.11. A description of the main business data and transactions carried out between the company and the members of the Management and Supervisory Bodies, the owners of qualified holdings or parent companies, affiliates or group companies in an amount that is economically significant for any of the parties involved, except for those businesses or transactions that are cumulatively considered within the bounds of normal market conditions for similar transactions and are part of the company's current business.
There are no business dealings or operations that are significant in economic terms for any of the intervening parties.

III.12. Description of the key elements of business and operations between the Company and holders of qualifying holdings or entities with whom they are in any relationship, in accordance with article 20 of the Securities Code outside of normal market conditions.
There were no such businesses or operations.

III. 13 Description of the procedures and criteria for intervention by the supervisory body for the purpose of preliminary assessment of the business to be held between the company and holders of qualifying holdings or entities with whom they are in any relationship, in accordance with article 20 of the Securities Code.
The Supervisory Board approved the criteria for its intervention for the purpose of preliminary assessment of the business to be held between the company

and holders of qualifying holdings or entities with whom they are related in terms of Clauses 20 of the Securities Code, and set as a qualifying criteria a transaction value equal or superior to five percent of consolidated net assets of Ibersol SGPS, SA.

III. 14. Description of statistical information (number, mean and maximum value) relating to the business subject to the prior intervention of the supervisory board.

It was not reported to the Audit Committee any transaction or business of the indicated type.

III. 15. Indicating the release on the website of the company, annual reports on the activities of the General Council and Supervisory Commission for financial issues, the Audit Committee and the Supervisory Board, including information on any pained faced together with the documents of accountability.

This Report of the Audit Committee is available on the company website on the internet.

III.16 Reference to an Investor Assistance Unit or a similar service, describing:

a) the role of the office;
b) type of information made available;
c) access means to the Office;
d) the company's website;
e) the market liaison officer's credentials.

In the strict observance of the legal and regulatory provisions, the company as a rule to immediately inform its shareholders and the capital markets in general of relevant facts of its activity, with the purpose to avoid time lapses between the occurrence and disclosure of those facts; this commitment with the market has been reiterated over the course of time and its persistent practice over the years confirmed.

This disclosure is achieved by publication on the Securities Commission's website (www.cmvm.pt), on the company's website (www.ibersol.pt) and additionally by means of electronic information disclosure by the market management body.

The company's website contains the communications issued, the institutional presentation, the annual reports and accounts, and the communication of results. The information on annual reports and accounts and results is updated quarterly.

In order to enable more interaction between shareholders and investors the page also includes a chapter devoted to investors, which contains:

- Identification of the person in charge of investor relations and the address to contact same;

- Annual, Half-yearly and Quarterly Reports and Consolidated Accounts, for the last two years;
- Annual Events Calendar;
- The summons for the Annual General Meeting;
- The proposals to present at the Annual General Meeting.

Contact with the Office is through the capital market representative, António Carlos Vaz Pinto de Sousa (Telephone: +351 22 6089708; Fax: +351 22 6089757; Email: psousa@ibersol.pt, Address: Praça do Bom Sucesso, 105/159 – 9th floor, 4150–146 Porto.

Ibersol SGPS maintains permanent relations with analysts and investors, supplying them with up-to-date information. It also provides explanations about relevant occurrences in company life, disclosed in the format imposed by law, whenever so requested.

The documents on the annual, half-yearly and quarterly accounts statements, as well as the half-yearly updates of the institutional presentations, are sent by email to all shareholders, investors, analysts, financial bodies and journalists who, with proper credentials, have requested the same.
The company considers that it thus assures a permanent contact with the market, respecting the principle of shareholder equality and preventing asymmetries in investors' access to information.
Regarding the information conveyed to the market, the following communiqués were published during the year 2012:

Privileged Information

23/04/2012	Financial Calendar 2012
13/04/2012	Resolutions taken in the General Meeting.

Rendering of Accounts

22/03/2012	2011 Report and Individual and Consolidated Accounts to approve in Gen. Meeting
13/04/2012	Extract of GM. minutes and approval of 2011 Report and Accounts
21/05/2012	Quarterly information – 1st quarter 2012
30/08/2012	Report and Individual and Consolidated Accounts - 1st half-year 2012
16/11/2012	Quarterly information – 3rd quarter 2012

Information on Corporate Governance

22/03/2012	Corporate Governance Report – financial year 2011

Dividends

23/04/2012	Payment of year 2011 dividends

Qualifying Holdings

23/03/ 2012	Qualifying holdings List at 31st Dec.2012
18/05/2012	Change of the Qualifying holding Bestinver
20/09/2012	Change of the Qualifying holding Kabouter
1/10/2012	Change of the Qualifying holding Bestinver
11/10/2012	Change of the Qualifying holding GoldmanSachs
26/12/2012	Change of the Qualifying holding Bestinver
27/12/2012	Change of the Qualifying holding Bestinver
27/12/2012	Qualifying holding Santander Assets Management

Transaction of Own Shares

13/04/2012	GMeeting deliberation to authorize acquisition of own shares

Summons

22/03/2012	Annual General Meeting and Proposals.

Annual Summary of Disclosed Information

27/04/2012	2011 Information Summary

III.17. Indication of the annual compensation paid to the auditor and to other individuals or groups that belong to the same network supported by the company and/or by any group that bears with it a control or group relationship and the percentage of the total amount paid for the following services:
a) Statutory account review services;
b) Other audit reliability services;
c) Tax consulting services;
c) Other non-statutory auditing services.
A description of the auditor's independency safeguarding measures is required, should the auditor provide any of the services described in sub-paragraphs c) and d). For this purpose, the concept of network is the one stated in the European Commission Recommendation nº C (2002) 1873, 16 May.

The company's auditor is PriceWaterhouseCoopers, which in 2012 invoiced the company and its subsidiaries and associates included in the consolidation perimeter the total value of 175.683,00 euros, for:

- Auditing and legal certification services 166.738 € (94,9%)
- Other Consultancy services 8.945 € (5,1%)

The external auditor shall examine, within its competence, the implementation of policies and systems of remuneration, the efficiency and functioning of internal control mechanisms and reports any deficiencies to the Statutory Audit Committee.

Regarding compliance with the independence rules established with respect to the External Auditor, the Statutory Audit Committee monitored the rendering of non-auditing services with the purpose to ensure that no conflict of interest situations existed.

III.18 Reference to the rotation period of the External Auditor

The rotation period will be of two terms of office, each one of four years.

(Contains 2 Annexes)

Porto, 1st April 2013

The Board of Directors

António Carlos Vaz Pinto de Sousa

António Alberto Guerra Leal Teixeira

Juan Carlos Vázquez-Dodero

ANNEX I

REMUNERATION COMMITTEE
REMUNERATION COMMITTEE'S STATEMENT
UPON THE STATUTORY BODIES REMUNERATION POLICY OF IBERSOL, SGPS, S.A. TO BE SUBMITTED TO THE ANNUAL GENERAL MEETING THE 6th MAY 2013

1. According to the competence that is committed to this Committee by the Shareholders General Meeting of Ibersol SGPS, SA., under the article 26.º n º 2 of the Association Articles, this Committee has the responsibility to determine the statutory bodies member's remunerations.
2. Under the applicable statutory terms, the Remuneration Committee was nominated by the 22nd April 2009 by the Shareholders General Meeting, being composed by three members, who are independent members from the management and supervisory company's bodies.
3. Complying with II.1.5.2 Recommendation of Corporate Governance Code of CMVM, the Remuneration Committee submits to the appreciation of the General Meeting the following statement, regarding the guide lines observed by this Committee over the remunerations of the Supervisory Bodies and the Board of the General Meeting, according to the resolution issued in 2009:
a) The Board of the General Meeting's remuneration for 2012 was settled in an annual fixed amount issued twelve moths a year.
b) The Shareholder's Company ATPS-SGPS, SA, has rendered management services to the Group, having received from the affiliated company Ibersol, Restauração, SA., for the rendered services, the amount of 756.034,00€ in 2012. Among the ATPS - Sociedade Gestora de Participações Sociais, SA.obligations and under the contract terms with Ibersol, Restauração, SA. it is included the obligation of assuring that the Company´s Board of Director's members, António Carlos Vaz Pinto de Sousa e António Alberto Guerra Leal Teixeira perform their functions without any further costs for the company. The Company does not allow, directly, any payment to it's executive board of Director´s members. Being ATPS – Sociedade Gestora de Participações Sociais, SA. held, in equal shares, by the board of directors members António Carlos Vaz Pinto de Sousa e António Alberto Guerra Leal Teixeira, from the mentioned amount of 756.034,00€ in 2012, it will correspond to each one of those board of director's members the amount of 378.017,00€. The non executive member of the board obtained an annual remuneration of 6.000€.
So, it is not possible to issue a declaration over the remuneration policy of the Company's Board of Director's members, namely with the information referred to in 2nd article number 3 of 28/2009 Law.

c) The Statutory Audit Committee's remuneration for 2012 was settled in an annual fixed amount, issued twelve months a year, having the respective members received the following annual remuneration:

President – Dr.ª Luzia Leonor Borges e Gomes Ferreira: 8.785,92€;
Vice-President – Dr. Joaquim Alexandre de Oliveira e Silva: 8.785,92€;
Member – Dr. António Maria de Borda Cardoso: 8.785,92€.

The general principles observed are mainly the legal ones, attending the activities effectively performed by the mentioned members, regarding the company's economic performance and the conditions that are generally attended in equal positions. The functions in analyses were considered taking in order each one of those members and it's effective activities, having for evaluative parameter the degree of responsibility which they are assigned to.

So, the functions consideration is meant in a wide sense, attending to distinct factors, such as the level of the committed responsibility, expended time, and the value increased to the group by it's institutional performance,

The company's dimension and the level of complexity related to the nominated functions, is, also, a relevant criteria. The consideration of all mentioned factors and the evaluation of each one of them, allows us to assure, not only the statutory body member's benefits, but also, namely, the company's benefit.

The remuneration policy submitted to the shareholders complies with the criteria above mentioned, consisting in an annual gross fixed amount issued monthly to the mentioned members until the year-ends results. In the settlement of the remunerations, the general principles above described were attended: functions performed by them, company's performance and comparative criteria to equal level functions.

OPorto, 1st April 2013.

The Remuneration Committee,

Vítor Pratas Sevilhano, Dr.
Amândio Mendonça da Fonseca, Dr.
Don Alfonso Munk Pacin.

ANNEX II

BOARD OF DIRECTOR'S STATEMENT UPON THE REMUNERATION POLICY OF IBERSOL, SGPS, S.A. DIRECTORS

1. According to the competence established under article 11º of IBERSOL, SGPS, SA. Association Articles, the Board of Directors has the responsibility to determine the general remuneration policy and incentives for the Company's Directors positions and also, for all the administrative and technician personnel.
2. Under the terms of number 3 of the article 248º-B Securities Code, Directors are, besides Management and Supervisory Bodies members, those who have regular access to privileged information and take part in the company's decisions upon management and negotiation strategy.
3. According to CMVM Recommendations upon publicly listed companies' corporate governance, and to promote transparency, in order to comply with Recommendations of Corporate Governance, the Board of Directors submits to this General Meeting this statement with the guidelines observed to determine the mentioned remunerations, as follows:
a) The remuneration policy adopted for Ibersol's Directors matches with the policy determined to generality of the Company's employees.
b) However, the Company's Directors remuneration contains a fix remuneration and, an eventual performance bonus.
c) The evaluation of the performance quality and the performance bonus are established according determined criteria previously defined by the Board of Directors.
d) Therefore, behaviour factors of each Director, namely, specific competencies to the function, its level of responsibility, ability to adjust to company's management and specific procedures, autonomy level of individual performance, will be attended to determine an eventual performance bonus, being also considered the technical and/or the financial-economic performance in the Directors' business sector, as well as the financial/economic performance of IBERSOL.

Oporto, 1st April 2013.

The Board of Directors.

