# IBERSOL – SGPS, SA

Publicly Listed Company

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

**Share Capital**: Euro 20.000.000

Commercial Registry : Oporto under the number 501669477

**Fiscal Number**: 501 669 477

# Individual Annual Report 2012

*(Proposal point 1 of Gerneral Annual Meeting)*

# MANAGEMENT REPORT

In compliance with legal and statutory obligations, we present to the Shareholders the Management Report and Accounts of IBERSOL - SGPS, SA for the financial year 2012.

## 1- ECONOMIC ENVIRONMENT

The year 2012 confirmed the worst of scenarios for the Portuguese economy , with GDP contracting by 3.2% over the year (-3.8% in the fourth quarter), a direct consequence of the strong contraction in domestic demand (higher 7%).

Despite the positive contribution of exports, which cushioned the decline in economic activity, the abrupt fall in private consumption (-5.5%), government consumption (-4.5%) and Investment (-15.5%) led to the country's worst recession since 1975.

In 2013 will continue the process of the Portuguese economy adjustment, with an estimated fall in GDP of 2.2%. The fiscal consolidation effort will continue, especially by taxation.

The austerity policies as a brake on domestic demand, combined with the near absence of public and private investment, will continue to constrain economic activity, with particular impact on the private sector, but also in the public sector. The unemployment rate is expected to increase significantly.

The return to financial markets debt issuance was a positive fact, which may contribute to the reduction in financing costs in the productive sector. But the macroeconomic scenario remains very fragile and with negative trend.

## 2 – ACTIVITY

The evolution of the activity of Ibersol SGPS is associated with the strategic development of its subsidiaries, whose turnover decreased 11.9 %.

Ibersol SGPS focused its activities in providing services of administration and management to the Group, mainly the management of the funds to financing the business.

Financial planning, the adequacy of financial resources of the subsidiaries, the management of the financial costs of the Group and a strict management of the treasury were a major vector of our activity.

## 3 – ECONOMIC AND FINANCIAL SITUATION

The most important events occurred during the period, regarding the results and changes in financial structure of the company are as follows:

## 3.1 EARNINGS

Operating income reached to 241 thousand euros, with:

a) turnover relating to the services rendered to the subsidiary Ibersol Restauração, SA, which manages the services shared by the different brands, were equal to the last year;

b) operating costs decreased significantly and amounted to 372 thousand euros, lower 71 thousand euros than the previous year .

After allocation of gains accrued to subsidiaries, operating income amounted to EUR 2.3 million, reflecting a reduction of 56.6% when compared to 2011.

Due to the fall in interest reference rates the financial income from the interests in the Group decreased by approximately 179 thousand euros. The rise trend of "spreads" throughout the year 2012 meant an increase in debt cost. Moreover, in addition, the company has a contract "grouped" Commercial Paper Program of medium and long term whose commissions are assumed Ibersol SGPS. Thus, interest and other financial costs decreased by 33 thousand euros.

The net profit in the year stood at 2.51 million euros, a decrease of 55.8% when compared with 2011.

## 3.2 BALANCE

On December 31/12/2012, assets amounted to 206.8 million euros and there was an increase in the year of 3.6 million. The most relevant contributions to the variation were:

a) Change in valuation of investments by application the MEP in the amount of 0.8 million euros

b) Increase of loans to subsidiaries amounting to 5.4 million euros

c) Increase in receivables from subsidiaries in the € 1.2 million resulting from the application of the Special Taxation of Corporate Groups (RETGS), to apply for the first time in 2013 (referring to the results of 2012), in which this company will proceed with the tax assessment of its subsidiaries with the tax authorities

d) Decrease in bank deposits of 4.0 million euros.

The Net debt of 8.1 million euros, corresponding to the issuance of commercial paper (7 million) and a loan of MLP (1.1 million) less than 4 million euros in applications.

On 31 of December 2012, Equity stands at 143.5 million euros, representing an increase of 1.5 million euros, reflecting a strong financial health.

Moreover, also the year the company received dividends from its subsidiaries amounting to EUR 1.06 million and distributed to its shareholders about 1 million euros.

# 4- RISKS AND UNCERTAINTIES

The risk management is developed with the aim of creating value through the management and control of uncertainties and threats that may affect the Group's companies, a continuum of operations in order to take advantage of business opportunities.

As part of strategic planning are identified and assessed the risks of existing business portfolio as well as developing new projects more relevant and defined strategies to manage those risks.

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

Due to the specifics of the Group's Business àreas highlight the following risk:
- Food Quality and Hygiene
- Workplace Hygiene and Safety
- Financial
- Environmental

Uncertainty about the development of the economies of Europe and mainly Portugal and Spain require the adoption of strict control of costs with monthly monitoring of market developments and the consequent revision of planning resources to use.

## 5 - GOVERNANCE

Practices on Corporate Governance prepared in compliance with the provisions of article 245 - A of the Securities Code and pursuant to CMVM Regulation No. 1/2010, are included in the Report on Corporate Governance annexed consolidated report.

## 6 – OWN SHARES

During the year the company did not own shares transactions.

At the end of 2012, the company held 2,000,000 shares (10% of capital), with nominal value of € 1 each for a total value of the acquisition of 11,179,643 euros.

## 7 - OUTLOOK

In an difficult context for the country and for the industry in which we operate, we are aware that the consumer market will be strongly recessive in 2013. We will continue to support the strategy growth of a very selective growth in the Iberian market. We will focus our development in other markets particularly Angola, which began operating in 2012.

## 8 – RESULTS APPROPIATION PROPOSAL

In the financial year of 2012 the net profit in the individual accounts is of 2,514,018.00 euros.

In accordance with legal and statutory 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 € |

that equals to attribute a gross dividend per share of 0.055€. In the case the company holds own shares, the mentioned attribution of 0.055€ per share in circulation will stand, being the global amount of the attributed dividends reduced.

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**9 – FINAL NOTES**

The first vote of this Board is directed to all employees of the Group, for the dedication and enthusiasm they showed was essential for achieving the goals we have identified.

We are grateful to our suppliers of goods and services the support and we note with appreciation the assistance provided by banks and other financial institutions with whom the Group has worked throughout the year.

To The Fiscal Council and Auditors our gratitude for the assiduous collaboration and capacity for dialogue that expressed in the monitoring and review of management.

Porto , 1 April 2013

**THE BOARD OF DIRECTORS**

______________________________

António Carlos Vaz Pinto de Sousa

______________________________

António Alberto Guerra Leal Teixeira

______________________________

Juan Carlos Vázquez-Dodero

## STATEMENT OF THE BOARD OF DIRECTORS

Within the terms of paragraph c) of article 245 of the Portuguese Securities Code, the members of the Board of Directors, identified below, declare that to the best of their knowledge:

i) the information contained in the management report, the annual accounts and all other accounting documentation required by law or regulation, was produced in compliance with the applicable accounting standards and gives a true and fair view of the assets and liabilities, the financial position and the results of Ibersol , SGPS, S.A. .
ii) the Management report is a faithful statement of the evolution of the businesses, of the performance and of the position of Ibersol , SGPS, S.A. and and contains a description of the main risks and uncertainties which they face.

| | |
|---|---|
| António Carlos Vaz Pinto Sousa | Presidente do Conselho de Administração |
| António Alberto Guerra Leal Teixeira | Vice-Presidente do Conselho de Administração |
| Juan Carlos Vázquez-Dodero | Vogal do Conselho de Administração |

**Ibersol – SGPS, SA**

Individual Financial Statements

31 December 2012

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Financial Statements (in euros)

