# IBERSOL – SGPS, SA

**Publicly Listed Company**

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

Sahre Capital: Euro 20.000.000

Commercial Registry: Oporto under the number 501669477

Fiscal Number: 501 669 477

# CONSOLIDATED RESULTS on 9M12
## Unaudited

- **Turnover of 127.1 million euro**
  *Decrease of 13 % over the 3rd Quarter of 2011.*

- **Consolidated EBITDA reached 12.7 million euro**
  *YoY EBITDA in 2012 decreased by 30%*

- **Consolidated net profit of 2.7 million euro**
  *Decrease of 61.4% over the same period of 2011*

# REPORT

## *Activity*

Consolidated turnover of the first nine months of 2012 amounted to 127.1 million euro which compares with 146.1 million euro in the same period of 2011.

The activity of the third quarter remained in line with the trend of previous quarters, deeply penalized by the sharp drop in consumption in Portugal and the increase of VAT from 13% to 23%.

In the Iberian market the turnover of Ibersol decreased 13.5%, reflecting an adverse evolution of demand.

Considering the opening of the first unit in Angola in August, in the first nine months the turnover of the Group ended with a 13% decreasing.

Sales contributions by concept and market:

| **SALES** | | **Euro million** | **% Ch. 12/11** |
|---|---|---|---|
| Pizza Hut | | 38,22 | -16,9% |
| Pans/Bocatta | | 12,55 | -19,0% |
| KFC | | 6,64 | -8,8% |
| Burger King | | 14,85 | -10,3% |
| Pasta Caffé (Portugal) | | 3,76 | -22,6% |
| O`Kilo | | 2,15 | -33,5% |
| Quiosques | | 1,64 | -16,3% |
| Cafetarias | | 3,26 | -26,4% |
| Flor d`Oliveira | | 0,22 | -30,0% |
| Catering (SeO e SCC) | | 2,92 | -17,0% |
| Concessions & Other | | 6,30 | -0,7% |
| | **Portugal** | **92,51** | **-15,9%** |
| Pizza Móvil | | 9,79 | -4,6% |
| Pasta Caffé (Spain) | | 0,69 | -36,7% |
| Burger King Spain | | 21,07 | *-3,1%* |
| | **Spain** | **31,56** | **-4,7%** |
| | **Angola** | **0,63** | |
| **Total without Angola** | | 124,07 | -13,3% |
| **Total Sales of Restaurants** | | **124,07** | **-13,3%** |

After the strong fall in consumption on January, the Portuguese market had maintain relatively stable with losses of sales around the 15%.

The concepts of counter KFC and Burger King have demonstrated a greater capacity for sustaining sales and recorded losses below the market, ie continued with market share gains.
The concepts operating under concession spaces with a large component of convenience have remain the best performing, maintaining the level of sales for the same period last year. On the other hand, Service Areas (in motorways) were the most affected by the recessionary situation in the Portuguese economy.

In Spain, the third quarter had shown a slight slowdown, however the market drops substantially lower than those in Portugal. The changing in VAT rate held in September was only 2p.p. and do not appear to have significantly impacted on market behavior.

In accumulated our brands in Spain showed a decline in sales of around 5%. This behavior is highly influenced by the definitive closures of units - Pizza and Pasta Caffé Móvil - and the temporary closures for refurbishment in the case of Burger King.

Continuing the policy of contract renewal of the locations – not to renew if the conditions are not adjusted to the traffic reality – eight more units were closed in the third quarter.

In the first nine months, the Group closed 16 own units, acquired three franchised units and 1 units opened in Angola.

By the end of the third quarter the number of units amounted to 403, as shown below:

| **Nº of Stores** | **2011** | | **2012** | | **2012** |
|---|---|---|---|---|---|
| | **31-Dec** | **Openings** | **Transfer** | **Closings** | **30-Sep** |
| **PORTUGAL** | **317** | **0** | | **8** | **309** |
| **Own Stores** | **316** | **0** | | **8** | **308** |
| Pizza Hut | 99 | | | 3 | 96 |
| 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 | | | | 5 |
| Concessions & Other | 21 | | | | 21 |
| **Franchise Stores** | **1** | | | | **1** |
| **SPAIN** | **102** | **0** | | **9** | **93** |
| **Own Stores** | **79** | **0** | **3** | **8** | **74** |
| Pizza Móvil | 43 | | 3 | 6 | 40 |
| Pasta Caffé | 3 | | | 1 | 2 |
| Burger King | 33 | | | 1 | 32 |
| **Franchise Stores** | **23** | **0** | **-3** | **1** | **19** |
| **ANGOLA** | **102** | **1** | | | **1** |
| KFC | **0** | 1 | | | 1 |
| **Total Own stores** | **395** | **1** | | **16** | **383** |
| **Total Franchise stores** | **24** | **0** | | **1** | **20** |
| **TOTAL** | **419** | **1** | | **17** | **403** |

## *Results*

Consolidated net profit for the third quarter reached 2.7 million euros, 61% below what has been achieved in the same period of 2011.