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

Consolidated Financial Statements

31st December 2012

IBERSOL S.G.P.S., S.A.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION ON 31st DECEMBER 2012 AND 2011
(values in euros)

ASSETS	Notes	31-12-2012	31-12-2011
Non-current			
Tangible fixed assets	2.5 e 8	119.826.752	123.224.419
Goodwill	2.6 e 9	42.498.262	43.034.262
Intangible assets	2.6 e 9	16.532.724	16.205.541
Deferred tax assets	2.14 e 17	935.834	1.054.915
Financial assets available for sale	2.8 e 10	926.600	733.685
Other non-current assets	2.10 e 11	1.604.632	1.710.740
Total non-current assets		**182.324.804**	**185.963.562**
Current			
Stocks	2.9 e 12	3.519.788	3.590.104
Cash and cash equivalents	2.11 e 13	26.748.790	29.316.069
Other current assets	2.10 e 14	11.389.131	8.879.845
Total current assets		**41.657.709**	**41.786.018**
Total Assets		**223.982.513**	**227.749.580**

EQUITY AND LIABILITIES	Notes	31-12-2012	31-12-2011
EQUITY			
Capital and reserves attributable to shareholders			
Share capital	2.12 e 15	20.000.000	20.000.000
Own shares	2.12 e 15	-11.179.644	-11.179.644
Goodwill		156.296	156.296
Reserves and retained results	15	100.428.555	95.293.425
Net profit in the year		2.513.579	6.125.138
		111.918.786	**110.395.215**
Non-controlling interest	15	4.680.545	4.449.991
Total Equity		**116.599.331**	**114.845.206**
LIABILITIES			
Non-current			
Loans	2.13 e 16	36.983.045	44.331.622
Deferred tax liabilities	2.14 e 17	10.287.213	10.820.760
Provisions	2.15 e 18	33.257	33.257
Other non-current liabilities	19	325.188	420.552
Total non-current liabilities		**47.628.703**	**55.606.191**
Current			
Loans	2.13 e 16	17.855.569	13.313.341
Accounts payable to suppl. and accrued costs	20	30.609.428	29.712.622
Other current liabilities	21	11.289.482	14.272.220
Total current liabilities		**59.754.479**	**57.298.183**
Total Liabilities		**107.383.182**	**112.904.374**
Total Equity and Liabilities		**223.982.513**	**227.749.580**

The Board of Directors,

IBERSOL S.G.P.S., S.A.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEARS ENDING ON DECEMBER 31st, 2012 AND 2011
(values in euros)

	Notes	31-12-2012	31-12-2011
Operating Income			
Sales	2.16 e 6	170.667.531	193.738.152
Rendered services	2.16 e 6	643.357	784.993
Other operating income	24	2.789.343	3.635.519
Total operating income		174.100.231	198.158.664
Operating Costs			
Cost of sales		40.061.284	43.839.992
External supplies and services	22	58.470.520	63.658.074
Personnel costs	23	56.729.057	65.087.845
Amortisation, depreciation and impairment losses	8 e 9	11.566.182	12.894.484
Other operating costs	24	1.697.686	2.253.052
Total operating costs		168.524.729	187.733.447
Operating Income		5.575.502	10.425.217
Net financing cost	25	-2.140.322	-1.234.680
Profit before tax		**3.435.180**	**9.190.537**
Income tax expense	26	691.047	2.640.900
Profit for the year from continuing operations		**2.744.133**	**6.549.637**
Net profit		**2.744.133**	**6.549.637**
TOTAL COMPREHENSIVE INCOME		**2.744.133**	**6.549.637**
Net profit from continuing operations attributable to:			
Owners of the parent		2.513.579	6.125.138
Non-controlling interest		230.554	424.499
		2.744.133	6.549.637
Net profit attributable to:			
Owners of the parent		2.513.579	6.125.138
Non-controlling interest		230.554	424.499
		2.744.133	6.549.637
Total comprehensive income attributable to:			
Owners of the parent		2.513.579	6.125.138
Non-controlling interest		230.554	424.499
		2.744.133	6.549.637
Earnings per share:	27		
From continuing operations:			
Basic		**0,14**	**0,34**
Diluted		**0,14**	**0,34**

The Board of Directors,

IBERSOL S.G.P.S., S.A.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FOURTH TRIMESTER OF 2012 AND 2011

(values in euros)

	Notes	4th TRIMESTER (unaudited) 2012	2011
Operating Income			
Sales		44.064.954	48.207.142
Rendered services		159.170	188.699
Other operating income	24	837.774	1.021.978
Total operating income		45.061.898	49.417.819
Operating Costs			
Cost of sales		10.511.757	11.127.221
External supplies and services	22	15.338.696	15.917.229
Personnel costs	23	14.109.642	15.933.294
Amortisation, depreciation and impairment losses	6, 8 e 9	4.202.046	5.650.228
Other operating costs	24	621.256	1.138.834
Total operating costs		44.783.397	49.766.806
Operating Income		278.501	-348.987
Net financing cost	6 e 25	-546.380	-183.269
Profit before tax		**-267.879**	**-532.256**
Income tax expense	26	-291.645	-28.801
Profit for the year from continuing operations		**23.766**	**-503.455**
Net profit	6	**23.766**	**-503.455**
TOTAL COMPREHENSIVE INCOME		**23.766**	**-503.455**
Net profit from continuing operations attributable to:			
Owners of the parent		-158.011	-759.417
Non-controlling interest		181.777	255.962
		23.766	-503.455
Net profit attributable to:			
Owners of the parent		-158.011	-759.417
Non-controlling interest		181.777	255.962
		23.766	-503.455
Total comprehensive income attributable to:			
Owners of the parent		-158.011	-759.417
Non-controlling interest		181.777	255.962
		23.766	-503.455
Earnings per share:	27		
From continuing operations:			
Basic		**-0,01**	**-0,04**
Diluted		**-0,01**	**-0,04**

The Board of Directors,

IBERSOL S.G.P.S., S.A.
Statement of Alterations to the Consolidated Equity
for the years ending 31st December, 2012 and 2011
(value in euros)

	Note	Attrivutable to shareholders								
		Share Capital	Own Shares	Conversion Reserves	Legal Reserves	Other Reserves & Retained Results	Net Profit	Total parent equity	Non-controlling interest	Total Equity
Balance on 1 January 2011		20.000.000	-11.179.644	9.581	4.000.001	77.068.015	14.563.886	104.461.839	4.870.772	109.332.611
Changes in the period:										
Application of the consolidated profit from 2010:										
Transfer to reserves and retained results						13.573.886	-13.573.886	-		-
Insertion of Ibersol Angola						-37.429		-37.429		-37.429
Conversion reserves - Angola				-9.614				-9.614		-9.614
Change % non-controlling interest IBR Imobiliária						845.281		845.281	-845.281	-
Net consolidated income in the year ending on 31 December 2011							6.125.138	6.125.138	424.499	6.549.637
Total changes in the period		-	-	-9.614	-	14.381.738	-7.448.748	6.923.376	-420.782	6.502.594
Other comprehensive income							**6.125.138**	**6.125.138**	**424.499**	**6.549.637**
Transactions with capital owners in the period										
Application of the consolidated profit from 2010:										
Paid dividends	29						-990.000	-990.000		-990.000
Acquisition/ (sale) of own shares	15							-		-
		-	-	-	-	-	-990.000	-990.000	-	-990.000
Balance on 31 December 2011		**20.000.000**	**-11.179.644**	**-33**	**4.000.001**	**91.449.753**	**6.125.138**	**110.395.215**	**4.449.991**	**114.845.205**
Balance on 1 January 2012		20.000.000	-11.179.644	-33	4.000.001	91.449.753	6.125.138	110.395.215	4.449.991	114.845.206
Changes in the period:										
Application of the consolidated profit from 2011:										
Transfer to reserves and retained results						5.135.138	-5.135.138	-		-
Input of Parque Central Maia						-3.309		-3.309		-3.309
Conversion reserves - Angola				3.301				3.301		3.301
Net consolidated income in the year ending on 31 December 2012							2.513.579	2.513.579	230.554	2.744.133
Total changes in the period		-	-	3.301	-	5.131.829	-2.621.559	2.513.571	230.554	2.744.125
Other comprehensive income							**2.513.579**	**2.513.579**	**230.554**	**2.744.133**
Transactions with capital owners in the period										
Application of the consolidated profit from 2011:										
Paid dividends	29						-990.000	-990.000		-990.000
Acquisition/ (sale) of own shares	15							-		-
		-	-	-	-	-	-990.000	-990.000	-	-990.000
Balance on 31 December 2012		**20.000.000**	**-11.179.644**	**3.268**	**4.000.001**	**96.581.582**	**2.513.579**	**111.918.786**	**4.680.545**	**116.599.331**

The Board of Directors,

IBERSOL S.G.P.S., S.A.
Consolidated Cash Flow Statements
for the years ending on 31st December 2012 and 2011
(value in euros)

	Note	Years ending on December 31	
		2012	**2011**
Cash Flows from Operating Activities			
Flows from operating activities (1)	30	**14.761.960**	**19.171.328**
Cash Flows from Investment Activities			
Receipts from:			
Financial investments			
Tangible fixed assets		103.726	19.323
Intangible assets			
Investment benefits			
Interest received		1.031.755	1.290.661
Dividends received			
Other			
Payments for:			
Financial Investments		765.000	114.151
Tangible fixed assets		9.290.231	10.827.055
Intangible assests		1.501.991	751.007
Other			
Flows from investment activities (2)		-10.421.741	-10.382.228
Cash flows from financing activities			
Receipts from:			
Loans obtained		6.841.300	11.853.898
Sale of own shares			
Other			
Payments for:			
Loans obtained		8.858.569	16.701.378
Amortisation of financial leasing contracts		755.793	1.589.456
Interest and similar costs		3.144.576	2.445.990
Dividends paid		990.000	990.000
Capital reductions and supplementary entries			
Acquisition of own shares			
Other			
Flows from financing activities (3)		-6.907.638	-9.872.926
Change in cash & cash equivalents (4)=(1)+(2)+(3)		**-2.567.419**	**-1.083.826**
Perimeter changes effect		5	214.743
Exchange rate differences effect			-110.674
Cash & cash equivalents at the start of the period		28.481.438	29.239.847
Cash & cash equivalents at end of the period	13	**25.914.024**	**28.481.438**

The Board of Directors,

IBERSOL SGPS, S.A.

ANNEX TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDING ON 31st DECEMBER 2012

(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 402 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, Miit, Sol, Sugestões e Opções, José Silva Carvalho, Catering and SEC Eventos e Catering. The group has 382 units which it operates and 20 units under a franchise contract. Of this universe, 92 are headquartered in Spain and 2 in Angola, of which 75 are own establishments and 19 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 31 December 2012.

The accounting policies applied on 31 December 2012 are identical to those applied for preparing the financial statements of 31 December 2011.

2.2 Consolidation

(a) Subsidiaries

Shareholdings in companies in which the group directly or indirectly holds more than 50% of the voting rights or has the power to control their financial and operational activities (definition of control used by the group) were included in these consolidated financial statements through the full consolidation method. Equity and net profit of these companies assigned to third-party shareholdings are presented separately in the "non-controlling interests" item in the consolidated statement of financial position and of comprehensive income. The companies included in the financial statements are listed in Note 5.

When losses impute to non-controlling interests exceed the non-controlling interest in a subsidiary company's equity, the non-controlling interest absorb that difference and any additional losses.

The purchase method is used to account the acquisition of subsidiaries that occurred before 2010. The acquisition cost corresponds to the fair value of the delivered goods, capital issued instruments and liabilities incurred or assumed on the acquisition date. The identifiable acquired assets and the liabilities and contingent liabilities taken into account in a corporate concentration will initially correspond to the fair value on the acquisition date, regardless of whether there are non-controlling interests. The positive difference between the acquisition cost and the fair value of the group's stake in the acquired and identifiable net assets is recorded as a consolidation difference. If the acquisition cost is less than the fair value of the acquired subsidiary's net assets, the difference is recognised directly in the consolidated statement of comprehensive income (see Note 2.5).

For the acquisition of subsidiaries that occurred after 1 January 2010 the Group has applied reviewed IFRS 3. Accordingly to witch the purchase method continues to be applied in acquisitions, with some significant changes:

(i) All amounts which comprise the purchase price are valued at fair value, with the option of measuring, transaction by transaction, the "non-controlled interests" by the proportion of the value of net assets of the acquired entity or the fair value of assets and liabilities acquired.

(ii) All costs associated with acquisition are recorded as expenses.

Also has been applied since 1 January 2010 the revised IAS 27, which requires that all transactions with the "non-controlling interest" are recorded in equity, when there is no change in control of the entity, there is no place to record goodwill or gains or losses. When there is a loss of control exercised over the entity, any remaining interest on the principal is remeasured at fair value, and a gain or loss is recognized in the results of the exercise.

Balances and gains arising from transactions between group companies are eliminated. Losses not realised are also eliminated, except when the transaction reveals that a transferred asset is subject to impairment. The subsidiaries' accounting policies are altered whenever necessary to ensure consistence with the group's policies.

(b) Jointly controlled companies
The financial statements of jointly controlled companies were included in these consolidated financial statements by the proportional consolidation method, as of the date on which the joint control is acquired. According to this method, these companies' assets, liabilities, income and costs were included in the annexed consolidated financial statements, item by item, in the proportion of the control assigned to the group. The Group acknowledges his share of losses and gains on assets sold to the jointly controlled companies payable to other investors. The Group doesn't acknowledge his share of losses and gains on assets sold to the jointly controlled companies payable to the Group until these assets are sold outside the Group. However a lost in these transactions is immediately recognise if it indicates a liquid asset reduction or impairment. Transactions, balances and dividends paid among group companies and jointly controlled companies are eliminated in the proportion of the control assigned to the group. The excess acquisition cost compared with the fair value of the identifiable assets and liabilities on the acquisition date of a jointly controlled company is recognised as a consolidation difference.

Jointly controlled companies are listed in Note 5.

2.3 Report per segment

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity) whose operating results are reviewed regularly by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available

The group's head office – which also hosts the largest operating company, is in Portugal. Its business activity is in the restaurant segment.

The Group operates in three main geographic areas (Portugal, Spain and Angola) managed on a national level. However in this financial report we consider only two segments, given the small size of investment in Angola, in the year ended December 31, 2012.

Sales are broken down based on the country where the client is located.

The segments' assets include, in particular, tangible fixed assets, intangible assets, stocks, accounts receivable and cash and cash equivalents. This category excludes deferred taxes, financial investments and derivatives held for negotiation or hedge.

The segments' liabilities are operating liabilities. Taxes, loans and related hedging derivatives are excluded.

Investments include additions to tangible fixed assets (Note 8) and intangible assets (Note 9).

Investments are distributed based on the location where the respective assets are located.

2.4 Currency exchange rate

a) Working currency and financial statement currency
The Financial Statements of each group entity are prepared using the currency of the region in which the entity operates ("the working currency"). The consolidated financial statements are presented in euros since this is the working currency which the group uses in the financial statements.

b) Transactions and balances
Transactions in currencies other than the euro are converted into the working currency using the exchange rates on the transaction date. Exchange rate gains or losses from liquidating transactions and from the conversion rate on the consolidated statement of financial position date of monetary assets and liabilities in a currency other than the euro are recognised in the Profit and Loss Account, except when they are qualified as cash flow hedging or as net investment hedging, in which case they are recorded in equity.