## Balance sheet

| | Notes | SNC 2012 | SNC 2011 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current Asset** | | | |
| Tangible fixed assets | 3.2 e 5 | - | - |
| Financial investments - equity method | 3.1 e 6 | 163.020.255 | 162.244.901 |
| Financial investments - other methods | 3.1 e 7 | 264.000 | 264.000 |
| Group subsidiaries | 14 | 39.939.705 | 34.495.960 |
| Other non-current assets | 3.4 e 8 | - | 172.085 |
| **Total non-current assets** | | **203.223.960** | **197.176.946** |
| **Current Asset** | | | |
| State and other public entities | 9 | 46.668 | 144.464 |
| Group subsidiaries | 14 | 3.371.777 | 1.808.763 |
| Other debtors | | 14.941 | 13.432 |
| Deferrals | 10 | 49.516 | 38.428 |
| Cash and cash equivalents | 3.5 e 4 | 31.473 | 4.030.192 |
| **Total current assets** | | **3.514.376** | **6.035.280** |
| **Total Assets** | | **206.738.336** | **203.212.226** |
| **EQUITY AND LIABILITIES** | | | |
| Share capital | 3.6 e 11 | 20.000.000 | 20.000.000 |
| Own shares | 12 | -11.179.643 | -11.179.643 |
| Share prize | | 469.937 | 469.937 |
| Legal reserves | 13 | 4.000.001 | 4.000.001 |
| Other reserves | 13 | 70.319.912 | 68.813.887 |
| Adjustments in financial assets | 6 | 57.402.189 | 54.208.543 |
| Revaluation surpluses | | 12.110 | 12.110 |
| Net profit in the year | | 2.514.018 | 5.689.679 |
| **Total Equity** | | **143.538.524** | **142.014.514** |
| **LIABILITIES** | | | |
| **Non-current** | | | |
| Provisions | 3.10 e 6 | 2.521.463 | 2.490.210 |
| Loans obtained | 3.7 e 15 | 494.238 | 1.116.477 |
| **Total non-current liabilities** | | **3.015.702** | **3.606.688** |
| **Current** | | | |
| Suppliers | | 15.786 | 12.798 |
| State and other public entities | 9 | 472.451 | 307.656 |
| Shareholders | 20 | 938.142 | |
| Loans obtained | 3.7 e 15 | 7.625.907 | 6.095.939 |
| Other current liabilities | 16 | 54.843 | 97.648 |
| Deferrals | 10 | 51.076.981 | 51.076.981 |
| **Total current liabilities** | | **60.184.110** | **57.591.023** |
| **Total Liabilities** | | **63.199.812** | **61.197.711** |
| **Total Equity and Liabilities** | | **206.738.336** | **203.212.225** |

Financial Statements (in euros)

# Income statement

| INCOME AND COSTS | Notes | SNC 2012 | SNC 2011 |
|---|---|---|---|
| Sales | 3.12 e 17 | 600.000 | 600.000 |
| Operating income | | - | 39 |
| Gains/losses accrued to subsidiaries, associates and joint undertakings | 6 | 1.899.222 | 5.575.771 |
| External supplies and services | 18 | -84.441 | -76.451 |
| Personnel costs | 19 | -214.727 | -286.371 |
| Provisions (increases / decreases) | 6 | -31.253 | -95.859 |
| Impairment of non-depreciable assets/ amortizable (losses / reversals) | 6 | 229.678 | -178.923 |
| Other operating income | 3.11 e 20 | 13.302 | 10.083 |
| Other operating costs | 3.11 e 21 | -72.862 | -81.418 |
| Income before depreciation, financing costs and taxes | | **2.338.920** | **5.466.870** |
| Impairment of depreciable assets/ amortizable (losses / reversals) | | - | - |
| **Operating income (before financing costs and taxes)** | | **2.338.920** | **5.466.870** |
| Interest and other financial income obtained | 22 | 750.932 | 929.852 |
| Interest and other financial costs paid | 22 | -464.317 | -546.113 |
| **Pre-tax income** | | **2.625.534** | **5.850.609** |
| Income tax | 3.8 e 23 | -111.516 | -160.930 |
| **Net profit in the year** | | **2.514.018** | **5.689.679** |
| **Earnings per share** | 27 | 0,14 | 0,32 |

Financial Statements (in euros)

# Changes in equity statement

| | Share Capital | Own shares | Share prize | Legal Reserves | Other reserves | Adjustments in financial assets | Revaluation surpluses | Net Profit | Total Equity |
|---|---|---|---|---|---|---|---|---|---|
| **Balance on 1 January 2011** | 20.000.000 | -11.179.643 | 469.937 | 4.000.001 | 66.335.416 | 42.314.893 | 12.110 | 14.563.885 | 136.516.599 |
| **Changes in period** | | | | | | | | | |
| Changes in accounting policies | | | | | | | | | 0 |
| Application of net profit | | | | | 992.377 | 12.581.508 | | -13.573.885 | 0 |
| Realization of revaluation surpluses of tangible and intangible fixed assets | | | | | | | | | 0 |
| Revaluation surpluses of tangible and intangible fixed assets and their variations | | | | | | | | | 0 |
| Deferred taxes adjustments | | | | | | | | | 0 |
| Change % non-controlling interest IBR Imobiliária | | | | | | 845.281 | | | 845.281 |
| Other changes in equity | | | | | 1.486.094 | -1.533.139 | | | -47.045 |
| | **0** | **0** | **0** | **0** | **2.478.471** | **11.893.650** | **0** | **-13.573.885** | **798.236** |
| **Net profit in the year** | | | | | | | | 5.689.679 | **5.689.679** |
| **Total income** | | | | | | | | 5.689.679 | **5.689.679** |
| **Transactions with capital owners in the period** | | | | | | | | | |
| Capital increseases | | | | | | | | | 0 |
| Share prizes increases | | | | | | | | | 0 |
| Dividends paid | | | | | | | | -990.000 | -990.000 |
| Losses coverage | | | | | | | | | 0 |
| Other transactions | | | | | | | | | 0 |
| | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **-990.000** | **-990.000** |
| **Balance on 31 December 2011** | **20.000.000** | **-11.179.643** | **469.937** | **4.000.001** | **68.813.887** | **54.208.543** | **12.110** | **5.689.679** | **142.014.514** |

Financial Statements (in euros)

## Changes in equity statement

| | Share Capital | Own shares | Share prize | Legal Reserves | Other reserves | Adjustments in financial assets | Revaluation surpluses | Net Profit | Total Equity |
|---|---|---|---|---|---|---|---|---|---|
| **Balance on 1 January 2012** | 20.000.000 | -11.179.643 | 469.937 | 4.000.001 | 68.813.887 | 54.208.543 | 12.110 | 5.689.679 | 142.014.514 |
| **Changes in period** | | | | | | | | | |
| Changes in accounting policies | | | | | | | | | 0 |
| Application of net profit | | | | | 448.831 | 4.250.848 | | -4.699.679 | 0 |
| Realization of revaluation surpluses of tangible and intangible fixed assets | | | | | | | | | 0 |
| Revaluation surpluses of tangible and intangible fixed assets and their variations | | | | | | | | | 0 |
| Deferred taxes adjustments | | | | | | | | | 0 |
| Parque Central Maia adittion | | | | | | -3.309 | | | -3.309 |
| Conversion reserves - Angola | | | | | | 3.301 | | | 3.301 |
| Other changes in equity | | | | | 1.057.194 | -1.057.194 | | | 0 |
| | **0** | **0** | **0** | **0** | **1.506.024** | **3.193.646** | **0** | **-4.699.679** | **-8** |
| **Net profit in the year** | | | | | | | | 2.514.018 | **2.514.018** |
| **Total income** | | | | | | | | 2.514.018 | **2.514.010** |
| **Transactions with capital owners in the period** | | | | | | | | | |
| Capital increseases | | | | | | | | | 0 |
| Share prizes increases | | | | | | | | | 0 |
| Dividends paid | | | | | | | | -990.000 | -990.000 |
| Losses coverage | | | | | | | | | 0 |
| Other transactions | | | | | | | | | 0 |
| | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **-990.000** | **-990.000** |
| **Balance on 31 December 2012** | **20.000.000** | **-11.179.643** | **469.937** | **4.000.001** | **70.319.912** | **57.402.189** | **12.110** | **2.514.018** | **143.538.524** |

Financial Statements (in euros)

## Cash flows statement

| | Notes | 31st December 2012 | 31st December 2011 |
|---|---|---|---|
| **Cash Flows from Operating Activities** | | | |
| Receipts from clients | | 600.000 | 600.000 |
| Payments to supliers | | 9.270 | 24.189 |
| Staff payments | | 228.248 | 231.767 |
| **Operational cash flows** | | **362.482** | **344.044** |
| Payments/receipt of income tax | | 142.197 | 168.893 |
| Other paym./receipts related with operating activities | | -127.497 | -105.535 |
| **Flows from Operating Activities (1)** | | **92.788** | **69.616** |
| **Cash Flows from Investment Activities** | | | |
| **Payments for:** | | | |
| Tangible assets | | | |
| Intangible assests | | | |
| Financial Investments | | 9.916.401 | 1.894.831 |
| Other assets | | | |
| **Receipts from:** | | | |
| Tangible assets | | | |
| Intangible assets | | | |
| Financial investments | | 4.941.085 | 8.355.000 |
| Other assets | | | |
| Investment benefits | | | |
| Interest received | | 421.372 | 1.309.814 |
| Dividends received | | 1.057.192 | 1.816.094 |
| **Flows from Investment Activities (2)** | | **-3.496.752** | **9.586.077** |
| **Cash flows from financing activities** | | | |
| **Receipts from:** | | | |
| Loans obtained | | 4.500.000 | |
| Capital and other equity instruments increases | | | |
| Losses coverage | | | |
| Donations | | | |
| Other financing activities | | | |
| **Payments for:** | | | |
| Loans obtained | | 3.592.272 | 4.077.553 |
| Interest and similar costs | | 512.483 | 593.764 |
| Dividends paid | | 990.000 | 990.000 |
| Capital reductions and supplementary entries | | | |
| Other financing activities | | | |
| **Flows from financing activities (3)** | | **-594.755** | **-5.661.317** |
| **Change in cash & cash equivalents (1)+(2)+(3)** | | **-3.998.719** | **3.994.376** |
| **Cash & cash equivalents at the start of the period** | | **4.030.192** | **35.816** |
| **Cash & cash equivalents at end of the period** | 3.5 e 4 | **31.473** | **4.030.192** |

Financial Statements (in euros)

# Financial statements annex

## 1 Introduction

Ibersol – SGPS, SA ("Company" or "Ibersol") has its head Office at Edifício Península – Praça do Bom Sucesso, 105/159 – 9º - 4150-146 Porto, Portugal. Ibersol was set up on 30 December 1985 with management of shareholdings main activity.

Ibersol is owned by 49,99% by IES – Indústria, Engenharia e Serviços, SGPS, S.A., with its head office at Edifício Península – Praça do Bom Sucesso, 105/159 – 9º - 4150-146 Porto.

These financial statements were approved by the Board of Directors on 01st April 2013. The Board of directors believes that these financial statements reflect the true and proper Ibersol operations, as well as its position and financial performance and cash flows.

## 2 Financial statements accounting standards

### 2.1. Basis of preparation

These financial statements were prepared in accordance with the Accounting Standardisation System (SNC), as applied in Portugal, issued and in force on 31 December 2011. And accordingly with the principle of historical cost, except, when applicable, in the fair value adjustments effected under previous legislation (POC).

In the process of determining the accounting policies adopted by Ibersol the preparation of financial statements in accordance with the SNC requires the use of estimates, assumptions and critical judgements, with significant impact on the accounting value of assets and liabilities, as well as income and expenses of the reporting period.

Although these estimates are based on best experience of the Board of Directors and their best expectations in relation to current and future events and actions, present and future profit may differ from these estimates. In Note 3 of these financial statements we have the areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant.

### 2.2. Derogation from SNC standards

In these financial statements, there hasn't been any exception involving directly the derogation of any SNC standard. However the individual accounts have been prepared in accordance with the POC until 31 December 2009 and according to the SNC standards from that date forward, for the purpose of determine the adjustments resulting from the application of the equity method, Ibersol used as a reference the consolidated accounts prepared in accordance with IFRS, on the understanding that these represent a more true and fair view of the subsidiaries financial position and equity. Nevertheless in these individual financial statements equity until 31 December 2011 is different from the consolidated accounts as follows:

| | **2012** |
|---|---|
| Equity SNC | 143.538.524 |
| Group's consolidated equity | 111.918.786 |
| **Diference** | **31.619.738** |

This difference stems from:
i) deferred benefit correction corresponding to the value in between group transaction recorded in previous years (39.087.546 euros);
ii) Goodwill amortisation from January 2004 until 31 December 2008 in the annual accounts prepared according to POC (7.468.740 euros).

## 2.3. Comparability of Financial statements

The elements contained in these financial statements are all comparable with the previous year.

## 3 Main accounting policies

The main accounting policies applied in preparing these financial statements are described below. Unless stated these policies have been consistently applied to all years presented.

### 3.1. Financial investments

Subsidiaries are all entities in which Ibersol directly or indirectly has the power to control their financial and operational activities, which is usually associated with holding more than half of the voting rights. The existence and the effect of potential voting rights are considered in the evaluation of the control over a subsidiary.

Associates are entities over which the company has between 20% and 50% of the voting rights or on which the company has significant influence, but which cannot exercise its control.

Investments in subsidiaries and associates are presented by the amount resulting from application of the equity method. According to this method, the financial statements include the company's share in total recognised gains and losses from the date on which control or significant influence begins until the date on which actually ends. Gains or losses on transactions between the Group and its subsidiaries and associated companies are eliminated. The dividends allocated by subsidiaries and associates are considered investment reductions.

The excess of the cost of acquisition over the fair value of the portion of the company in the identifiable assets acquired is recorded as goodwill, which, less accumulated impairment losses, is considered the value entered as the company's investment in subsidiaries and associates. If the acquisition cost is less than the fair value of net assets acquired subsidiary or associated with, the difference is recognised directly in the income statement.

When the share of losses of a subsidiary or associated exceeds their investment and if the company has incurred in obligations or made payments on behalf of the subsidiary or associated Ibersol recognizes additional losses in the future.

When necessary the accounting policies of subsidiaries and associates are changed, to ensure that they are consistently within all group companies.

The entities that qualify as subsidiaries and associates are listed in note 6.

Ibersol, SGPS, S.A. prepares consolidated accounts.

### 3.2. Tangible fixed assets

Tangible fixed assets are shown at the acquisition cost, net of the respective amortisation and accumulated impairment losses. This includes estimated cost at the date of transition to NCRF, and acquisition costs to assets acquired after that date

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.

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

Financial Statements (in euros)

| | Years |
|---|---|
| Land and buildings | Between 10 and 20 years |
| Equipment | Between 4 and 20 years |
| Other tangible assets | Between 5 and 10 years |

Depreciation of assets is calculated by the equal annual amounts method, accordingly with accounting policies in force (DR nº 25/2009 14 September). Depreciation of tangible fixed assets begins when they are available for use.

The estimated lifetime of assets are reviewed each year, in which the depreciation is evaluated with the standards of use of assets. Changes to the estimated lifetime are treated as a change in accounting estimate and are applied prospectively.

As vidas úteis dos activos são revistas em cada ano de relato financeiro, para que as depreciações praticadas estejam em conformidade com os padrões de consumo dos activos. Alterações às vidas úteis são tratadas como uma alteração de estimativa contabilística e são aplicadas prospectivamente.

Impairment tests are carried out whenever there is evidence of loss of value to estimate the recoverable amount of the asset, and when necessary to record an impairment loss. The recoverable amount is determined as the higher of net selling price and value in use of the asset, the latter being calculated based on the present value of estimated future cash flows from continuing use and disposal of the asset at the end of its useful life

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 in the profit and loss account.

### 3.3. Impairment of assets

Assets with a specific lifetime are not subject to amortisation and are, instead, subject to annual impairment tests. Ibersol performs impairment test in December of each year and whenever there are events or alterations in the circumstances causing their accounting value not to be recoverable.

Ibersol identifies an impairment loss and determines whether the loss is permanent or not whenever the recoverable amount is less than the carrying value of assets. In cases where the loss is not considered permanent and definitive, Ibersol makes the disclosure of the reasons for this conclusion.

The recoverable amount is the highest amount between an asset's fair value minus the costs necessary for its sale and its utilisation value. Assets are grouped at the lowest level at which it may be able to separately identify cash flows (units generating cash flows), to perform impairment tests.

At each reporting date, non-financial assets with impairment, other than goodwill, are assessed on the possible reversal of impairment losses.

Amortisation and depreciation of assets are recalculated prospectively in accordance with the recoverable value when there is an impairment reversal.

### 3.4. Financial assets

The Board of Directors determines the classification of financial assets at initial recognition date according to the NCRF 27 – financial instruments.

Financial assets can be measured as:

(a) at cost or amortised cost less impairment losses; or
(b) at fair value with changes in fair value recognized in the income statement.

Financial assets are classified and measured at cost or amortised cost: i) that have sight deadlines or defined maturity; ii) whose return is of fixed amount, interest rate fixed or variable rate fixed to a reference rate; and iii) who do not have any contractual clause which may result in loss of face value and interest accrued.

Interest earned to recognize in each period is determined according to the effective interest rate method, which corresponds to the rate that discounts estimated future cash receipts during the expected life of the financial instrument, for assets recorded at amortized cost.

Financial assets which represent loans, accounts receivable (customers, other debtors, etc.) and equity instruments and associated derivatives contracts, and which are not traded in active market or whose fair value cannot be reliably determined, are recorded at cost or amortised cost.

The Ibersol classifies and measures the fair value of financial assets that do not comply with the conditions to be measured at cost or amortised cost, as described above. Derivative contracts and financial assets held for trading are recorded at fair value of financial assets which represent equity instruments quoted on active market. Changes in fair value are recorded in the income statement, except for financial derivatives that qualify as coverage of cash flows.

At each reporting date Ibersol evaluates indicators of loss of value for financial assets that are not measured at fair value through earnings. If there is objective evidence of impairment, Ibersol recognises an impairment loss in the income statement.

Financial assets are derecognised when the rights to receive cash flows generated by these investments expire or are transferred, as well as all risks and benefits associated with possession.

### 3.5. 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 balance sheet, in current liabilities, in the Obtained Loans item, and are considered in the the cash flow statement as cash and cash equivalents.

### 3.6. Share capital

When effected 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.

### 3.7. 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 profit and loss account during the loan period, using the effective rate method.

Loans obtained are classified in current liabilities, except when Ibersol is entitled to an unconditional right to defer the liquidation of the liability for at least 12 months after the balance sheet date.