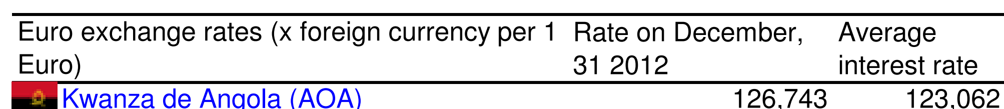
b) Financial statements

Financial statements assets and liabilities of foreign entities are converted to euro using the exchange rates at the balance sheet date, profit and loss as well as the cash flows statements are translated into euro using the average exchange rate recorded during the period. The resulting exchange difference is recorded in equity under the heading of exchange rate differences.

"Goodwill" and fair value adjustments arising from the acquisition of foreign entities are treated as assets and liabilities of that entity and translated into euro according to the exchange rate at the balance sheet date.

When a foreign entity is disposed, the accumulated exchange rate difference is recognised in the income statement as a gain or loss on disposal.

Currency exchange rate used for conversion of the transactions and balances denominated in Kwanzas, were respectively:



Euro exchange rates (x foreign currency per 1 Euro)	Rate on December, 31 2012	Average interest rate
Kwanza de Angola (AOA)	126,743	123,062

2.5 Tangible Fixed Assets

Buildings and other structures include own properties assigned to the restaurant activities and expenses on works at third-party properties, in particular those required for setting up restaurant shops.
Tangible fixed assets are shown at the acquisition cost, net of the respective amortisation and accumulated impairment losses.

The historic cost includes all expenses attributable directly to the acquisition of goods.

Subsequent costs are added to the amounts for which the good is recorded or recognised as separate assets, as appropriate, only when it is probable that the company will obtain the underlying economic benefits and the cost may be reliably measured. Other expenses on repairs and maintenance are recognised as an expense in the period in which they are incurred.

Depreciation of assets is calculated by the equal annual amounts method in order to allocate its cost at its residual value, according to its estimated lifetime, as follows:

- Buildings and other structures:	12-50 years
- Equipment:	10 years
- Tools and utensils:	4 years
- Vehicles:	5 years
- Office equipment:	10 years
- Other tangible assets:	5 years

The amounts which assets may be depreciated, their lifetime and the depreciation method are reviewed and adjusted if necessary on the consolidated statement of financial position date.

If the accounted amount is higher than the asset's recoverable amount, it is immediately readjusted to the estimated recoverable amount (Note 2.6).

Gains and losses consequent to a reduction or sale are determined by the difference between receipts from the sale and the asset's accounted value, and are recognised as other operating income or other operating costs in the profit and loss account. When revaluated goods are sold, the amount included in other reserves is transferred to retained profit.

2.6 Intangible Assets

a) Goodwill
Goodwill represents the acquisition cost exceeding the fair value of the subsidiary's/associated/jointly controlled company's assets and liabilities identifiable on the acquisition date. Goodwill resulting from the acquisition of subsidiaries is included in intangible assets. Goodwill is subject to annual impairment tests and is shown at cost, minus accumulated impairment losses. Gains or losses from the sale of an entity include the value of the goodwill in reference to the said entity.

Goodwill is allocated to the units that generate the cash flows for performing impairment tests.

b) Research and development
Research expenses are recognised as costs when incurred. Costs incurred on development projects (for designing and testing new products or for product improvements) are recognised as intangible assets when it is likely that the project will be successful, in terms of its commercial and technological feasibility and when the costs may be reliably measured. Other development expenses are recognised as expenses when incurred. Developments costs previously recognised as expenses are not recognised as an asset in subsequent periods. Development costs with a finite lifetime that have been capitalised are amortised from the time the product begins commercial production according to the equal annual amounts method during the period of its expected benefit, which cannot exceed five years.

c) Software
The cost of acquiring software licences is capitalised and includes all costs incurred for acquiring and installing the software available for utilisation. These costs are amortised during the estimated lifetime (5 years).

Software development or maintenance costs are recognised as expenses when incurred. Costs associated directly with creating identifiable and unique software controlled by the Group and that will probably generate future economic benefits greater than the costs, for more than one year, are recognised as intangible assets. Direct costs include personnel costs for developing software and the share in relevant general expenses.

Software development costs recognised as assets are amortised during the software's estimated lifetime (not exceeding 5 years).

d) Concessions and territorial rights

Concessions and territorial rights are presented at the historic cost. Concessions and territorial rights have a finite lifetime associated to the contractual periods and are presented at cost minus accumulated amortisation.

2.7 Impairment of assets

Intangible assets with a specific lifetime are not subject to amortisation and are, instead, subject to annual impairment tests. Assets subject to amortisation are revaluated to determine any impairment whenever there are events or alterations in the circumstances causing their accounting value not to be recoverable. An impairment loss is recognised in the consolidated statement of comprehensive income by the amount by which the recoverable amount exceeds the accounted amount. The recoverable amount is the highest amount between an asset's fair value minus the costs necessary for its sale and its utilisation value. To perform impairment tests, assets are grouped at the lowest level at which it may be able to separately identify cash flows (units generating cash flows).

A cash-generating unit (CGU) is the smallest group of assets which includes the asset and that generates cash flows from continued use and which is generally independent from the cash input from other assets or asset groups.

In the case of tangible assets, each shop was identified as a cash-generating unit. Shops with negative operating income for at least 2 years are considered with impairment.

Consolidation differences are distributed among the group's cash-flow generating units (CGUs), identified according to the country of operation and the business segment.

The recoverable value of a CGU is determined based on calculating the utilisation value. Those calculations apply cash flow forecasts based on financial budgets approved by the managers and cover a 5-year period.

The Board of Directors determines the budgeted gross margin based on past performance and on its market growth expectations. The average weighted growth rate used is consistent with provisions included in the sector's reports. The discount rates used are prior to taxes and reflect specific risks related with the assets from a CGU.

2.8 Financial assets

2.8.1 Classification

The group classifies its financial assets under the following categories: financial assets at the fair value through results, loans granted and accounts receivable, investments held until maturity and financial assets available for sale. The investment is classified according to its purpose. The Board of Directors decides on the classification when the investments are initially recorded and re-assesses that classification at each report date.

a) Financial assets at the fair value through results
This category is subdivided into two parts: financial assets held for negotiation and those that are designated at the fair value through results from the start. A financial asset is classified in this category if it is acquired for the main purpose of being sold on the short term or if designated as such by the Board of Directors. Derivatives are also classified as held for negotiation, except if they are classified for hedging. Assets in this category are classified as current if they are held for negotiation or are realisable within 12 months after the consolidated statement of financial position date.

b) Loans granted and accounts
Loans granted and other credits are non-derivative financial assets with fixed or determinable payments and that are not listed on an active market. These assets originate when the group supplies cash, goods or services directly to a debtor, without intending to negotiate the time at which it will receive payment for the said cash goods or services. They are included in current assets, except when they mature in more than 12 months after the consolidated statement of financial position date, in which case they are classified as non-current assets.

c) Investments held until maturity
Investments held until maturity is non-derivative financial assets with fixed or determinable payments and fixed maturities, which the group's Board of Directors has the intention and capacity to maintain until maturity. These investments are included in non-current assets, except those falling due within 12 months as of the consolidated statement of financial position date, which are classified as current assets.

d) Financial assets available for sale
Financial assets available for sale are non-derivative assets which are designated in this category or are not classified in any of the other categories. They are included in non-current assets, except when the Board of Directors wishes to sell the investment within 12 months as of the consolidated statement of financial position date.

2.8.2 Recognition and measurement

Purchases and sales of investments are recognised on the transaction date – the date on which the group promises to purchase or sell the asset. Investments are initially recognised at the fair value, including transaction costs, when the financial assets are not shown at the fair value through results (in this case, they are also recognised at the fair value, but the transaction costs are recorded in costs in the year at the time they are incurred). Financial investments are derecognised when the rights to receive cash from them expire or have been transferred and the group has substantially transferred all the risks and benefits from its possession. Financial assets available for sale and financial assets at the fair value through results are subsequently valuated at the fair value. Loans granted and accounts receivable and investments held until maturity are valuated at the amortised cost, using the effective rate method. Gains and losses - either realised or not realised and arising from alterations to the fair value of the category of the financial assets at their fair value through results - are included in the consolidated statement of

comprehensive income in the year in which they arise. Unrealised gains and losses, resulting from alterations to the fair value of non-monetary securities, classified as available for sale, are recognised in the equity. When the securities classified as available for sale are sold or are under impairment, the accumulated adjustments to the fair value are included in the consolidated statement of comprehensive income as gains or losses in securities investments.

The fair value of listed investments is based on current market prices.

If there is no active market for a financial asset (and for non-listed securities), the group determines the fair value using evaluation techniques, which include using recent transactions between independent parties, reference to other instruments that are substantially identical, an analysis of the discounted cash flow and refined options price models that reflect the specific emission circumstances.

2.8.3 Impairment

On each consolidated statement of financial position, the group checks for objective evidence showing whether any group of financial assets is subject to impairment. In the event of equity securities classified as available for sale, a significant or lasting decrease in the fair value falling below the cost value is determinant for knowing if there is impairment. If there is evidence of impairment applicable to financial assets available for sale, the accumulated loss – calculated by the difference between the acquisition cost and the current fair value, minus any impairment loss of that financial asset previously recognised in results – is removed from equity and recognised in the consolidated statement of comprehensive income. Impairment losses from capital instruments recognised in results are not reversible.

The group complies with the guidelines of IAS 39 (reviewed in 2004) to determine the permanent impairment of investments. This measure requires that the group valuate, among other factors, the duration and the extent to which the fair value of an investment is less than its cost, the financial health and business outlook for the subsidiary, including factors such as the industry's and sector's performance, technological alterations and flows of operating cash and financing.

2.9 Stocks

Stocks are presented at the lowest value between their cost and the net realisation value. The cost is calculated using the weighted mean cost.

The net realisation value corresponds to the estimated sale price during normal business operations, minus variable sale costs.

2.10 Accounts receivable from clients and other debtors

Accounts receivable from clients and other debtors are initially recognised at the fair value. Medium and long term debts are subsequently measured at the amortised cost, using the effective rate method minus the impairment adjustment. The impairment adjustment of accounts receivable is determined when there is objective evidence that the group will not receive all the owed amounts according to the original conditions of the accounts receivable. The impairment adjustment value is the difference between the presented value and the current estimated value of future cash flows, discounted at the effective interest rate. The impairment adjustment value is recognised in the consolidated statement of comprehensive income.

2.11 Cash and cash equivalents

Cash and cash equivalents include cash amounts, bank deposits, other short term investments with high liquidity and initial maturities of up to 3 months and bank overdrafts. Bank overdrafts are presented in the consolidated statement of financial position, in current liabilities, in the Obtained Loans item.

2.12 Share capital

Ordinary shares are classified in equity.

Incremental costs directly attributable to the emission of new shares or options are presented in equity as a deduction, net of taxes, of entries.

When any group company acquires shares in the parent company (own shares), the amount paid, including costs directly attributable (net of taxes), is deducted from the equity attributable to the shareholders of the parent company until the shares are cancelled, re-issued or sold. When those shares are subsequently sold or re-issued and after deducting directly imputable transaction costs and taxes, any receipt is included in the equity of the company's shareholders.

2.13 Loans obtained

Loans obtained are initially recognised at the fair value, including incurred transaction costs. Medium and long term loans are subsequently presented at cost minus any amortisation; any difference between receipts (net of transaction costs) and the amortised value is recognised in the consolidated statement of comprehensive income during the loan period, using the effective rate method.

Loans obtained are classified in current liabilities, except when the group is entitled to an unconditional right to defer the liquidation of the liability for at least 12 months after the consolidated statement of financial position date.

2.14 Deferred taxes

Deferred taxes are recognised overall, using the liability method and calculated based on the temporary differences arising from the difference between the taxable base of assets and liabilities and their values in the consolidated financial statements. However, if the deferred cost arises from the initial recognition of an asset or liability in a transaction that is not a corporate concentration or that, on the transaction date, does not affect the accounting result or the tax result, this amount is not accounted. Deferred taxes are determined by the tax (and legal) rates decreed or substantially decreed on the date of the consolidated statement of financial position and that can be expected to be applicable in the period of the deferred tax asset or in the liquidation of the deferred tax liability.

Deferred tax assets are recognised insofar as it will be probable that future taxable income will be available for using the respective temporary difference.

2.15 Provisions

Provisions for costs of restructuring activities, paid contracts and legal claims are recognised when the group has a legal or constructive obligation due to past events and when it is probable that a outflow of resources will be necessary to liquidate the obligation, and when the obligation amount may be reliably estimated. Provisions for restructuring operations include penalties for terminating leasing contracts and indemnity payments for terminating employee work contracts. Provisions are not recognised for future operating losses.

When there are a similar number of obligations, the probability of generating an outflow is determined by combining these obligations.

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.

2.19 Profit per share

Basic
The basic profit per share is calculated by dividing the profit payable to shareholders by the weighted mean number of ordinary shares issued during the period, excluding ordinary shares acquired by the company and held as own shares (Note 15).

Diluted
The profit diluted per share is calculated by dividing the profit payable to shareholders – adjusted by the dividends of convertible preference shares, convertible debt interest and gains and expenses resulting from the conversion – by the average number of ordinary shares issued during the period plus the average number of ordinary shares that may be issued in the conversion of ordinary shares that may be potentially used in the dilution.

2.20 Derivatives financial instruments

The Group uses derivatives financial instruments, such as exchange forwards and interest rate swaps, only to cover the financial risk witch the Group is exposed to. The Group doesn't use derivatives financial instruments for speculation. For the carrying amount of derivatives financial instruments, the Group uses hedge accounting policies under the terms of the legislation in force. Derivatives financial instruments negotiation is carried out by the Group, on behalf of their subsidiaries, by the financial department under the policies approved by the Board of directors. Derivative financial instruments are initially measured at the transaction date fair value, being subsequently measured at each reporting date fair value. Gains or losses of fair value changes are recognised as follows:

Fair value hedge

In an operation to hedge the exposure to fair value of an asset or liability ("fair value hedge") determined as effective hedges, the fair value changes are recognised in the income statement jointly with the fair value changes of the risk component of the hedged item.

Cash flow hedge

In an operation to hedge the exposure to future cash-flows of an asset or liability ("cash-flow hedge"), the effective part of the fair value changes in the hedging derivative are recognizes in equity; the ineffective part of the hedging is recognized in the income statement when it occurs.

Net investment hedge

Currently there are no foreign operational units (subsidiaries) in currencies other than the euro, therefore the Group is not exposed to foreign currency exchange-rate risks.

The Group has well identified the nature of the involved risks, guarantees through its software that each hedge instrument is followed under the Group's risk policy, recording thorough and formally the hedges relationships; the hedges goal and strategy; classification of the hedges relationship; description of the nature of the risk that's being cover; identification of the hedge instrument and covered item; description of initial measure and future effectiveness of the hedge; identification of the excluded, if any, part of the hedge instrument.

The Group will consider discontinued an hedge instrument when it is sold, expires or is realised; the hedge ceases to fulfil the hedge accounting criteria; for the cash flow hedge the expected transaction in unlikely or unexpected; the Group cancels the hedge instruments for managing reasons.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The group's activities are exposed to a number of financial risk factors: market risk (including currency exchange risk, fair value risk associated to the interest rate and price risk), credit risk, liquidity risk and cash flow risks associated to the interest rate. The group maintains a risk management program that focuses its analysis on financial markets to minimise the potential adverse effects of those risks on the group's financial performance.

Risk management is headed by the Financial Department based on the policies approved by the Board of Directors. The treasury identifies, evaluates and employs financial risk hedging measures in close cooperation with the group's operating units. The Board provides principles for managing the risk as a whole and policies that cover specific areas, such as the currency exchange risk, the interest rate risk, the credit risk and the investment of surplus liquidity.

a) Market risk

i) Currency exchange risk
The currency exchange risk is very low, since the group operates mainly in the Iberian market. Bank loans are mainly in euros and acquisitions outside the Euro zone are of irrelevant proportions.

Although the Group holds investments outside the euro-zone in external operations, in Angola, due to the reduced size of the investment, there is no significant exposure to currency exchange risk. Angolan branch loans in the amount of 1.875.000 USD does not provide material exposure to currency exchange rate due to its reduced amount and to the strong correlation between USA dollar and local currency. The remaining loans are in local currency, the same as the revenues.

ii) Price risk
The group is not greatly exposed to the merchandise price risk.

iii) Interest rate risk (cash flow and fair value)
Since the group does not have remunerated assets earning significant interest, the profit and cash flow from financing activities are substantially independent from interest rate fluctuations.

The group's interest rate risk follows its liabilities, in particular long-term loans. Loans issued with variable rates expose the group to the cash flow risk associated to interest rates. Loans with fixed rates expose the group to the risk of the fair value associated to interest rates. At the current interest rates, in financing of longer maturity periods the group has a policy of totally or partially fixing the interest rates.

The unpaid debt bears variable interest rate, part of which has been the object of an interest rate swap. The interest rate swap to hedge the risk of a 20 million euros loan has the maturity of the underlying interest and the repayment

plan identical to the terms of the loan. Moreover, the Group has cash and cash equivalents covering about 35% of the loans in which the remuneration covers interest rate changes on the debt.

Based on simulations performed on 31 December 2012, an increase of 100 basis points in the interest rate, maintaining other factors constant, would have a negative impact in the net profit of 200.000 euros.

b) Credit risk
The group's main activity covers sales paid in cash or by debit/credit cards. As such, the group does not have relevant credit risk concentrations. It has policies ensuring that sales on credit are performed to customers with a suitable credit history. The group has policies that limit the amount of credit to which these customers have access.

c) Liquidity risk
Liquidity risk management implies maintaining a sufficient amount of cash and bank deposits, the feasibility of consolidating the floating debt through a suitable amount of credit facilities and the capacity to liquidate market positions. Treasury needs are managed based on the annual plan that is reviewed every quarter and adjusted daily. Related with the dynamics of the underlying business operations, the group's treasury strives to maintain the floating debt flexible by maintaining credit lines available.

The Group considers that the short-term bank loans are due on the renewal date and that the commercial paper programmes matured on the dates of denunciation.

At the end of the year, current liabilities reached 60 million euros, compared with 42 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 use of commercial paper programmes in witch the Group considers the maturity date as the renewal date, regardless of its initial stated periods. In order to ensure liquidity of the short term debt it is expected in the year 2013 the renewal of the commercial paper programmes. However, in case of need, cash and cash equivalents and cash flows from operations are sufficient to settle current loans.

In the current financial markets pressure, to lower bank loans the company opted to increase financial debt maturity and to maintain a significant share of the short term debt. On December 31, 2012, the use of short term liquidity cash flow support was of 9%. Investments in term deposits of 19 million match 35% of liabilities paid.

The following table shows the Group financial liabilities (relevant items), considering contractual cash-flows:

	2013	from 2014 to 2024
Bank loans and overdrafts	10.639.364	12.921.533
Commercial paper	7.000.000	24.000.000
Financial leasing	216.205	61.514
Suppliers of fixed assets c/ a	3.082.746	-
Suppliers c/ a	18.900.334	-
Other creditors	7.477.687	325.188
Total	47.316.336	37.308.235

d) Capital risk
The company aims to maintain an equity level suitable to the characteristics of its main business (cash sales and credit from suppliers) and to ensure continuity and expansion. The capital structure balance is monitored based on the gearing ratio (defined as: net remunerated debt / net remunerated debt + equity) in order to place the ratio within a 35%-70% interval.

On 31st December 2012 the gearing ratio was of 19% and on 31st December 2011 of 20%, as follows:

	Dec-12	Dec-11
Bank loans	54.838.614	57.644.963
Cash and cash equivalents	26.748.790	29.316.069
Net indebtedness	28.089.824	28.328.894
Equity	116.599.331	114.845.206
Total capital	144.689.155	143.174.100
Gearing ratio	19%	20%

Given the current constraints of the financial markets and despite the goal of placing the gearing ratio in the range 35% -70%, prudently, in 2012 we have a 19% ratio.

3.2 Estimated fair value

The fair value of financial instruments commercialised in active markets (such as publicly negotiated derivatives, securities for negotiation and available for sale) is determined based on the listed market prices on the consolidated statement of financial position date. The market price used for the group's financial assets is the price received by the shareholders in the current market. The market price for financial liabilities is the price to be paid in the current market.

The nominal value of accounts receivable (minus impairment adjustments) and accounts payable is assumed to be as approximate to its fair value. The fair value of financial liabilities is estimated by updating future cash flows contracted at the current market interest rate that is available for similar financial instruments.

4. IMPORTANT ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgements are continuously evaluated and are based on past experience and on other factors, including expectations regarding future events that are believed to be reasonably probable within the respective circumstances.

The group makes estimates and outlines premises about the future. Generally, accounting based on estimates rarely corresponds to the real reported results. Estimates and premises that present a significant risk of leading to a material adjustment in the accounting value of the assets and liabilities in the following year are described below:

a) Estimated impairment of consolidation differences

The group performs annual tests to determine whether the consolidation differences are subject to impairment, according to the accounting policy indicated in Note 2.5. Recoverable amounts from the units generating cash flows are determined based on the calculation of utilisation values. Those calculations require the use of estimates (Note 9).

If the real gross margin is less, or the discount rate - prior to taxes - is greater than the estimates by the managers, the impairment losses of the consolidation differences may be greater than those recorded.

b) Income Tax

The group is subject to Income Tax in Portugal, Spain and Angola. A significant judgement must be made to determine the estimated income tax. The large number of transactions and calculations make it difficult to determine the income tax during normal business procedures. The group recognises liabilities for additional payment of taxes that may originate from reviews by the tax authorities. When tax audits indicate a final result different from the initially recorded amounts, the differences will have an impact on the income tax and on deferred taxes in the period in which those differences are identified.

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

5.1. The following group companies were included in the consolidation on 31st December 2012 and 2011:

	Company	Head Office	% Shareholding	
			Dec-12	Dec-11
	Parent company			
	Ibersol SGPS, S.A.	Porto	parent	parent
	Subsidiary companies			
	Iberusa Hotelaria e Restauração, S.A.	Porto	100%	100%
	Ibersol Restauração, S.A.	Porto	100%	100%
	Ibersande Restauração, S.A.	Porto	80%	80%
	Ibersol Madeira e Açores Restauração, S.A.	Funchal	100%	100%
	Ibersol - Hotelaria e Turismo, S.A.	Porto	100%	100%
	Iberking Restauração, S.A.	Porto	100%	100%
	Iberaki Restauração, S.A.	Porto	100%	100%
	Restmon Portugal, Lda	Porto	61%	61%
	Vidisco, S.L.	Vigo - Espanha	100%	100%
	Inverpeninsular, S.L.	Vigo - Espanha	100%	100%
	Ibergourmet Produtos Alimentares, S.A.	Porto	100%	100%
	Ferro & Ferro, Lda.	Porto	100%	100%
	Asurebi SGPS, S.A.	Porto	100%	100%
	Charlotte Develops, SL	Madrid-Espanha	100%	100%
	Firmoven Restauração, S.A.	Porto	100%	100%
	IBR - Sociedade Imobiliária, S.A.	Porto	98%	98%
	Eggon SGPS, S.A.	Porto	100%	100%
	Anatir SGPS, S.A.	Porto	100%	100%
	Lurca, SA	Madrid-Espanha	100%	100%
	Q.R.M.- Projectos Turísticos, S.A	Porto	100%	100%
	Sugestões e Opções-Actividades Turísticas, S.A	Porto	100%	100%
	RESTOH- Restauração e Catering, S.A	Porto	100%	100%
	Resboavista- Restauração Internacional, Lda	Porto	100%	100%
	José Silva Carvalho Catering, S.A	Porto	100%	100%
(a)	Iberusa Central de Compras para Restauração ACE	Porto	100%	100%
(b)	Vidisco, Pasta Café Union Temporal de Empresas	Vigo - Espanha	100%	100%
	Maestro - Serviços de Gestão Hoteleira, S.A.	Porto	100%	100%
(c)	SEC - Eventos e Catering, S.A.	Maia	100%	100%
(d)	IBERSOL - Angola, S.A.	Luanda - Angola	100%	100%
(d)	HCI - Imobiliária, S.A.	Luanda - Angola	100%	100%
(e)	Parque Central Maia - Activ.Hoteleiras, Lda	Porto	100%	-
	Companies controlled jointly			
	UQ Consult - Serviços de Apoio à Gestão, S.A.	Porto	50%	50%

(a) Company consortium agreement that acts as the Purchasing and Logistics Centre and provides the respective restaurants with raw materials and maintenance services.
(b) Union Temporal de Empresas which was founded in 2005 and that during the year functioned as the Purchasing Centre in Spain by providing raw materials to the respective restaurants.
(c) ex-Solinca – Eventos e Catering, S.A..
(d) Subsidiaries excluded from consolidation perimeter in the first half of the year 2011. Only included in the consolidated statements for the year 2011, having been incorporated since January 1, 2011.
(e) subsidiary incorporated in 2012 in the consolidation, acquired on 14/12/2011,

The subsidiary companies were included in the consolidation by the full consolidation method. UQ Consult, the Jointly controlled entity, was subject to the proportional consolidation method according to the group's shareholding in this company, as indicated in Note 2.2.b).

The shareholding percentages in the indicated companies imply an identical percentage in voting rights.

5.2. Alterations to the consolidation perimeter

5.2.1. Acquisition of new companies

Parque Central Maia – Activ. Hoteleiras, SA was acquired by the amount of 200.000 EUR on December 2011.

Although acquired in the year 2011, the subsidiary was excluded of the year 2011 consolidated statements by immateriality. In 2012 it was included since January 1.

2012	Company	Entry date	Head-office	% Shareholding
	Parque Central Maia - Activ.Hoteleiras, Lda.	January 2012	Porto	100%

The addition in 2012 had the following impact on the consolidated financial statements of 31 December 2012:

	Acquisition date	Dec-12
Acquired net assets		
Tangible and intangible assets (notas 8 e 9)	-	324.877
Stocks	-	5.148
Deferred tax assets	-	-
Other assets	14.375	163.389
Cash & cash equivalents	5	43.244
Loans	-14.914	-
Deferred tax liabilities	-	2.709
Other liabilities	-13.005	-411.689
	-13.539	127.678
Differences (1)	213.539	
Acquisition price	200.000	
Payments made	100.000	
Future payments	100.000	
	200.000	
Net cash-flows from acquisition		
Payments made	100.000	
Acquired cash & cash equivalents	5	
	99.995	

(1) Parque Maia differences were allocated to intangible assets, industrial property (Nota 9) for the right to use, for the period of 12 years (started September 2, 2011), the space operated by the subsidiary.