### 3.8. Income tax

Income tax for the period comprises current and deferred taxes. Income taxes are recorded in the income statement, except when they relate to items recognised directly in equity. The value of current tax payable is determined based on the result before taxes, adjusted in accordance with the tax rules in force.

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 financial statements.

Deferred taxes are determined by the tax (and legal) rates decreed or substantially decreed on the date of the balance sheet 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. Deferred tax liabilities are recognised for all temporary differences, except those related to: i) the initial recognition of goodwill; or ii) 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. However, in respect of taxable temporary differences related to investments in subsidiaries, these are not recognised because: i) the parent company has the ability to control the amount of the reversal of the temporary difference; and ii) it is probable that the temporary difference will not be reverse in the near future.

### 3.9. Personnel benefits

The employee performance premiums are recorded in the year to which they relate, regardless of the year in which the payment occurs.

### 3.10. Provisions

Provisions for costs of restructuring activities, paid contracts and legal claims are recognised when: i) Ibersol has a legal or constructive obligation due to past events; ii) it is probable that a outflow of resources will be necessary to liquidate the obligation; e iii) the obligation amount may be reliably estimated. Whenever one of the criteria is not met or the existence of the obligation is subject to the occurrence (or not) of a certain future event, Ibersol discloses a contingent liability, unless the enforceability for payment is considered remote.

Provisions are measured at the present value of estimated expenditures to settle the obligation using a pre-tax rate that reflects market assessment for the period of discount and to the risk of that provision.

### 3.11. Costs and income

In accordance with the principle of accrual accounting expenses and income are recorded in the period to which they relate, regardless of their payment or receipt. The differences between the amounts received and paid and the corresponding revenues and expenses are recognised as assets or liabilities

### 3.12. Revenue

Revenue comprises the fair value of the sale of rendering of services from Ibersol's activities, net of taxes and discounts and after eliminating internal sales.

Rendering of services is recognised in the accounting period in which the services are rendered, in accordance with the percentage of completion or based on the period of the contract when the service is not associated with the implementation of specific activities, but to provide continuous service.

### 3.13. 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.

Due to its nature 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:

**Important accounting estimates**

#### 3.13.1 Provisions

The company determines periodically if any obligations arising from past events should be merit recognition or disclosure.

The determination if an amount of internal resources is required for the payment of obligations is very subjective and could lead to significant adjustments, either by variation of the assumptions used, either by the future recognition of provisions previously disclosed as contingent liabilities.

### 3.13.2 Impairment

The determination of a potential impairment loss can be triggered by the occurrence of various events, which are outside the sphere of Ibersol influence, such as: the future availability of funding, the cost of capital, as well as for any other changes, either internal or external.

It is expected from the Board of Directors a high degree of judgement as regards the identification of indicators of impairment, the estimate of future cash flows and the determination of fair value of assets entail and evaluation of different indicators of impairment, expected cash flows, discount rates applicable, useful lives and residual values.

### 3.13.3 Taxes

The company recognizes liabilities for additional settlements of taxes which may result from inspections made by the tax authorities. When the final result of tax inspections is different from the values initially recorded, differences will impact the income tax and deferred taxes, in the period in which such differences are identified.

## 3.14. Financial risk management

The group’s activities are exposed to a number of financial risk factors: market risk (including interest rate risk), credit risk, liquidity risk and capital risk. Ibersol maintains the risk management program that focuses its analysis on financial markets to minimise the potential adverse effects of those risks on the Ibersol’s financial performance.

Risk management is headed by the Financial Department based on 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.

### 3.14.1 Market risk

#### Interest rate risk

In recent years Ibersol has not taken into account the possibility of hedging the risk of interest rate variations. Therefore, all of the remunerated debt bears interests at a variable interest rate. Loans issued with variable rates expose the group to the cash flow risk associated to interest rates. Ibersol’s interest rate risk stems from its liabilities, in particular from long-term loans. The company has no significant risk of interest rate, since loans obtained are significant less than loans granted.

### 3.14.2 Credit risk

Ibersol’s credit risk stems from its liabilities, in particular from loans to subsidiaries. The credit risk is assured by the company's financial Direction, taking into account the historic trading relationship, its financial situation, as well as other information that may be obtained through the network business of IBERSOL. If necessary, the credit limits established are regularly reviewed and revised. Credit risk is reduced.

### 3.14.3 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.

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**3.14.4 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 above 35%.

On 31 December 2012 and 2011 the gearing ratio was, respectively, of 5% and of 2%, as follows:

| | Dec-12 | Dec-11 |
|---|---|---|
| Loans | 8.120.145 | 7.212.417 |
| Cash and cash equivalents | 31.473 | 4.030.192 |
| Net indebtedness | 8.088.672 | 3.182.225 |
| Equity | 143.538.524 | 142.014.514 |
| Total capital | 151.627.196 | 145.196.739 |
| **Gearing ratio** | 5% | 2% |

## 4 Cash flows

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

| | 2012 | 2011 |
|---|---|---|
| Bank deposits | 31.473 | 4.030.192 |
| **Cash and cash equivalents** | 31.473 | 4.030.192 |

"Cash and cash equivalents" for the preparation of the statement of cash flows for the year ended December 31, 2012 is as follows:

| | 2012 | 2011 |
|---|---|---|
| Bank deposits | 31.473 | 30.192 |
| Term deposits | - | 4.000.000 |
| Other deposits | - | - |
| | 31.473 | 4.030.192 |
| Cash and cash equivalents (asset) | 31.473 | 4.030.192 |
| Cash equivalents (liabilities) | - | - |
| **Cash and cash equivalents on the cash flows statement** | 31.473 | 4.030.192 |

## 5 Tangible fixed assets

As the assets are fully reinstated, in the years ending on 31 December 2012 and 2011, there has been no movement in tangible fixed assets and no depreciations were carried out.

| | Land and buildings | Basic equipment | Transport equipment | Office equipment | Other tang. Assets | Total |
|---|---|---|---|---|---|---|
| **31 December 2012** | | | | | | |
| Cost | 29.828 | 3.736 | - | 215.338 | 18.289 | 267.191 |
| Accumulated depreciation | 29.828 | 3.736 | - | 215.338 | 18.289 | 267.191 |
| Accumulated impairment | - | - | - | - | - | - |
| **Net amount** | - | - | - | - | - | - |

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# 6 Financial investments – equity method

| | 2012 | 2011 |
|---|---|---|
| Goodwill (6.1) | 35.529.522 | 36.132.189 |
| Financial investments (6.2) | 127.490.732 | 126.112.713 |
| | 163.020.255 | 162.244.901 |

## 6.1 Goodwill

The table bellow summarises the Goodwill broken down into segments:

| | Goodwill | |
|---|---|---|
| | 2012 | 2011 |
| Portugal | 8.250.491 | 8.786.491 |
| Spain | 27.845.512 | 27.845.512 |
| Angola | 130.714 | 130.714 |
| | 36.226.717 | 36.762.717 |
| Accumulated impairment | -697.195 | -630.528 |
| | 35.529.522 | 36.132.189 |

In the years ending on 31 December 2012 and 2011, the changes occurred in the value of goodwill were as follows:

| | 2012 | 2011 |
|---|---|---|
| Initial net amount | 36.762.717 | 36.632.003 |
| Additions (1) | - | 130.714 |
| Decreases (2) | 536.000 | - |
| Other variations | - | - |
| **Final net amount** | 36.226.717 | 36.762.717 |

(1) in 2011, the increase in goodwill arises from the acquisition of subsidiary of HCI-Imobiliária, S.A. by Ibersol Angola, S.A..
(2) in 2012, according to an agreement between the parties on the date of purchase, changes in price of acquisition of subsidiary SEC - Events & Catering, SA (former Solinca), considering EBITDA achieved by the company in 2011, equals to a decrease in goodwill.

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

| | |
|---|---|
| Growth rate in perpetuity | |
| Portugal | 3,00% (1% real + 2% inflação) |
| Spain | 3,00% (1% real + 2% inflação) |
| Discount rate for the perpetuity | |
| Portugal | 6,78% |
| Spain | 6,15% |
| Discount rate for the period (5 years) | |
| 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.

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From the impairment tests performed, there was recognised impairment of Goodwill in subsidiary Maestro with the amount of 66.667 euros. The accumulated impairment at the end of the year 2012 is 697.195 euros (in which 261.241 are from subsidiary Maestro and 435.954 from Restmon).