The impact in consolidated statement of comprehensive income account was as follows:

	Dec-12
Operating income	666.439
Operating costs	-505.278
Net financing cost	-611
Pre-tax income	160.550
Income tax	36.024
Net profit	124.526

5.2.2. Disposals

The group did not sell any of its subsidiaries in 2012.

5.2.3. Change in Goodwill

The purchase price of the subsidiary Solinca changed due to the EBITDA achieved by the company in 2011.

The validation of EBITDA was subject to accounts approval in the General Meeting held on the 31st of March 2012, and to the conclusion of negotiations with the seller.

6. INFORMATION PER SEGMENT

In the years ended December 31, 2012 and 2011, given the small size of the operational activity and asset values, the contribution of Angola is reflected in the segment of Portugal, according to Note 2.3.

The results per segment for the period ended 31 December 2012 were as follows:

31 December 2012	Portugal	Spain	Group
Restaurants	125.357.538	42.097.097	167.454.635
Merchandise	1.521.864	1.691.032	3.212.896
Rendered services	200.148	443.209	643.357
Turnover per Segment	**127.079.550**	**44.231.338**	**171.310.888**
Operating income	3.508.860	2.066.642	5.575.502
Net financing cost	-1.496.656	-643.666	-2.140.322
Share in the profit by associated companies	-	-	-
Pre-tax income	**2.012.204**	**1.422.976**	**3.435.180**
Income tax	585.695	105.352	691.047
Net profit in the period	**1.426.509**	**1.317.624**	**2.744.133**

The results per segment for the period ended 31 December 2011 were as follows:

31 December 2011	Portugal	Spain	Group
Restaurants	145.971.650	44.615.378	190.587.028
Merchandise	1.205.781	1.945.343	3.151.124
Rendered services	262.786	522.207	784.993
Turnover per Segment	**147.440.217**	**47.082.928**	**194.523.145**
Operating income	8.063.130	2.362.087	10.425.217
Net financing cost	-616.373	-618.307	-1.234.680
Share in the profit by associated companies	-	-	-
Pre-tax income	**7.446.757**	**1.743.780**	**9.190.537**
Income tax	2.408.968	231.932	2.640.900
Net profit in the period	**5.037.789**	**1.511.848**	**6.549.637**

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

The consolidated statement of comprehensive income also includes the following parts on the segments:

	Year ending on 31 December 2012			Year ending on 31 December 2011		
	Portugal	Spain	Group	Portugal	Spain	Group
Depreciation (Note 8)	6.878.981	1.569.600	8.448.581	7.011.516	1.421.813	8.433.329
Amortization (Note 9)	1.300.652	215.766	1.516.418	1.284.849	233.240	1.518.089
Impairment of fixed tangible assets (Note 8)	958.814	391.419	1.350.232	1.823.514	465.851	2.289.365
Impairment of goodwill (Note 9)	-	-	-	-	-	-
Impairment of intangible assets (Note 9)	245.113	-	245.113	655.366	-	655.366
Impairment of accounts receivable (Note 14)	6.768	4.282	11.050	228.093	4.282	232.375

The following assets, liabilities and investments were applicable to the segments in the year ending on 31 December 2012 and 2011:

	Year ending on 31 December 2012			Year ending on 31 December 2011		
	Portugal	Spain	Total	Portugal	Spain	Total
Assets (1)	**165.577.871**	**55.219.971**	**220.797.842**	**171.509.511**	**54.091.885**	**225.601.396**
Liabilities	**32.946.093**	**8.862.246**	**41.808.339**	**36.218.846**	**7.850.195**	**44.069.041**
Net investment (Notes 8 and 9) (1)	**5.948.631**	**2.125.070**	**8.073.701**	**10.420.059**	**1.053.073**	**11.473.132**

(1) Portugal segment includes assets of 10,7 million of euros in Angola with an investment of about 3,2 million of euros.

Assets and liabilities that were not applicable to the segments Portugal and Spain are as follows:

	Assets	Liabilities
Deferred taxes	935.834	10.287.213
Current taxes	1.322.237	449.017
Current bank loans	-	17.855.569
Non current bank loans	-	36.983.045
Assets available for sale	926.600	-
Total	3.184.671	65.574.844

7. UNUSUAL AND NON-RECURRING FACTS

No unusual and non-recurring facts took place during the year 2012 and 2011.

8. TANGIBLE FIXED ASSETS

In the years ending on 31 December 2012 and 2011, the following movements took place in the value of tangible fixed assets, depreciation and accumulated impairment losses:

	Land and buildings	Equipment	Other tangible fixed Assets	Tangible Assets in progress (1)	Total
1 January 2011					
Cost	125.377.979	68.148.991	14.244.146	86.578	207.857.695
Accumulated depreciation	24.550.849	46.881.834	11.111.499	-	82.544.182
Accumulated impairment	3.503.698	724.127	45.947	-	4.273.772
Net amount	**97.323.433**	**20.543.030**	**3.086.700**	**86.578**	**121.039.741**
31 December 2011					
Initial net amount	97.323.433	20.543.030	3.086.700	86.578	121.039.741
Changes in consolidat perimeter	1.805.422	43.960	16.434	326.173	2.191.989
Additions	6.143.015	2.488.436	576.160	2.773.526	11.981.137
Decreases	993.280	219.079	4.024	17.869	1.234.252
Transfers	-	29.191	336	-38.539	-9.012
Depreciation in the year	2.982.417	4.302.404	1.148.508	-	8.433.329
Deprec. by changes in the perim.	21.430	881	172	-	22.483
Impairment in the year	2.430.292	-	-	-	2.430.292
Impairment reversion	-140.927	-	-	-	-140.927
Final net amount	**98.985.378**	**18.582.253**	**2.526.926**	**3.129.869**	**123.224.427**
31 December 2011					
Cost	130.836.755	68.806.067	14.444.010	3.129.869	217.216.702
Accumulated depreciation	26.925.340	49.658.496	11.854.570	-	88.438.405
Accumulated impairment	4.926.037	565.318	62.515	-	5.553.870
Net amount	**98.985.378**	**18.582.253**	**2.526.926**	**3.129.869**	**123.224.427**

	Land and buildings	Equipment	Other tangible fixed Assets	Tangible Assets in progress (1)	Total
31 December 2012					
Initial net amount	98.985.378	18.582.253	2.526.926	3.129.869	123.224.427
Changes in consolidat perimeter	-	-	-	-	-
Currency conversion	-48.573	-1.713	-451	-69.110	-119.847
Additions	4.289.175	3.104.416	528.766	22.253	7.944.610
Decreases	660.269	202.417	1.769	94.661	959.117
Transfers	1.676.906	389.885	99.584	-2.630.883	-464.507
Depreciation in the year	3.224.853	4.235.984	987.744	-	8.448.581
Deprec. by changes in the perim.	-	-	-	-	-
Impairment in the year	1.394.342	-	-	-	1.394.342
Impairment reversion	-44.110	-	-	-	-44.110
Final net amount	**99.667.532**	**17.636.440**	**2.165.312**	**357.468**	**119.826.752**
31 December 2012					
Cost	133.921.515	70.420.661	14.770.055	357.468	219.469.700
Accumulated depreciation	29.331.240	52.221.588	12.542.229	-	94.095.056
Accumulated impairment	4.922.744	562.633	62.515	-	5.547.892
Net amount	**99.667.532**	**17.636.440**	**2.165.312**	**357.468**	**119.826.752**

(1) changes in period are due to the two KFC restaurants in Luanda, Angola, opened in 2012.

Bank loans (Note 16) are secured by Ibersol's land and buildings assets with the amount of 383.371 euros (2.066.757 euros in 2011).

In the years ended on 31 December 2012 and 2011, the following assets were used under a financial lease:

	2012		2011	
	Gross Amount	Accumulated depreciation	Gross Amount	Accumulated depreciation
Land and buildings	2.240	-420	88.437	-8.688
Equipment	2.141.367	-879.670	4.473.046	-1.569.840
Other tangible fixed assets	78.218	-51.276	255.525	-185.571
Other intangible assets	2.713	-701	2.713	-430
	2.224.538	-932.066	4.819.721	-1.764.528

In the years 2012 and 2011 there were no new lease agreements.

About 50.000 euros were capitalized in the year 2012 related to bank loans expense in Angola, the accumulated value at December 31, 2012 was about 332.000 euros.

9. INTANGIBLE ASSETS

Intangible assets are broken down as follows:

	Dec-12	**Dec-11**
Goodwill	42.498.262	43.034.262
Other intangible assets	16.532.724	16.205.541
	59.030.986	**59.239.803**

In the years ending on 31 December 2012 and 2011, the movement in the value of intangible assets, amortization and accumulated impairment losses were as follows:

1 January 2011					
Cost	44.765.226	19.141.360	4.604.257	2.273.973	70.784.816
Accumulated amortization	-	4.631.460	3.394.424	-	8.025.884
Accumulated impairment	1.861.678	208.442	149.073	-	2.219.193
Net amount	**42.903.548**	**14.301.458**	**1.060.760**	**2.273.973**	**60.539.739**
31 December 2011					
Initial net amount	42.903.548	14.301.458	1.060.760	2.273.973	60.539.739
Changes in consolidat. perimeter	130.714	-	7.546	-	138.260
Additions	-	572.783	168.654	14.651	756.088
Decreases	-	14.575	10.941	-	25.516
Transfers	-	9.142	-	-4.455	4.687
Amortization in the year	-	932.842	585.247	-	1.518.089
Amortiz. by changes in the perimeter	-	-	-	-	-
Impairment in the year	-	711.586	-	-	711.586
Impairment reversion	-	-48.930	-7.290	-	-56.221
Final net amount	**43.034.262**	**13.273.310**	**648.062**	**2.284.169**	**59.239.803**
31 December 2011					
Cost	44.895.940	19.567.107	4.703.952	2.284.169	71.451.168
Accumulated amortization	-	5.572.828	3.985.780	-	9.558.608
Accumulated impairment	1.861.678	720.969	70.109	-	2.652.757
Net amount	**43.034.262**	**13.273.310**	**648.062**	**2.284.169**	**59.239.803**

	Goodwill	**Industrial property**	**Other intangible Assets**	**Intangible Assets in progress (1)**	**Total**
31 December 2012					
Initial net amount	43.034.262	13.273.310	648.062	2.284.169	59.239.803
Changes in consolidat. Perimeter	-	-	-	-	-
Additions	-	1.198.198	900.107	-	2.098.305
Decreases	536.000	8.258	394.333	-349	938.242
Transfers	-	18.077	213.291	161.283	392.651
Amortization in the year	-	987.836	528.582	-	1.516.418
Amortiz. by changes in the perimeter	-	-	-	-	-
Impairment in the year	-	245.113	-	-	245.113
Impairment reversion	-	-	-	-	-
Final net amount	**42.498.262**	**13.248.378**	**838.545**	**2.445.801**	**59.030.987**
31 December 2012					
Cost	44.359.940	20.788.413	5.394.349	2.445.801	72.988.503
Accumulated amortization	-	6.572.385	4.485.694	-	11.058.079
Accumulated impairment	1.861.678	967.650	70.110	-	2.899.438
Net amount	**42.498.262**	**13.248.378**	**838.545**	**2.445.801**	**59.030.987**

(1) intangible assets in progress balance 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 waiting for platforms delivery.

On 31 December 2012, the group's concessions, territorial rights and related lifetime are shown below:

Territorial Rights	N.º of years	Termination Date
Pans & Company	10	2016
Burger King	20	2021

Concession Rights	N.º of years	Termination Date
Lusoponte Service Areas	33	2032
Expo Marina	28	2026
Repsol Service Area - 2ª Circular	18	2017
Fogueteiro Service Area	16	2015
Portimão Marina	60	2061
A8 Torres Vedras (motorway) Service Ar	20	2021
Airport Service Area	20	2021
Pizza Hut Setúbal	14	2017
Pizza Hut Foz	10	2020
Pizza Hut and Pasta Caffé Cais Gaia	20	2024
A5 Oeiras (motorway) Service Area	12	2015
Modivas Service Area	28	2031
Barcelos Service Area	30	2036
Guimarães Service Area	30	2036
Fafe Service Area	30	2036
Alvão Service Area	30	2036
Lousada (Felgueiras) Service Area	24	2030
Vagos Service Area	24	2030
Aveiro Service Area	24	2030
Ovar Service Area	24	2030
Gulpilhares Service Area	24	2030
Talhada (Vouzela) Service Area	25	2031
Viseu Service Area	25	2031
Paredes Service Area	26	2032
Maia Service Area	26	2032

Goodwill is broken down into segments, as shown bellow:

	Dec-12	Dec-11
Portugal	9.464.021	10.000.021
Spain	32.903.527	32.903.527
Angola	130.714	130.714
	42.498.262	**43.034.262**

Goodwill on the Spain segment refers mainly to the purchase of the subsidiaries Lurca and Vidisco.

The main assumptions used in Impairment tests are detailed as follow:

Perpetuity growth rate		
Portugal	3,00%	(1% real + 2% inflation)
Spain	3,00%	(1% real + 2% inflation)
Perpetuity discount rate		
Portugal	6,78%	
Spain	6,15%	
Discount period rate		
Portugal	8,87%	
Spain	7,25%	

The presented pre-tax discount rate was calculated on the bases of WACC (Weighted Average Cost of Capital) methodology.

Based on the impairment tests performed, there was no need to make adjustments in Goodwill.