### 6.2 Financial investments

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

| | 2012 | | | 2011 | | |
|---|---|---|---|---|---|---|
| | Acquisition value | Equity adjustment | Balance sheet value | Acquisition value | Equity adjustment | Balance sheet value |
| **Subsidiaries** | | | | | | |
| Ibersol Restauração, S.A. | 847.986 | 8.048.670 | 8.896.656 | 847.986 | 7.666.581 | 8.514.567 |
| Iberusa-Hotelaria e Restauração, S.A. | 158.119 | 1.103.193 | 1.261.312 | 158.119 | 1.258.907 | 1.417.026 |
| Asurebi SGPS, S.A. | 98.490.866 | 16.089.084 | 114.579.950 | 98.490.866 | 14.812.683 | 113.303.549 |
| Ibersol Madeira Restauração, S.A. | 50.000 | 1.167.610 | 1.217.610 | 50.000 | 1.274.276 | 1.324.276 |
| Restmon Portugal, Lda | 499.448 | -499.448 | - | 499.448 | -499.448 | - |
| Eggon - SGPS, S.A. | 645.000 | 889.631 | 1.534.631 | 645.000 | 907.575 | 1.552.575 |
| Ibergourmet-Prod.Alimentares, S.A. | 57.020 | -57.020 | - | 57.020 | -57.020 | - |
| Ibersol Angola, S.A. | 720 | -146 | 574 | 720 | - | 720 |
| | 100.749.158 | 26.741.574 | 127.490.732 | 100.749.158 | 25.363.554 | 126.112.713 |

In the year ending on 31 December 2012 and 2011, investments in subsidiaries were as follows:

| | Ibersol Rest., S.A. | Ibersol Madeira Rest., S.A. | Iberusa Hotelaria e Rest., S.A. | Asurebi SGPS, S.A. | Eggon - SGPS, S.A. | Restmon Portugal, Lda | Ibergourmet-Prod.Alimen., S.A. | Ibersol Angola, S.A | Total |
|---|---|---|---|---|---|---|---|---|---|
| **1st January 2011** | 8.035.413 | 1.239.805 | 1.490.682 | 109.378.955 | 1.539.939 | - | - | 720 | 121.685.514 |
| Acquisition | -13.098 | - | - | -117.616 | - | - | - | - | -130.714 |
| Gains/losses | 822.252 | 584.471 | -73.656 | 4.230.068 | 12.636 | - | - | - | 5.575.771 |
| Fair value adjustments | - | - | - | - | - | - | - | - | - |
| Other movement in Equity | - | - | - | 798.236 | - | - | - | - | 798.236 |
| Dividends received | -330.000 | -500.000 | - | -986.094 | - | - | - | - | -1.816.094 |
| **31st December 2011** | 8.514.567 | 1.324.276 | 1.417.026 | 113.303.549 | 1.552.575 | - | - | 720 | 126.112.713 |

| | Ibersol Rest., S.A. | Ibersol Madeira Rest., S.A. | Iberusa Hotelaria e Rest., S.A. | Asurebi SGPS, S.A. | Eggon - SGPS, S.A. | Restmon Portugal, Lda | Ibergourmet-Prod.Alimen., S.A. | Ibersol Angola, S.A | Total |
|---|---|---|---|---|---|---|---|---|---|
| **1st January 2012** | 8.514.567 | 1.324.276 | 1.417.026 | 113.303.549 | 1.552.575 | - | - | 720 | 126.112.713 |
| Acquisition | - | - | - | - | - | - | - | - | - |
| Gains/losses | 568.382 | 293.334 | -155.714 | 1.211.310 | -17.944 | - | - | -146 | 1.899.222 |
| Fair value adjustments | - | - | - | - | - | - | - | - | - |
| Other movement in Equity | 53.707 | - | - | 482.285 | - | - | - | - | 535.992 |
| Dividends received | -240.000 | -400.000 | - | -417.194 | - | - | - | - | -1.057.194 |
| **31st December 2012** | 8.896.656 | 1.217.610 | 1.261.312 | 114.579.950 | 1.534.631 | - | - | 574 | 127.490.733 |

Assets and liabilities on 31 December 2012, and gain and losses earned in 2012, as recognised in the separate financial statements of subsidiaries are as follows:

| | 2012 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Ibersol Rest., S.A. | Ibersol Madeira Rest., S.A. | Iberusa Hotelaria e Rest., S.A. | Asurebi SGPS, S.A. | Eggon SGPS, S.A. | Restmon Portugal, Lda | Ibergourmet-Prod.Alimen., S.A. | Ibersol Angola, S.A. |
| Equity | 1.131.766 | 753.824 | 644.085 | 142.483.747 | 24.345.003 | -2.133.451 | 1.330.792 | 3.266.831 |
| Total income | 237.702 | 299.279 | -1.851.874 | 2.063.487 | -10.019.370 | -35.209 | 279.048 | 32.356 |
| % Investment | 100,00% | 100,00% | 5,00% | 89,98% | 2,11% | 61,00% | 100,00% | 0,20% |
| Acquisition value | 847.986 | 50.000 | 158.119 | 98.490.866 | 645.000 | 499.448 | 57.020 | 720 |

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| | 2011 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **Ibersol Rest., S.A.** | **Ibersol Madeira Rest., S.A.** | **Iberusa Hotelaria e Rest., S.A.** | **Asurebi SGPS, S.A.** | **Eggon SGPS, S.A.** | **Restmon Portugal, Lda** | **Ibergourmet-Prod.Alimen., S.A.** | **Ibersol Angola, S.A.** |
| Equity | 1.134.064 | 854.545 | 2.712.120 | 141.638.174 | 34.374.082 | -2.098.242 | 891.745 | 104.116 |
| Total income | 339.341 | 572.332 | -1.390.351 | 3.503.696 | 587.563 | -104.502 | 300.995 | -238.820 |
| % Investment | 100,00% | 100,00% | 5,00% | 89,98% | 2,11% | 61,00% | 100,00% | 0,20% |
| Acquisition value | 847.986 | 50.000 | 158.119 | 98.490.866 | 645.000 | 499.448 | 57.020 | 720 |

The financial information used for applying the equity method matches adjusted equity of subsidiary companies, as included in the consolidated accounts of the group Ibersol (IFRS) from December 31, 2012.

### 6.3 Adjustments in financial assets

This account reflects the adjustments to the equity method.
In the year ending 2012 and 2011 financial assets movements are broken down as follows:

| | 2012 | 2011 |
|---|---|---|
| Initial amount | 54.208.543 | 42.314.893 |
| Additions (1) | 4.250.840 | 13.379.744 |
| Decreases (2) | 1.057.194 | 1.486.094 |
| **Final amount** | 57.402.189 | 54.208.543 |

(1) additions in 2012 and 2011 result mainly from the application of the year's earnings.
(2) decreases result from dividends received in the year.

The balance of heading adjustments in financial assets is not distributed to shareholders.

### 6.4 Provisions

In the year ending 2012 and 2011 provisions movements are broken down as follows:

| | Legal proceedings | | Losses in subsidiaries | |
|---|---|---|---|---|
| | **2012** | **2011** | **2012** | **2011** |
| Initial amount | 5.257 | 5.257 | 2.484.953 | 2.389.094 |
| Additions (1) | - | - | 31.253 | 95.859 |
| Decreases | - | - | - | - |
| **Final amount** | 5.257 | 5.257 | 2.516.206 | 2.484.953 |

(1) additions in 2012 and 2011 result from subsidiary Restmon adjusted earnings.

## 7 Financial investments – other methods

On 31 December 2012 and 2011, the assets recognized under this heading relate to capital shares, as follows:

| | % own | 2012 | 2011 |
|---|---|---|---|
| Change Partners I, SGPS, S.A. | 3,08% | 264.000 | 264.000 |
| **Total** | | 264.000 | 264.000 |

The primary business of Change Partners I, SGPS, S.A., is management of shareholdings. This investment is valued at cost because it is not possible to determine reliably the fair value.

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## 8 Other financial assets

On 31 December 2012, changes recognised under this heading relate to credit assignment with the subsidiaries Iberusa e Firmoven, for purchase of investments in Rock and Bowl with the amount of 172.085.

## 9 State and other public entities

On 31 December 2012 and 2011, state and other public entities are broken as follows:

| | 2012 | | 2011 | |
|---|---|---|---|---|
| | **Debit balance** | **Credit balance** | **Debit balance** | **Credit balance** |
| Income tax - IRC (1) | 46.668 | 314.634 | 144.464 | 160.930 |
| Income tax - IRS | - | 10.913 | - | 5.821 |
| Value added tax - VAT | - | 134.705 | - | 132.937 |
| Social security contributions | - | 12.199 | - | 7.967 |
| Other taxes | - | - | - | - |
| | 46.668 | 472.451 | 144.464 | 307.656 |

For the periods presented the debit balance of IRC has the following breakdown:

| | 2012 | 2011 |
|---|---|---|
| Payments on account (PEC) | 46.668 | - |
| Income tax - IRC (Note 23) | -44.229 | -16.466 |
| Income tax - RETGS (Note 14.2) | -270.406 | - |
| **Total** | -267.966 | -16.466 |

## 10 Deferrals

On 31 December 2012 and 2011 the Ibersol has recorded under the heading of deferrals, the following balances:

| | 2012 | 2011 |
|---|---|---|
| Insurance | 2.642 | 2.651 |
| Rents | 3.353 | 3.353 |
| Financial fees | 43.021 | 32.425 |
| Others | 500 | - |
| **Deferred costs** | 49.516 | 38.428 |

Deferred costs are mainly related to financial fees as they are deferred for the period of the loans.

| | 2011 | 2010 |
|---|---|---|
| Other income (1) | 51.076.981 | 51.076.981 |
| **Deferred income** | 51.076.981 | 51.076.981 |

(1) This item relates a value generated from the sale of a financial investment within the group, in 1999, which will be recognized only at the time of its sale to an external entity.