10. FINANCIAL INVESTMENTS

The details on financial investments on 31 December 2012 and 2011 are as follows:

	Dec-12	Dec-11
Financial investments		
Parque Central Maia (1)	-	200.000
Advances for financial investments (2)	555.000	172.085
Other financial investments	371.600	361.600
	926.600	**733.685**
Accumulated impairment losses	-	-
	926.600	**733.685**

(1) change in the year 2011, due to the inclusion in the consolidation of the subsidiary Parque Central Maia, as described in Note 5.
(2) down payment of 555.000 euros for investment in Gravos 2012, S.A., and credit assignment with the subsidiaries Iberusa e Firmoven, for purchase of investments in Rock and Bowl with the amount of 172.085.

The other financial investments concern investments (bellow 20%) in non listed companies.

11. OTHER NON-CURRENT ASSETS

The details on other non-current assets on 31 December 2012 and 2011 are as follows:

	Dec-12	Dec-11
Clients and other debtors (1)	1.604.632	1.710.740
Other non-current assets	**1.604.632**	**1.710.740**
Accumulated impairment losses	-	-
	1.604.632	**1.710.740**

(1) mainly Spain subsidiaries long term deposits and bails and also franchising debts concerning fixed assets lent in subsidiary Vidisco, with a payment agreement. At the end of the year 2012 the amount in debt is of 140 monthly fees of 5.742 euros each, which bear interest of 6.25%, the last payment is on 31st August, 2024.

12. STOCKS

On 31 December 2012 and 2011, stocks were broken down as follows:

	Dec-12	Dec-11
Raw material and consumables	3.500.520	3.560.475
Merchandise	94.249	104.610
	3.594.769	**3.665.085**
Accumulated impairment losses	74.981	74.981
Net stocks	**3.519.788**	**3.590.104**

13. CASH AND CASH EQUIVALENTS

On 31st December 2012 and 2011, cash and cash equivalents are broken as follows:

	Dec-12	Dec-11
Cash	614.184	892.376
Bank deposits	17.583.881	28.197.787
Treasury applications	8.550.725	225.906
Cash and cash equivalents in the balance sheet	26.748.790	29.316.069
Bank overdrafts	-834.765	-834.630
Cash and cash equivalents in the cash flow statement	25.914.025	28.481.439

Bank overdrafts include the creditor balances of current accounts with financial institutions, included in the consolidated statement of financial position in the “bank loans” item.

14. OTHER CURRENT ASSETS

Other current assets on 31st December 2012 and 2011 are broken down as follows:

	Dec-12	Dec-11
Clients (1)	4.906.579	4.189.544
State and other public entities (2)	1.810.669	871.210
Other debtors	2.062.052	1.592.231
Advances to suplliers	53.063	68.699
Accruals and income (3)	2.215.534	1.711.379
Deferred costs (4)	1.415.071	1.509.569
Other current assets	**12.462.968**	**9.942.632**
Accumulated impairment losses	1.073.837	1.062.787
	11.389.131	**8.879.845**

(1) Current balance arising essentially by the Catering activity developed by Ibersol.

(2) Current balance of recoverable VAT amounts (488.418 euros) and Income tax (1.322.237 euros).

(3) The other debtors item is broken down into the following items:

	Dec-12	Dec-11
Interest	53.110	67.557
Suppliers contracts	1.664.858	1.417.572
Other	497.566	226.251
	2.215.534	**1.711.379**

(4) Accruals and income are broken down as follows:

	Dec-12	Dec-11
Rents and condominium fees	902.074	993.322
External supplies and services	177.457	196.524
Other	335.540	319.723
	1.415.071	**1.509.569**

Financial assets impairment is broken down as follows:

	Dec-12		Dec-11	
	With Impairment	**Without Impairment**	**With Impairment**	**Without Impairment**
Clients c/a	877.350	4.029.229	862.019	3.327.525
Other debtors	196.486	1.865.566	200.768	1.391.463
	1.073.837	**5.894.794**	**1.062.787**	**4.718.988**

As for clients and other debts without impairment, the amounts are broken down as follows:

	Dec-12	Dec-11
Debt not due	1.589.417	1.292.572
Debt due:		
For less than 1 month	659.859	452.930
From one to three months	674.263	764.268
Over three months	2.971.256	2.209.218
	5.894.794	4.718.988

Impairment losses in the year regarding other current assets are broken down as follows:

	Starting balance	Cancellation	Losses in the Year	Impairment reversion	Closing balance
Clients c/ a	862.019	-	47.296	-31.964	877.350
Other debtors	200.768	-	-	-4.282	196.486
	1.062.787	-	47.296	-36.246	1.073.837

15. SHARE CAPITAL

On 31st December 2012 and 2011, fully subscribed and paid up share capital was represented by 20.000.000 shares to the bearer with a par value of 1 euro each.

In the years 2012 and 2011 the group did not acquired nor sold any own shares. This shares are subordinated to the policy stipulated for own shares which specifies that the respective voting rights are suspended whilst the shares are held by the group, although the group may sell these shares.

At the end of the year the company held 2.000.000 own shares acquired for 11.179.644 euros.

The group’s non-available reserves reached 15.179.645 euros and refer to legal reserves (4.00.001 euros) and other reserves referring to own shares held by the group (11.179.644 euros).

In the years ending on 31 December 2012 and 2011, the minority interests were as follows:

	Dec-12	Dec-11
Ibersande, S.A.	4.452.449	4.233.253
IBR Imobiliária, S.A.	228.096	216.738
	4.680.545	**4.449.991**

16. LOANS

On 31 December 2012 and 2011, current and non-current loans were broken down as follows:

Non-current	**Dec-12**	**Dec-11**
Bank loans	36.921.531	44.053.178
Financial leasing	61.514	278.444
	36.983.045	**44.331.622**

Current	**Dec-12**	**Dec-11**
Bank overdrafts	834.765	834.630
Bank loans	16.804.599	11.723.306
Financial Leasing	216.205	755.405
	17.855.569	**13.313.341**
Total loans	**54.838.614**	**57.644.963**
Average interest rate	**4,7%**	**3,8%**

There are no significant differences between the balance sheet amounts and fair value of current and non-current loans.

The maturities of non-current bank loans are broken down as follows:

	Dec-12	Dec-11
From 1 to 2 years	17.084.428	9.562.951
From 2 to 5 years	19.792.653	29.430.912
> 5 years	44.453	5.059.315
	36.921.533	**44.053.178**

Regardless of its ending stated period, for the subscribed commercial paper programmes the Group considers the full repayment on its maturity date (the renewal date).

At the end of the year the Group had 14,7 million euros of unissued commercial paper programmes and available but not disposable credit lines.

Bank loans with the amount of 45.833 euros (485.092 euros in 2011)are secured by Ibersol's land and buildings assets (Note 31).

In 2012, subsidiary Asurebi subscribed a derivative financial instrument for cash-flows hedging with an interest rate Swap, as follows:
- initial date: June, 15 2012;
- expiration date: January, 15 2017;
- fixed interest rate: 0,78%;
- variable interest rate: Euribor 1M;
- total amount: 20 million euros, reduces with debt repayment plan.

The liabilities from financial leasing may be broken down as follows:

	Dec-12	Dec-11
Up to 1 year	216.205	755.405
Over 1 year and until 5 years	61.514	278.444
	277.719	**1.033.849**

The future (contractual) Cash Flows concerning the above stated financial liabilities on 31 December 2012 are broken down as follows:

	FC 2013	FC 2014	FC 2015	FC 2016	FC 2017	FC 2018/20
Bank loans	16.804.598	17.084.428	8.453.480	5.882.504	5.456.669	44.450
Financial Leasing	216.205	61.514	-	-	-	-
Interest	1.959.672	1.332.922	697.112	281.082	71.905	-

17. DEFERRED TAXES

17.1. Deferred tax liabilities

Deferred tax liabilities on 31st December 2012 and 2011, according to the temporary differences that generated them, are broken down as follows:

Deferred tax liabilities	Dec-12	Dec-11
Amortization and depreciation standardization	11.640.973	12.004.102
Asset impairment losses not fiscally accepted	-1.926.698	-1.811.408
Temporary differences by Vidisco, Lurca and Vidisco UTE	539.079	594.207
Other temporary differences	33.859	33.859
	10.287.213	**10.820.760**

17.2. Deferred tax assets

Deferred tax assets on 31st December 2012 and 2011, according to the temporary differences that generate them, are broken down as follows:

Deferred tax assets	Dec-12	Dec-11
Reported fiscal losses	935.834	1.054.915
	935.834	**1.054.915**

Prudently the group did not recognise deferred tax assets in the amount of 837.683 euros referring to fiscal losses of 2.937.442 which may be deducted from future taxable income.

BALANCE OF FISCAL REPORTS PER YEAR AND UTILISATION LIMIT (after use on 31-12-2012) (*)									
2013 (from year 2007)	2014 (from year 2008)	2015 (from year 2009)	2014 (from year 2010)	2014 (from year 2011)	2015 (from year 2011)	2017 (from year 2012)	2019	2021	TOTAL
571.086	507.152	288.071	644.996	70.177	2.740.012	44.629	30.209	438.894	5.335.226

(*) Portuguese subsidiaries:
untill 2009 - 6 years
from 2010 to 2011 - 4 years
Spanish subsidiaries: 15 years
Angolan subsidiaries: 3 years

In the year 2012 changes in deferred tax were as follows:

	Assets	Liabilities	Income and loss account (Note 26)
Starting balance	1.054.915	10.820.760	
Temporary differences in the year	-119.081	-533.547	
Closing balance	935.834	10.287.213	-414.466

18. PROVISIONS

On 31 December 2012 and 2011, provisions were broken down as follows:

	Dec-12	Dec-11
Legal processes	5.257	5.257
Other	28.000	28.000
Provisions	**33.257**	**33.257**

19. OTHER NON-CURRENT LIABILITIES

On 31st December 2012 and 2011, the item "Other non-current liabilities" may be broken down as follows:

	Dec-12	Dec-11
Financial investments debt (1)	-	100.000
Other creditors (2)	325.188	320.552
Other non-current liabilities	325.188	420.552

(1) related to the acquisition of subsidiary Parque Central Maia (to short term debt);
(2) includes 312.520 euros referring to the debt for the purchase of Vidisco.

On 31 December 2012 the future (contractual) Cash Flows associated to these liabilities are broken down as follows:

	FC 2014	FC 2015	FC 2016	FC 2017	FC 2018	FC 2019/2023
Other creditors	41.516	28.848	28.848	28.848	28.848	168.280

20. ACCOUNTS PAYABLE TO SUPPLIERS AND ACCRUED COSTS

On 31st December 2012 and 2011, accounts payable to suppliers and accrued costs were broken down as follows:

	Dec-12	Dec-11
Suppliers c/ a	17.282.350	15.316.748
Suppliers - invoices pending approval	1.617.984	1.766.222
Suppliers of fixed assets c/ a	3.082.746	4.684.160
Total accounts payable to suppliers	21.983.080	21.767.130

	Dec-12	Dec-11
Accrued costs - Payable insurance	8.596	12.467
Accrued costs - Payable remunerations	4.533.941	4.800.833
Accrued costs - Performance bonus	39.949	626.641
Accrued costs - Payable interest	85.765	74.156
Accrued costs - External services	1.977.179	944.886
Accrued costs - Other	1.980.918	1.486.509
Total acrrued costs	8.626.348	7.945.492
total accounts payable to suppl.and accrued costs	30.609.428	29.712.622

21. OTHER CURRENT LIABILITIES

On 31st December 2012 and 2011, the item "Other current liabilities" may be broken down as follows:

	Dec-12	Dec-11
Other creditors (1)	1.639.489	4.715.744
State and other public entities (2)	5.838.198	3.886.559
Clients advance payments	7.690	-
Deferred income (3)	3.804.105	5.669.917
	11.289.482	14.272.220

(1) unlike 2012, on 2011 wages of the month of December, were paid in early January, due to the change of procedures in the payroll period (from the 26 of n-1 month to the 25 of n month changed to 01-30 of month n), thereby fulfilling with all legal requirements of the Social Security services.

(2) balance due mainly to payable VAT amounts (2.982.700 euros), Income taxes (449.017 euros) and Social Security (1.804.014 euros).

(3) the Deferred Income item includes the following amounts:

	Dec-12	Dec-11
Contracts with suppliers (1)	3.640.231	5.576.976
Franchising rights	114.235	27.645
Investment subvention	42.170	57.827
Other	7.469	7.469
	3.804.105	5.669.917

(1) the value of contracts with suppliers corresponds to revenue obtained from suppliers in 2012 and referring to subsequent years.

22. EXTERNAL SERVICES AND SUPPLIES

External services and supplies in the years ending on 31 December 2012 and 2011 are broken down as follows:

	2012	2011
Subcontracts	161.244	203.839
Electricity, water, fuel and other fluids	8.930.636	8.982.902
Rents and rentals	18.732.983	20.578.922
Condominium	3.966.959	4.135.263
Communications	638.787	708.226
Insurance	436.487	491.366
Short-lasting toolsandutensils and office materials	915.302	1.013.124
Royalties	5.987.075	6.647.533
Travel and accommodations and merchandise transport	1.228.824	1.328.014
Services fees	873.765	821.273
Conservation and repairs	3.710.503	4.397.599
Advertising and propaganda	6.472.745	7.178.570
Cleaning, hygiene and comfort	1.596.216	1.913.295
Specialised works	3.487.548	3.685.412
Other ESS'	1.331.446	1.572.736
	58.470.520	63.658.074

23. PERSONNEL COSTS

Employee expense in the years ending on 31st December 2012 and 2011 are broken down as follows:

	2012	2011
Salaries and wages	43.181.624	49.993.552
Social security contributions	10.366.382	11.809.901
Work accident insurance	529.514	612.318
Social action costs	8.667	8.597
Personnel meals	1.859.483	2.079.421
Other personnel costs (1)	783.387	584.056
	56.729.057	65.087.845
Average number of employees	4.772	5.283

(1) Other personnel costs include, compensation, employee recruitment and training and labor medicine.