## 11 Capital

On 31 December 2012, 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.

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## 12 Own shares

In the years 2012 and 2011 Ibersol did not acquired nor sold any own shares. The 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 company, although Ibersol may sell these shares.

At the end of the year the company held 2.000.000 own shares acquired for 11.179.644 euros.

## 13 Reserves

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

### 13.1 Legal reserves

| | Legal reserves | |
|---|---|---|
| | **2012** | **2011** |
| **1st January** | 4.000.001 | 4.000.001 |
| Increase | - | - |
| Use | - | - |
| **31st December** | 4.000.001 | 4.000.001 |

The legal reserve is fully constituted under the law (20% of the share capital). This reserve can only be used to cover losses or increase Capital.

### 13.2 Other reserves

| | Other reserves | | Own shares reserves | | Other reserves - equity method | |
|---|---|---|---|---|---|---|
| | **2012** | **2011** | **2012** | **2011** | **2012** | **2011** |
| **1st January** | 13.650.425 | 12.988.047 | 11.179.643 | 11.179.643 | 43.983.819 | 42.167.725 |
| Increase | 448.831 | 992.768 | - | - | 1.057.194 | 1.816.094 |
| Use | - | 330.390 | - | - | - | - |
| **31st December** | 14.099.256 | 13.650.425 | 11.179.643 | 11.179.643 | 45.041.013 | 43.983.819 |

The company non-available reserves reached 60.220.656 euros and refer to mandatory reserves (4.000.001 euros), own shares reserves held by Ibersol (11.179.644 euros), and other reserves, concerning the application of equity method (45.041.013 euros).

## 14 Group subsidiaries

### 14.1 Non-current assets

On 31 December 2012 and 2011, balances recognised under this heading relate to loans granted to subsidiaries of Ibersol and subsidiaries supplementary capital contributions. These loans with repayment periods exceeding 1 year accrues interest at a fixed rate based on Euribor 12 m + 1,25% and changed as variation of CEB reference rate. Subsidiaries supplementary capital contributions are not paid, nor do they have defined repayment.

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| | 2012 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Iberusa | Ibersol Restauração | Asurebi SGPS | Restmon | Eggon | Ibergourmet | Ibersol Angola | TOTAL |
| **Non-current** | | | | | | | | |
| Loans granted | | | | | | | | |
| Subsidiaries | 13.830.500 | 10.510.996 | 9.440.000 | 1.276.000 | - | - | - | 35.057.496 |
| Supplementary capital contributions | | | | | | | | |
| Subsidiaries | 2.000.000 | - | - | - | 1.875.000 | 1.185.000 | 4.232 | 5.064.232 |
| **Loans granted and supplementary capital contributions** | 15.830.500 | 10.510.996 | 9.440.000 | 1.276.000 | 1.875.000 | 1.185.000 | 4.232 | 40.121.728 |
| Accumulated impairment losses | - | - | - | - | - | 182.023 | - | 182.023 |
| **Non-current total** | 15.830.500 | 10.510.996 | 9.440.000 | 1.276.000 | 1.875.000 | 1.002.977 | 4.232 | 39.939.705 |

| | 2011 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Iberusa | Ibersol Restauração | Asurebi SGPS | Restmon | Eggon | Ibergourmet | Ibersol Angola | TOTAL |
| **Non-current** | | | | | | | | |
| Loans granted | | | | | | | | |
| Subsidiaries | 9.319.500 | 10.510.996 | 8.965.000 | 1.276.000 | - | - | - | 30.071.496 |
| Supplementary capital contributions | | | | | | | | |
| Subsidiaries | 2.000.000 | - | - | - | 1.875.000 | 1.025.000 | 2.831 | 4.902.831 |
| **Loans granted and supplementary capital contributions** | 11.319.500 | 10.510.996 | 8.965.000 | 1.276.000 | 1.875.000 | 1.025.000 | 2.831 | 34.974.328 |
| Accumulated impairment losses | - | - | - | - | - | 478.368 | - | 478.368 |
| **Non-current total** | 11.319.500 | 10.510.996 | 8.965.000 | 1.276.000 | 1.875.000 | 546.632 | 2.831 | 34.495.960 |

Movements under this item are as follows:

| | 2012 | 2011 |
|---|---|---|
| Initial amount | 34.974.327 | 41.434.496 |
| Additions | 9.916.401 | 1.894.831 |
| Decreases | 4.769.000 | 8.355.000 |
| **Final amount** | 40.121.728 | 34.974.327 |

In the years ending on 31 December 2012 and 2011, the changes occurred in the impairment losses were as follows:

| | 2012 | 2011 |
|---|---|---|
| Initial amount | 478.368 | 802.066 |
| Additions | - | - |
| Decreases (1) | 296.345 | 323.698 |
| **Final amount** | 182.023 | 478.368 |

(1) decreases in 2012 and 2011 result from the subsidiary Ibergourmet adjusted earnings.

### 14.2 Current assets

On 31 December 2012, balances recognised under this heading relate to interest concerning loans granted to subsidiaries of Ibersol and subsidiaries current year income tax, as follows:

| | 2012 | | 2011 | |
|---|---|---|---|---|
| | Current asset | Current liabilities | Current asset | Current liabilities |
| Income tax - RETGS | 1.233.454 | 938.142 | - | - |
| Interest loans | 2.138.323 | - | 1.808.763 | - |
| | 3.371.777 | 938.142 | 1.808.763 | - |

By applying the special taxation for corporate groups (RETGS) for the first time in 2013 (referring to 2012 income), the shareholder Ibersol - SGPS, SA will carry out payments of its subsidiaries income tax.

Movements under this item are as follows (Note 26):

Financial Statements (in euros)

| | 2012 | | 2011 | |
|---|---|---|---|---|
| | Debit | Credit | Debit | Credit |
| Ibersol Restauração | 112.184 | - | - | - |
| Iberusa | - | 728.942 | - | - |
| Asurebi | - | 83.577 | - | - |
| IBR Imobiliária | 233.619 | - | - | - |
| Ibersol Hotelaria e Turismo | 27.236 | - | - | - |
| Eggon | 6.641 | - | - | - |
| Iber King | 405.988 | - | - | - |
| Ibersol Madeira & Açores | 67.309 | - | - | - |
| Sugestões & Opções | 7.318 | - | - | - |
| Anatir | 93.684 | - | - | - |
| Ibergourmet | 32.433 | - | - | - |
| Iberaki | 90.990 | - | - | - |
| Ferro & Ferro | - | 19.565 | - | - |
| Restoh | 80.526 | - | - | - |
| Firmoven | 44.274 | - | - | - |
| QRM | 5.240 | - | - | - |
| Resboavista | - | 37.868 | - | - |
| JSCC | 26.012 | - | - | - |
| SEC | - | 68.190 | - | - |
| | 1.233.454 | 938.142 | - | - |

Concerning interest loans, the balances of the subsidiaries in the short term are presented as follows:

| | 2012 | 2011 |
|---|---|---|
| Ibersol Restauração | 1.209.187 | 1.000.703 |
| Iberusa | 269.806 | 320.319 |
| Restmon | 199.030 | 171.814 |
| Asurebi | 460.300 | 315.927 |
| | 2.138.323 | 1.808.763 |

## 15 Loans

On 31 December 2012 and 2011, the detail of loans for the period (current and non-current) and by type of loan, is as follows:

| | 2012 | | | 2011 | | |
|---|---|---|---|---|---|---|
| | Current | Non-Current | Total | Current | Non-Current | Total |
| Commercial paper | 7.000.000 | - | 7.000.000 | 5.500.000 | - | 5.500.000 |
| Bank loans | 625.907 | 494.238 | 1.120.145 | 595.939 | 1.116.477 | 1.712.417 |
| | 7.625.907 | 494.238 | 8.120.145 | 6.095.939 | 1.116.477 | 7.212.417 |

For the subscribed commercial paper programmes Ibersol considers the maturity date as the renewal date, regardless of its initial started periods. At the end of the year Ibersol had 7.000.000 euros of issued commercial paper programmes, from 10.000.000 euros subscribed programmes, with Janeiro 2013 renewal date.

Credit lines with maturity up to 1 year are renewed automatically annually or semi-annually. Lines of credit with maturity after 1 year have no set limit

The maturities of non-current loans are broken down as follows:

Financial Statements (in euros)

| | 2012 | 2011 |
|---|---|---|
| from 1 to 2 years | - | - |
| from 2 to 5 years | 494.238 | 1.116.477 |
| > 5 years | - | - |
| | 494.238 | 1.116.477 |

On 31 December 2012, the future cash flows (contractual) associated with loans are broken down as follows:

| | 2013 | 2014 | 2015 |
|---|---|---|---|
| Loans | 7.625.907 | 494.238 | - |
| Interest | 167.705 | 14.175 | - |

In 2012, the average cost of loans was 5,4% (3,4% in 2011).

## 16 Other current liabilities

On 31 December 2012 and 2011, the detail of other current liabilities is as follows:

| | 2012 | | 2011 | |
|---|---|---|---|---|
| | Current | Total | Current | Total |
| **Other creditors** | | | | |
| Creditors | 5.969 | 5.969 | 8.641 | 8.641 |
| **Accrued costs** | | | | |
| Payable remunerations | 25.466 | 25.466 | 25.466 | 25.466 |
| Premiums | - | - | 47.208 | 47.208 |
| Payable interest | 13.658 | 13.658 | 13.630 | 13.630 |
| Fee | - | - | - | - |
| Other | 9.750 | 9.750 | 2.703 | 2.703 |
| **Total accounts payable to creditors and accrued costs** | 54.843 | 54.843 | 97.648 | 97.648 |

## 17 Sales and rendered services

The amount of sales and services recognized in the income statement, is detailed as follows:

| | 2012 | 2011 |
|---|---|---|
| Rendered services - internal market | 600.000 | 600.000 |
| Rendered services - external market | - | - |
| **Sub-total** | 600.000 | 600.000 |
| **Sales and rendered services** | 600.000 | 600.000 |

## 18 External supplies and services

External services and supplies in the years ending on 31 December 2012 and 2011 are broken down as follows:

| | 2012 | 2011 |
|---|---|---|
| Services fees | 82.285 | 73.228 |
| Other | 2.155 | 3.223 |
| External supplies and services | 84.441 | 76.451 |

Financial Statements (in euros)

## 19 Personnel costs

Personnel cost in the years ending on 31 December 2012 and 2011 are broken down as follows:

| | 2012 | 2011 |
|---|---|---|
| Salaries and wages | | |
| Board od directors | 28.865 | 28.692 |
| Employees | 142.612 | 160.028 |
| | 171.477 | 188.720 |
| Social costs | | |
| Performance bonus | - | 44.014 |
| Social security contributions | 37.832 | 48.429 |
| Other personnel costs | 5.418 | 5.209 |
| **Sub-total** | 43.250 | 97.651 |
| **Personnel costs** | 214.727 | 286.371 |

The average number of employees in 2012 was 3 (2011:3)

## 20 Other income and gains

Heading other income and gains may be presented as follows:

| | 2012 | 2011 |
|---|---|---|
| Other income and gains | | |
| Income tax excess | 13.130 | - |
| Exchange rate differences | 172 | 33 |
| Others | - | 10.050 |
| | 13.302 | 10.083 |

## 21 Other expenses and losses

The detail of other operating costs is presented in the following table:

| | 2012 | 2011 |
|---|---|---|
| Other expenses and losses | | |
| Taxes | 10.686 | 5.761 |
| Income tax insufficiency | - | 13.929 |
| Exchange rate differences | 273 | - |
| Banking services | 61.903 | 61.727 |
| Others | - | - |
| | 72.862 | 81.418 |

## 22 Financial costs and income

Financial costs and income in the years ending on 31 December 2012 and 2011 are broken down as follows:

| | 2012 | 2011 |
|---|---|---|
| **Financial costs** | | |
| Interest on bank loans | 1.095 | 17.244 |
| Commercial papper interest | 295.076 | 375.330 |
| Interest on delay payments | 43 | 82 |
| Other interest | - | 946 |
| Commercial paper commissions | 154.394 | 139.638 |
| Others | 13.709 | 12.872 |
| | 464.317 | 546.113 |

Financial Statements (in euros)

| | 2012 | 2011 |
|---|---|---|
| **Financial income** | | |
| Interest on bank loans | 34.350 | 11 |
| Interest subsidiaries debt | 716.582 | 929.841 |
| | 750.932 | 929.852 |

## 23 Income tax

Tax amount recognised in the financial statements of the years 2012 and 2011 is as follows:

| | 2012 | 2011 |
|---|---|---|
| Current income tax | 136.422 | 160.930 |
| Current income tax - RETGS (Note 9) | -24.906 | - |
| Deferred taxes | - | - |
| **Income tax** | 111.516 | 160.930 |

| | 2012 | 2011 |
|---|---|---|
| Current tax for the year | | |
| Tax base | 128.700 | 139.346 |
| Special tax (independent) | - | 13.130 |
| Pours | 7.722 | 8.454 |
| | 136.422 | 160.930 |

Tax amount for the year reconciliation is as follows:

| | 2012 | 2011 |
|---|---|---|
| Pre-tax profit | **2.625.534** | **5.850.609** |
| **Tax calculated at the applicable tax rate in Portugal Portugal (26,5%)** | **695.767** | **1.550.411** |
| Non-deductible costs | 11 | 3.713 |
| Non-deductible income | -3.479 | - |
| Equity method effect | -555.876 | -1.404.762 |
| Tax rate of 12,5% effect | - | -1.563 |
| Special tax (independent) | - | 13.130 |
| **Income tax expenses** | 136.422 | 160.930 |
| Imposto s/ rendimento corrente | 136.422 | 160.930 |
| Imposto s/ rendimento diferido | - | - |
| Imposto s/ rendimento | 136.422 | 160.930 |
| **Taxa efectiva de imposto** | 5,20% | 2,75% |

To determine the amount of tax in the financial statements the tax rate is chosen as follows:

| | 2012 | 2011 |
|---|---|---|
| Tax base rate | 25,00% | 25,00% |
| Pours | 1,50% | 1,50% |
| | 26,50% | 26,50% |

In accordance with the legislation in force, tax declarations of Ibersol are subject to review and can be corrected by the tax authorities for a period of four years in general terms, so that the declarations of 2009 to 2012 are still open.

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Ibersol board of directors understands that the corrections resulting from reviews or inspections by the tax authorities will not have a significant effect on the financial statements presented on 31 December 2012.

## 24 Contingencies

Bail of 28.342 euros for the rental of a commercial shop of 231m2 took by the subsidiary Ibersol Restauração, S.A..

Documentary credit with stand-by letter in amount of 9.759.000 euro for loan guarantees and responsibilities associated with Santander Central Hispano-Madrid bank and subsidiary Lurca, made in July 2006.

## 25 Remuneration assigned to social board

The compensation granted to social board is related to fees for the annual review of the company's accounts, as follows:

| | 2012 | 2011 |
|---|---|---|
| Auditors | 34.500 | 32.000 |
| Fiscal board | 26.358 | 26.358 |
| General Assembly | 2.335 | 2.335 |
| Board of Directors (1) | 6.000 | 6.000 |
| | 69.193 | 66.693 |

(1) earnings of non-Executive Director.

**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 for 2011, in the amount of 756.034 euros (737.594 euros in 2010), 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, exercise their positions without incur in any additional charge.

## 26 Related parties

On 31 December 2012, Ibersol is controlled by ATPS, SGPS, S.A. that holds a direct participation of 3.93% and indirectly of 49.99%, through its subsidiary IES – Indústria, Engenharia e Serviços, SGPS, S.A..

### 26.1. Transactions with related parties

**(a) Nature of relationship with related parties:**

***Shareholders:***

ATPS – SGPS, S.A.
IES – Indústria, Engenharia e Serviços, SGPS, S.A.

***Subsidiaries of Ibersol, SGPS:***

Ibersande Restauração, S.A.
Iberusa – Hotelaria e Restauração, S.A.
Ibersol Madeira e Açores Restauração, S.A.
Ibersol Restauração, S.A.

Financial Statements (in euros)

Iberking Restauração, S.A.
Iberaki Restauração, S.A.
Restmon Portugal, Lda.
Ibersol – Hotelaria e Turismo, S.A.
Vidisco, S.L.
Inverpeninsular, S.L.
Ibergourmet Produtos Alimentares, S.A.
Ferro & Ferro, Lda.
Asurebi SGPS, S.A.
Charlotte Develops, S.L.
Firmoven Restauração, S.A.
I.B.R. - Sociedade Imobiliária, S.A.
Eggon SGPS, S.A.
Anatir SGPS, S.A.
Lurca, S.A.
Q.R.M. – Projectos Turísticos, S.A.
Sugestões e Opções – Actividades Turísticas, S.A.
Restoh – Restauração e Catering – S.A.
Resboavista – Restauração Internacional, Lda.
José Silva Carvalho Catering, S.A.
Iberusa Central de Compras para Restauração, ACE
Vidisco e Pasta Caffe, Union Temporal de Empresas
Maestro – Serviços de Gestão Hoteleira, S.A.
Solinca – Eventos e Catering, S.A.
Ibersol – Angola, S.A.
HCI – Imobiliária, S.A.
Parque Central Maia – Activ. Hoteleiras, Lda.