24. OTHER OPERATING INCOME AND COSTS

Other operating costs in the years ending on 31st December 2012 and 2011 are broken down as follows:

	2012	2011
Direct/indirect taxes not assigned to operating activities	446.159	502.720
Losses in fixed assets	1.045.144	1.188.469
Membership fees	50.594	47.109
Impairment adjustments	47.295	246.825
Donations	25.611	75.305
Samples and inventory offers	26.915	26.349
Stock losses	5.940	-
Bad debts	45	56.202
Franchise compensation	-	40.233
Other operating costs	49.981	69.839
	1.697.686	2.253.052

Other operating income in the years ending on 31 December 2012 and 2011 are broken down as follows:

	2012	2011
Supplementary income (1)	2.528.199	3.450.940
Operation benefits	103.718	132.852
Impairment adjustments reversion	36.246	28.338
Gains in fixed assets	12.490	-
Other operating gains	108.690	23.389
	2.789.343	3.635.519

(1) mainly revenues related to contracts with suppliers.

25. NET FINANCING COST

Net financing cost in the years ending on 31st December 2012 and 2011 are broken down as follows:

	2012	2011
Interest paid	2.157.199	1.951.928
Interest earned	-838.479	-1.188.834
Currency exchange differences	50.618	54.020
Payment discounts granted	-	342
Payment discounts obtained	-11.592	-11.471
Other financial costs and income	782.576	428.695
	2.140.322	1.234.680

26. INCOME TAX

Income tax recognised in the years 2012 and 2011 are broken down as follows:

	Dec-12	Dec-11
Current taxes	1.105.513	2.908.835
Deferred taxes (Note 17)	-414.466	-267.935
	691.047	2.640.900

The group's income tax prior to taxes is not the same as the theoretical amount that would result from applying the mean weighted income tax rate to the consolidated profit, as follows:

	2012	2011
Pre-tax profit	**3.435.180**	**9.190.537**
Tax calculated at the appliacble tax rate in Portugal (26,5%)	**910.323**	**2.435.492**
Fiscal effect caused by:		
Tax rate difference on the islandsand archipelagos	-2.987	-46.504
Tax rate difference in other countries	48.450	38.647
Deferred taxes not recognised due to prudence	60.306	101.219
Insufficient/(excess) estimate in the previous year	-3.868	-2.580
Correction deferred tax	-	261.227
Unaccounted deferred tax assets (in previous years)	-83.288	-
Alter.of taxable income due to fiscal adj. consol. and other effects	-237.888	-146.601
Income Tax Expenses	691.047	2.640.900

The income tax rate was of 20% (2011: 29%).

21. INCOME PER SHARE

Income per share in the years ending on 31st December 2012 and 2011 was calculated as follows:

	Dec-12	Dec-11
Profit payable to shareholders	2.513.579	6.125.138
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)	0,14	0,34
Earnings diluted per share (€ per share)	0,14	0,34
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.

28. FINANCIAL ASSETS AND LIABILITIES

At the end of the year, financial assets and liabilities were broken down as follows:

Financial Assets	Category	Accounting Value 2012	2011	Valuation Method
Other non-current assets	Accounts receivable	1.604.632	1.710.740	Amortized cost
Financial assets available for sale	Available for sale	926.600	733.685	Cost
Cash and cash equivalents	Accounts receivable	26.748.790	29.316.069	Amortized cost
Clients	Accounts receivable	4.906.579	4.189.544	Amortized cost
State and other public entities	Accounts receivable	1.810.669	871.210	Amortized cost
Other debtors	Accounts receivable	2.062.052	1.592.231	Amortized cost
Advances to suppliers	Accounts receivable	53.063	68.699	Amortized cost
		38.112.385	38.482.178	

Financial Liabilites	Category	Accounting Value 2012	2011	Valuation Method
Loans	Other liabilities	54.560.895	56.611.114	Amortized cost
Financial leasing	Other liabilities	277.719	1.033.849	Amortized cost
Suppliers	Other liabilities	21.983.080	21.767.130	Amortized cost
State and other public entities	Other liabilities	5.838.198	3.886.559	Amortized cost
Other creditors	Other liabilities	1.964.677	5.036.296	Amortized cost
		84.624.569	88.334.948	

Only Financial Assets (such as Clients and Other Debtors) presents impairment losses, as Note 14. On 31st December 2012 and 2011, gains or losses related with these financial assets and liabilities were as follows:

	Profit/ (Loss) Dec-12	Dec-11
Accounts receivable	-11.050	-232.375
Assets available for sale	-	-
Assets at amortised cost	-	-
	-11.050	**-232.375**

The interest of financial assets and liabilities were as follows:

	Interest Dec-12	Dec-11
Accounts receivable	-	-
Assets available for sale	-	-
Liabilities at amortised cost	2.157.199	1.951.928
	2.157.199	**1.951.928**

11. DIVIDENDS

At the General Meeting of 13th April 2012, the company decided to pay a gross dividend of 0,055 euros per share (0,055 euros in 2011), which was paid on 11th May 2012 corresponding to a total value of 990.000 euros (990.000 euros in 2011).

30. CASH FLOWS FROM OPERATIONS

Cash flows from operations are broken down as follows:

	2012	2011
Receipts from clients	169.654.587	195.056.707
Payments to supliers	-103.241.372	-112.133.112
Staff payments	-47.620.023	-49.047.909
Payments/receipt of income tax	-1.984.087	-3.355.057
Other paym./receipts related with operating activities (1)	-2.047.145	-11.349.301
Cash flow generated by the operations	14.761.960	19.171.328

(1) includes mainly social security payments, VAT and other debtors and creditors debt.

11. CONTINGENCIES

The group has contingent liabilities regarding bank and other guarantees and other contingencies related with its business operations (as licensing, advertising fees, food hygiene and safety and employees, and the rate of success of these processes is historically high in Ibersol). No significant liabilities are expected to arise from the said contingent liabilities.

On 31st December 2012, responsibilities not recorded by the companies and included in the consolidation consist mainly of bank guarantees given on their behalf, as shown below:

	Dec-12	Dec-11
Guarantees given	119.091	74.091
Bank guarantees	2.513.266	3.970.973

On type of coverage, bank guarantees are as follows:

Leases and rents	Fiscal and legal proceedings	Other legal claims	Other supply contracts
1.496.408	117.288	268.461	631.108

Bank loans with the amount of 45.833 € (485.092 in 2011) 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.

33. JOINT UNDERTAKINGS

On 31st December 2012, the Balance Sheet and the Profit and Loss Account of the joint undertaking UQ Consult-Serviços de Apoio à Gestão, S.A, was as follows:

	Dec-12	Dez-11
Tangible and intangible assets (Notes 8 e 9)	436.206	783.466
Receivables from third parties	826.624	798.831
Cash and cash equivalents	62.548	14.851
Accruals and deferrals	69.346	63.271
Total assets	1.394.724	1.660.419
Equity	164.407	168.416
Short term debts to third parties	1.109.572	1.416.433
Accruals and deferrals	120.745	75.569
Total liabilities	1.230.317	1.492.003
Total equity and liabilities	1.394.724	1.660.419

	Dec-12	Dez-11
Operating income	2.479.454	2.538.885
Operating costs	-2.422.616	-2.517.804
Net financing cost	-35.614	-17.242
Pre-tax income	21.224	3.839
Income tax	25.233	11.487
Net profit	-4.009	-7.648

On December 31, 2012, the group has 511.082 euros of balances and 2.370.781 euros of transactions with the joint undertaking UQ Consult were.

The cash flows of the joint undertaking were as follows:

	2012	2011
Flows from operating activities	385.179	223.234
Flows from investment activities	-419.104	-413.790
Flows from financing activities	-118.378	-17.242
Change in cash & cash equivalents	-152.303	-207.798

34. TRANSACTIONS WITH RELATED PARTIES

The following entities have a qualifying shareholding, with over 10% of voting rights in the group:

- António Carlos Vaz Pinto de Sousa – 1.400 shares
- António Alberto Guerra Leal Teixeira – 1.400 shares
- Regard - SGPS, SA - 99.927 acções
- ATPS, SGPS, SA – 786.432 shares
- IES, SGPS, SA – 9.998.000 shares

After deducting own shares, there are still 36% of shares dispersed among other shareholders.

The balances and transactions with related entities are nor materially relevant, except when related to what is stated below.

Remuneration and benefits assigned to directors

The company shareholder ATPS-S.G.P.S., S.A., which signed a service-rendering contract with the subsidiary Ibersol Restauração, SA, in the amount of 756.034 euros (756.034 euros in 2011), provided services of administration and management to the group. ATPS-S.G.P.S., S.A. under contract with Ibersol Restauração, S.A.

has the obligation to ensure that its administrators, António Carlos Vaz Pinto de Sousa and Antonio Alberto Guerra Leal Teixeira, manage the group without incur in any additional charge. The company does not pay directly to its administrators any remuneration.

35. IMPAIRMENT

Movements during the years 2012 and 2011, under the heading of asset impairment losses were as follows:

2012	Starting balance	Transfers	Impairment assets disposals	Losses in the Year	Impairment reversion	Closing balance
Tangible fixed assets	5.553.870	-1.568	-1.354.643	1.394.342	-44.110	5.547.892
Consolidation differences	1.861.678	-	-	-	-	1.861.678
Intangible assets	791.079	1.568	-	245.113	-	1.037.760
Stocks	74.981	-	-	-	-	74.981
Other current assets	1.062.787	-	-	47.296	-36.246	1.073.837
	9.344.395	-	-1.354.643	1.686.751	-80.356	9.596.148

2011	Starting balance	Cancellation	Reclassification	Impairment assets disposals	Losses in the Year	Impairment reversion	Closing balance
Tangible fixed assets	4.273.772	-	-161.356 (1)	-847.910	2.430.292	-140.927	5.553.870
Consolidation differences	1.861.678	-	-	-	-	-	1.861.678
Intangible assets	357.515	-	-221.802 (1)	-	711.586	-56.221	791.079
Stocks	74.981	-	-	-	-	-	74.981
Other current assets	678.030	-126.902	279.284 (2)	-	246.825	-14.450	1.062.787
	7.245.975	-126.902	-103.874	-847.910	3.388.703	-211.597	9.344.395

36. IFRS STANDARDS ALREADY ISSUED OR REVIEWED AND FOR FUTURE APPLICATION

a) the impacts of the adoption of standards and interpretations that became effective on 1 January 2012, are as follows:

Standards:

IFRS 7 (amendment), “Financial instruments: Disclosures - Transfers of financial assets” (to apply for the financial years beginning on or after 1 July 2011). This amendment refers to disclosure requirements to be made in respect of financial assets transferred to third parties but not unrecognised by the entity maintaining or continuing involvement obligations associated. This amendment had no impact on the entity's financial statements.

b) There are new standards, amendments and interpretations to the existing standards, which although they are already published, their implementation is only required for annual periods beginning on or after 1 July 2012:

Standards:

IAS 1 (amendment), “Presentation of Financial Statements” (to apply for the financial years beginning on or after 1 July 2012).This amendment requires entities to present separately items on the hedge of Other comprehensive income, depending on whether they can be recycled or not in the future by the income tax and its impact, if the items are presented before tax. This amendment had no impact on the entity's financial statements.

IAS 12 (amendment), “Income taxes” (to apply on the European Union for the financial years beginning on or after 1 January 2013).This amendment requires an entity to measure deferred tax related to assets depending on whether the entity expects to recover the net asset value through the use or sale, except for investment properties measured in accordance with the fair value model. This amendment incorporates the principles in IAS 12 included in SIC 21, which is withdrawn. This amendment has no impact on the entity's financial statements.

IAS 19 (review 2011), “Employee benefits” (to apply for the financial years beginning on or after 1 January 2013).This review introduces significant differences in the recognition and measurement of defined benefit costs and benefits of employment termination as well as disclosures to be made for all employee benefits. Actuarial come to be recognized immediately and only in "Other comprehensive income” (accrued method not allowed). The financial cost of created funds is calculated on the basis of the net unanchored liability. The Benefits of termination of employment only qualifies as such if there is no employee obligation to provide future service. The entity will apply IAS 19 in the year in which it becomes effective.

Improvement of 2009-2011 standards, to apply for the financial years beginning on or after 1 January 2013.This amendment is still subject to adoption by the European Union. This annual improvement process affects the 2009-2011 standards: IFRS 1, IAS 1, IAS 16, IAS 32 and IAS 34. These improvements will be adopted, when applied, except for the IFRS 1, which Ibersol already applies.

IFRS 1 (amendment), “First-time adoption of IFRS” (to apply on the European Union for the financial years beginning on or after 1 January 2013).This amendment includes a specific exemption for the early adopters of IFRS that used to operate in hyperinflationary economies. The exemption allows an entity to elect to measure certain assets and liabilities at fair value using the fair value as "deemed cost" in the statement of financial position for the opening IFRS. Another amendment refers to the removal of dates on exceptions to retrospective application of IFRS for the first time. This amendment had no impact on the entity's financial statements. This amendment has no impact on the entity's financial statements.