***Joint undertakings with Ibersol, SGPS:***

UQ Consult, S.A.

**(b) Transactions and outstanding balances with related parties:**

**i) Shareholders:**

The company has not carried out transactions with shareholders for the year 2012.

**ii) Subsidiaries:**

In the years ending on 31 December 2012 and 2011 Ibersol carried out transactions with subsidiaries as follows:

## Sales and rendered services

| | 2012 | 2011 |
|---|---|---|
| **Sales and rendered services** | | |
| Ibersol Restauração | 600.000 | 600.000 |
| | 600.000 | 600.000 |

## Financial income

Financial Statements (in euros)

| | 2012 | 2011 |
|---|---|---|
| **Financial income** | | |
| Asurebi | 195.373 | 315.927 |
| Ibersol Restauração | 224.187 | 262.703 |
| Iberusa | 269.806 | 320.319 |
| Restmon | 27.216 | 30.892 |
| | 716.582 | 929.841 |

## Products and services

| | 2012 | 2011 |
|---|---|---|
| **Products and services acquisition** | | |
| Ibersol Restauração | 10.102 | 11.661 |
| | 10.102 | 11.661 |

## Debit and credit balances

In the years ending on 31 December 2012 and 2011, the balances resulting from transactions with related parties are as follows:

| | 2012 | 2011 |
|---|---|---|
| **Debit balances** | | |
| Ibersol Restauração | 1.321.371 | 1.000.703 |
| Iberusa | 269.806 | 320.319 |
| Restmon | 199.030 | 171.814 |
| Asurebi | 460.300 | 315.927 |
| IBR Imobiliária | 233.619 | - |
| Ibersol Hotelaria e Turismo | 27.236 | - |
| Eggon | 6.641 | - |
| Iber King | 405.988 | - |
| Ibersol Madeira & Açores | 67.309 | - |
| Sugestões & Opções | 7.318 | - |
| Anatir | 93.684 | - |
| Ibergourmet | 32.433 | - |
| Iberaki | 90.990 | - |
| Restoh | 80.526 | - |
| Firmoven | 44.274 | - |
| QRM | 5.240 | - |
| JSCC | 26.012 | - |
| | 3.371.777 | 1.808.763 |
| **Loans** | | |
| Subsidiaries (Note 14) | 35.057.496 | 30.071.496 |
| | 35.057.496 | 30.071.496 |

| | 2012 | 2011 |
|---|---|---|
| **Credit balances** | | |
| Iberusa | 728.942 | - |
| Asurebi | 83.577 | - |
| Ferro & Ferro | 19.565 | - |
| Resboavista | 37.868 | - |
| SEC | 68.190 | - |
| | 938.142 | - |

Financial Statements (in euros)

## 27 Income per share

Income per share in the years ending on 31 December 2012 and 2011 was calculated as follows

| | Dec-12 | Dec-11 |
|---|---|---|
| Profit payable to shareholders | 2.514.018 | 5.689.679 |
| 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 | 0,32 |
| Number of own shares at the end of the year | 2.000.000 | 2.000.000 |

## 28 Subsequent events

There were no subsequent events as of 31 December 2012 that may have a material impact on these financial statements.

The Board of Directors,

António Carlos Vaz Pinto de Sousa

António Alberto Guerra Leal Teixeira

Juan Carlos Vázquez-Dodero

## *Qualified Shareholdings*

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

| Shareholders | nº Shares | % share capital |
|---|---|---|
| **ATPSII - SGPS, S.A. (*)** | | |
| ATPS-SGPS, SA | 786.432 | 3,93% |
| I.E.S.-Indústria, Engenharia e Serviços, SGPS,S.A. | 9.998.000 | 49,99% |
| 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%** |

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

## Complying with article 447º Companies Code

| **Board of Directors** | Data | Buy | Sale | Shares at 31.12.2012 |
|---|---|---|---|---|
| ***António Alberto Guerra Leal Teixeira*** | | | | |
| ATPS II- S.G.P.S., SA (1) | | | | 3.384.000 |
| Ibersol SGPS, SA | | | | 1.400 |
| ***António Carlos Vaz Pinto Sousa*** | | | | |
| ATPS II- S.G.P.S., SA (1) | | | | 3.384.000 |
| Ibersol SGPS, SA | | | | 1.400 |

| **(1) ATPS II- S.G.P.S ., SA** | |
|---|---|
| ATPS- S.G.P.S., SA (2) | 5.680 |

| **(2) ATPS- S.G.P.S ., SA** | Data | Buy | Sale | Shares at 31.12.2012 |
|---|---|---|---|---|
| Ibersol SGPS, SA | | | | 786.432 |
| I.E.S.- Indústria Engenharia e Seviços, SA (3) | | | | 2.455.000 |
| Regard -SGPS, SA (4) | 31-12-2012 | 146.815.181 | | 146.815.181 |

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

| **(4) Regard- SGPS, SA** | |
|---|---|
| Ibersol SGPS, SA | 99.927 |

## *Complying with article 448º Companies Code*

**I.E.S.- Indústria Engenharia e Seviços, SGPS, SA**

Held 9.998.000 shares of capital of Ibersol SGPS, SA

## *Transactions made by persons discharging managerial responsabilities*

**Complying with article 14 nº6 of the CMVM Regulation nº 05/2008**

No transactions were reported by persons discharging managerial responsabilies and people closely connected with them during the year of 2012.

**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

***Report of the Auditors for Statutory and Stock Exchange Regulatory Purposes in respect of the Individual Financial Information***
**(Free translation from the original version in Portuguese)**

***Introduction***

1 As required by law, we present the Report of the Statutory Auditors for Stock Exchange Regulatory Purposes in respect of the Financial Information included in the Directors' Report and the financial statements of Ibersol, S.G.P.S., S.A., comprising the balance sheet as at 31 December 2012, (which shows total assets of Euros 206,738,336 and a total of shareholder's equity of Euros 143,538,524, including a net profit of Euros 2,514,018), the statements of income by nature, the statements of changes in equity and the cash flow statement 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 financial statements which present fairly, in all material respects, the financial position of the company, the results of its operations, the changes in equity and cash flows; (ii) to prepare the historic financial information in accordance with generally accepted accounting principles in Portugal while also meeting the principles of completeness, truthfulness, accuracy, clarity, objectivity and lawfulness, as required by the Portuguese Securities Market Code; (iii) to adopt appropriate accounting policies and criteria; (iv) to maintain an adequate system of internal control; and (v) the disclosure of any relevant matters which have influenced the activity and the financial position or results of the company.

3 Our responsibility is to verify the financial information included in the financial statements referred to above, particularly as to whether it is complete, truthful, accurate, clear, objective and lawful, as required by the Portuguese Securities Market Code, for the purpose of expressing an independent and professional opinion on that financial information, based on our audit.

***Scope***

4 We conducted our audit in accordance with the Standards and Technical Recommendations approved by the Institute of Statutory Auditors which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Accordingly, our audit included: (i) verification, on a test basis, of the evidence supporting the amounts and disclosures in the financial statements, and assessing the reasonableness of the estimates, based on the judgements and criteria of Management used in the preparation of the financial statements; (ii) assessing the appropriateness and consistency of the accounting principles used and their disclosure, as applicable; (iii) assessing the applicability of the going concern basis of accounting; (iv) assessing the overall presentation of the financial statements; and (v) assessing the completeness, truthfulness, accuracy, clarity, objectivity and lawfulness of the financial information.

*PricewaterhouseCoopers & Associados - Sociedade de Revisores Oficiais de Contas, Lda.*
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*Matriculada na Conservatória do Registo Comercial sob o NUPC 506 628 752, Capital Social Euros 314.000*

5 Our audit also covered the verification that the financial information included in the Director's report is in agreement with the financial statements, as well as the verification set forth in paragraph 4 and 5 of Article 451 of the Companies Code.

6 We believe that our audit provides a reasonable basis for our opinion.

### *Opinion*

7 In our opinion, the financial statements referred to above, present fairly in all material respects, the financial position of Ibersol, S.G.P.S., S.A. as at 31 December 2012, the results of its operations, the changes in equity and its cash flows for the year then ended in accordance with generally accepted accounting principles in Portugal and duly comply with principles of completeness, truthfulness, accuracy, clarity, objectivity and lawfulness.

### *Report on other legal requirements*

8 It is also our opinion that the information included in the Directors' Report is in agreement with the 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.