IFRS 1 (amendment), “First-time adoption of IFRS - Government loans” (to apply on the European Union for the financial years beginning on or after 1 January 2013).This standard is still subject to adoption by the European Union. This amendment aims to clarify how entities adopting IFRS for the first time must account for a government loan with an interest rate below the market rate. It also introduces an exemption from retrospective application, similar to that given to entities that have reported under IFRS in 2009.This amendment has no impact on the entity's financial statements.

IFRS 10 (new), “Consolidated financial statements” (to apply for the financial years beginning on or after 1 January 2014). The IFRS 10 replaces all principles associated with the control and consolidation included in IAS 27 and SIC 12, changing the definition of control and the criteria for determining control. The basic assumption that consolidated accounts present parent company and subsidiaries as a single entity is unchanged. The entity will apply the IFRS 10 in the year in which it becomes effective.

IFRS 11 (new), “Joint agreements” (to apply for the financial years beginning on or after 1 January 2014).IFRS 11 focuses on the rights and obligations of the joint agreements rather than the legal form. Joint arrangements may be joint operations (rights over assets and obligations) or joint ventures (rights on net assets by applying the equity method). Proportional consolidation is no longer permitted. The entity will apply the IFRS 11 in the year in which it becomes effective.

IFRS 12 (new), “Disclosure of interests in other entities” (to apply for the financial years beginning on or after 1 January 2014).This standard establishes disclosure requirements for all types of interests in other entities, including joint ventures, associates and special purpose entities, in order to assess the nature, risk and financial impacts associated with the interest of the Entity. The entity will apply the IFRS 12 in the year in which it becomes effective.

IFRS 10, IFRS 11 and IFRS 12 amendments – “Transition regime” ”(to apply for the financial years beginning on or after 1 January 2013). This amendment is still subject to adoption by the European Union. According to IAS 27/SIC 12, when the application of IFRS 10 results in an accounting treatment of a financial investment far different than the previous, the comparatives must be restated but only for the previous period, and differences arising at the date of beginning of the comparative period are recognized in equity. The entity will apply this standard in the year in which it becomes effective.

IFRS 10, IFRS 12 and IAS 27 amendments – “Financial holdings”(to apply for the financial years beginning on or after 1 January 2014). This amendment is still subject to adoption by the European Union. Since all investments are measured at fair value, this amendment includes the definition of financial holding entity and introduces the scheme exception to the obligation to consolidate for financial holding entities that qualify as such. Specific disclosures are required by IFRS 12. The entity will apply this standard in the year in which it becomes effective.

IFRS 13 (new), “Fair value: measurement and disclosure” (to apply for the financial years beginning on or after 1 January 2013).The IFRS 13 is intended to improve consistency, by providing a precise definition of fair value and

provides the only source of measurement and disclosure requirements for fair value to be applied crosswise for all IFRS. The entity will apply the IFRS 13 in the year in which it becomes effective.

IAS 27 (review 2011), “Separate financial statements” (to apply for the financial years beginning on or after 1 January 2014).IAS 27 was revised after the issue of IFRS 10 and contains the accounting and disclosure requirements for investments in subsidiaries and joint ventures and associates when an entity prepares separate financial statements. The entity will apply the IAS 27 in the year in which it becomes effective.

IAS 28 (review 2011), “Investments in associates and joint ventures” (to apply for the financial years beginning on or after 1 January 2014).IAS 28 was revised after the issue of IFRS 11 and prescribes the accounting treatment of investments in associates and establishes the requirements for applying the equity method. The entity will apply the IAS 28 in the year in which it becomes effective.

IRFS 7 (amendment), “Disclosures” – offsetting of financial assets and liabilities (to apply for the financial years beginning on or after January 1, 2013).This amendment is part of the project of "compensation of assets and liabilities" of the IASB and introduces new disclosure requirements on unaccounted paid duties (of assets and liabilities), on offset assets and liabilities and on remunerate risk exposure credit effect. The entity will apply the IFRS 7 in the year in which it becomes effective.

IAS 32 (amendment), “Offset of financial assets and liabilities” (to apply for the financial years beginning on or after 1 January 2014).This amendment is part of the project of "compensation of assets and liabilities" of the IASB which clarifies the term "currently holds the legal right to compensation" and clarifies that in some systems the gross settlement (clearing) may be equivalent to the compensation by net amounts The entity will apply the IAS 32 in the year in which it becomes effective.

IFRS 9 (new), “Financial instruments – classification and measurement” (to apply for the financial years beginning on or after 1 January 2015). This standard is still subject to adoption by the European Union. IFRS 9 refers to the first part of the new standard on financial instruments and provides two categories of measurements: amortised cost and fair value. All instruments are measured at fair value. A debt instrument is measured at amortised cost only when the entity has to receive the contractual cash flows and cash flows represent the nominal and interest value. Otherwise the debt instruments are valued at fair value through earnings. The entity will apply the IFRS 9 in the year in which it becomes effective.

Interpretations:

IFRIC 20 (new), “Breakthrough costs in the production phase of an open pit mine” (to apply for the financial years beginning on or after 1 January 2013).Whereas the removal of the waste generates two potential benefits: the immediate extraction of mineral resources and the opening of access to quantity additional mineral resources extracted in the future, this amendment refers to the accounting of the costs of waste removal in the initial phase of an open pit mine. This amendment had no impact on the entity's financial statements.

The entity does not anticipate that the above changes have a material impact on the consolidated financial statements of future periods.

37. <u>SUBSEQUENT EVENTS</u>

There were no subsequent events as of 31 December 2012 that may have a material impact on these financial statements.

38. <u>APPROVAL OF THE FINANCIAL STATEMENTS</u>

The financial statements were approved by the Board of Directors and authorised for emission on 1st April 2013.

To the Shareholders of Ibersol Sgps, SA.

In compliance with the applicable legislation and its mandate, the Fiscal Board issues its report on the supervisory action carried out as well as its opinion on the Management Report and remaining consolidated and individual financial statements for the year ended 31 December 2012.

Supervision

The Fiscal Board accompanied, within the scope of its competencies and mandate, the management of the company and its subsidiaries, oversaw, with the scope considered adequate under the circumstances, having received for that purpose the information of the Company's Board of Directors, the Statutory Auditor and the External Auditor.

Over the course of the year quarterly meetings of the Fiscal Council were held, with all members present, which examined and considered the matters subject to the powers of this body. Also present the External Auditor, PriceWaterHouse Coopers & Associados, who is also the Statutory Auditor of the company, who informed and obtained agreement from the Fiscal Board regarding its fiscal activity plan, including that meant to ascertain the effectiveness of the risk management system, internal control and internal auditing, and the quality of the process of preparing and disclosing financial information and respective accounting policies and value-measuring criteria, the regularity of the accounting registers and books and respective support documents, the verification of goods and values pertaining to the company. Along the exercise, they provided detailed information about the actions performed and the resulting conclusions.

The Fiscal Board meet quarterly with the Board of Directors and this last organ was forthcoming in providing the Fiscal Board information over the society's activity and explanations needed to understand the activity and financial information drawn up by same Board of Directors in previous moment to it's disclosure.

The Fiscal Board did not come across any constraint during their supervision action.

No verification of any irregularity by shareholders, collaborators of the Company, External auditor or others were communicated to the Fiscal Board.

The Fiscal Board exercised its powers to supervise the activities and independence of the External Auditor and the Auditor, having the perception that the recommended practices were observed.

The Fiscal Board has rendered it's approval to additional services to the auditory services that were hired to the External Auditor, having considered that it´s independence was safeguarded, it´s remuneration was contained in market conditions, and, therefore, it was in the society´s interest to benefit of the knowledge and punctuality assured in those services. The provision of additional services performed by the external auditor did not reach the threshold of 30% of the total value of provided Services.

There were no reports to the Fiscal Board of any kind of transactions between the society and it's shareholders or related parties, in the sense of the CMVM Recommendation IV.1.2, that should be submitted to it´s prior opinion if they reached the level of significance established by this body.

The Fiscal Board examined the individual and consolidated management report and the individual and consolidated financial statements, it's respective annexure, including the 2012 Corporate Governance Report presented by the Board of Directors, having examined, as well, the Legal Certification of Accounts and its Opinion issued by the Chartered Accountant and has also considered the Audit Report submitted by PriceWaterHouse Coopers & Associados.

The Fiscal Board also examined the compliance of the Corporate Governance Report included in the Management Report in compliance to the nº5 art. 420 of the Commercial Societies Code, focusing it's analysis in the inclusion, in that Governance Report, of the required elements of the 254-A article of the Portuguese Securities Market Code.

Opinion

Considering the above, the opinion of the Fiscal Board is that are fulfilled the conditions of the approval, by the General Meeting, of :

- The management reports, the financial consolidated and individual statements of 2012 and respective annexes, namely the Governance Report, annexed to the Management Report and Consolidated Accounts;
- The proposal of distribution of year-end results presented by the Board of directors.

Responsibility Statement

In accordance with paragraph c) number 1 of article 245 of the Portuguese Securities Market Code we inform that, to our knowledge, and regarding the elements we assessed, the information contained in the individual and consolidated financial statements was prepared in accordance with applicable accounting standards, giving a true and appropriate

view of the assets and liabilities, financial position and the results of Ibersol, SGPS, SA, and the companies included in the consolidation perimeter, and that the management reports faithfully describes the business evolution, performance and financial position of the company and of the companies included in the consolidation perimeter, and contains a description of the major risks and uncertainties they face.

Porto, 5th April 2013

The Fiscal Board .
Luzia Leonor Borges Gomes Ferreira
Joaquim Alexandre de Oliveira Silva
António Maria de Borda Cardoso

Audit Report for Statutory and Stock Exchange Regulatory Purposes on the Consolidated Financial Information

(Free translation from the original version in Portuguese)

Introduction

1 As required by law, we present the Audit Report for Statutory and Stock Exchange Regulatory Purposes on the Financial Information included in the consolidated Directors' Report and in the consolidated financial statements of Ibersol, S.G.P.S., S.A., comprising the consolidated balance sheet as at 31 December 2012, (which shows total assets of Euros 223,982,513, a total shareholder's equity of Euros 116,599,331, which includes non-controlling interests of Euros 4,680,545 and a net profit of Euros 2,513,579), the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and the corresponding notes to the accounts.

Responsibilities

2 It is the responsibility of the Company's Board of Directors (i) to prepare the consolidated Directors' Report and consolidated financial statements which present fairly, in all material respects, the financial position of the company and its subsidiaries, the consolidated comprehensive income of their operations, the changes in consolidated equity and the consolidated cash flows; (ii) to prepare historic financial information in accordance with International Financial Reporting Standards as adopted by the European Union and which is complete, true, up-to-date, clear, objective and lawful, as required by the Portuguese Securities Market Code; (iii) to adopt adequate accounting policies and criteria; (iv) to maintain appropriate systems of internal control; and (v) to disclose any significant matters which have influenced the activity, the financial position or results of the company and its subsidiaries.

3 Our responsibility is to verify the financial information included in the financial statements referred to above, namely if it is complete, true, up-to-date, clear, objective and lawful, as required by the Portuguese Securities Market Code, for the purpose of issuing an independent and professional report based on our audit.

Scope

4 We conducted our audit in accordance with the Standards and Technical Recommendations issued by the Institute of Statutory Auditors which require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. Accordingly, our audit included: (i) verification that the Company and subsidiary's financial statements have been properly examined and for the cases where such an audit was not carried out, verification, on a sample basis, of the evidence supporting the amounts and disclosures in the consolidated financial statements, and assessing the reasonableness of the estimates, based on the judgements and criteria of Board of Directors used in the preparation of the consolidated financial statements; (ii) verification of the consolidation operations; (iii) assessing the appropriateness and consistency of the accounting principles used and their disclosure, as applicable; (iv) assessing the applicability of the going concern basis of accounting; (v) assessing the overall presentation of the consolidated financial statements; and (vi) assessing the completeness, truthfulness, accuracy, clarity, objectivity and lawfulness of the consolidated financial information.

PricewaterhouseCoopers & Associados - Sociedade de Revisores Oficiais de Contas, Lda.
o'Porto Bessa Leite Complex, Rua António Bessa Leite, 1430 - 5º, 4150-074 Porto, Portugal
Tel +351 225 433 000 Fax +351 225 433 499, www.pwc.com/pt
Matriculada na Conservatória do Registo Comercial sob o NUPC 506 628 752, Capital Social Euros 314.000

PricewaterhouseCoopers & Associados - Sociedade de Revisores Oficiais de Contas, Lda. pertence à rede de entidades
que são membros da PricewaterhouseCoopers International Limited, cada uma das quais é uma entidade legal autónoma e independente.
Inscrita na lista das Sociedades de Revisores Oficiais de Contas sob o nº 183 e na Comissão do Mercado de Valores Mobiliários sob o nº 9077

5 Our audit also covered the verification that the financial information included in the Director's report is in consistent with the financial statements, as well as the verification set forth in paragraph 4 and 5 of article 451º of the companies code.

6 We believe that our audit provides a reasonable basis for our opinion.

Opinion

7 In our opinion, the consolidated financial statements referred to above, present fairly in all material respects, the consolidated financial position of Ibersol, S.G.P.S., S.A. as at 31 December 2012, the consolidated comprehensive income of its operations, the changes in consolidated equity, and the consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the information included is complete, true, up-to-date, clear, objective and lawful.

Report on other legal requirements

8 It is also our opinion that the information included in the Directors' Report is consistent with the consolidated financial statements for the year and that the Corporate Governance Report includes the information required under Article 245-A of the Portuguese Securities Code.

5 April 2013

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda.
represented by:

Hermínio António Paulos Afonso, R.O.C.