The reduction in consolidated net profit which amounted to 4.3 million, stems largely from the non-incorporation of the total increase in VAT on the sale price which impacted negatively by approximately 3.0 million euro in gross margin and in results.

The gross margin decrease to 76.7% of turnover and it is slightly lower than in 9M11. If we adjust the effect of the VAT in prices would result a gross margin of 77.3%, less 3 b.p. that than seen in the first nine months of 2011, reflecting a greater promotional effort.

The lower activity has required an adjustment on costs, translated by the end of September:

- In a 13.3% reduction in personnel costs, that now represents 33.5% of turnover and compares with 33.6% in the same period of 2011;

- In External Supplies and Services which decreased by 9,7%, now representing 33.9% of turnover, 120 b.p. above than 2011, corresponding to an operating effort to streamline some costs , despite lengthy process of renegotiating rents.

The strong decline in sales, the price reductions associated with the increase in VAT and the pre-opening costs in Angola have a strong impact on the profitability. Consolidated EBITDA decreased by EUR 5.4 million and reached to EUR 12.7 million, or 30% less than the same period of 2011.

The EBITDA margin stood at 10.0% of turnover compared with 12.3% in the same period of 2011, reflecting the incapacity of reaching integral costs adjustment to the new reality of sales.

Consolidated EBIT margin was 4.2% of turnover, corresponding to an operating profit of 5.3 million euros.

Consolidated financial results were negative in 1.6 million euros, an increase of 542 thousand euros over the value recorded in the first nine months of 2011. The increase verified in average cost of funds had not been balanced by the deposits rates due to the limitations imposed by the regulator.

The average cost of funds stood at 4.9% and incorporates the financing obtained in Angola whose cost is substantially higher than the average cost in Portugal.

## *Balance Sheet*

Total Assets amounted to about 230 million euros and shareholders' equity stood at 117 million euros, representing around 51% of the Assets.

As is characteristic of this business, the Current Assets is less than the Current Liabilities. The financial allowance stands at 20 million euros, 5 million euros over that recorded at year end.

Capex amounted to 6.5 million euros. Highlight for the store of Angola, the relocation of Pizza Hut Maia, the acquisition of the assets of 3 units franchised Pizza Móvil and remodeling of 5 units Burger King in Spain.

Net debt reached to 26.0 million euros, 2.3 million lower than the year end.

## *Own Shares*

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

## *Outlook*

It is expected that the fourth quarter will have a behavior similar to that of previous quarters. However, a decline in income of families associated with the increase over the personal income tax scheduled for January, can in advance affect adversely the consumption of December.

We will continue with the plan of adjustment of resources to sales trends and intensify the process of renegotiating rents.

In late October we opened a second unit KFC in Angola, located in Belas Shopping.

Porto, 16th de November 2012

The Board of Directors,

António Carlos Vaz Pinto de Sousa

António Alberto Guerra Leal Teixeira

Juan Carlos Vázquez-Dodero

## *Declaration of conformity*

In compliance with paragraph c) of section 1 of article 246 of the Securities Market Code each member of the board identified below declares that to the best of their knowledge:

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

(ii) the interim management report includes a fair review of the important events that have occurred in the first nine months of this year and the evolution of business performance and the position of all the companies included in consolidation.

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

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

# Consolidated Financial Statements

**30 September 2012**

**IBERSOL S.G.P.S., S.A.**
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION ON 30 SEPTEMBER 2012 AND 31 DECEMBER 2011**
**(values in euros)**

| ASSETS | Notes | 30-09-2012 | 31-12-2011 |
|---|---|---|---|
| **Non-current** | | | |
| Tangible fixed assets | 7 | 121.444.103 | 123.224.419 |
| Goodwill | 8 | 43.034.262 | 43.034.262 |
| Intangible assets | 8 | 16.397.063 | 16.205.541 |
| Deferred tax assets | | 1.107.355 | 1.054.915 |
| Financial assets available for sale | | 533.685 | 733.685 |
| Other non-current assets | | 1.653.463 | 1.710.740 |
| **Total non-current assets** | | **184.169.931** | **185.963.562** |
| **Current** | | | |
| Stocks | | 3.506.901 | 3.590.104 |
| Cash and cash equivalents | | 29.044.306 | 29.316.069 |
| Other current assets | | 12.984.674 | 8.879.845 |
| **Total current assets** | | **45.535.881** | **41.786.018** |
| **Total Assets** | | **229.705.812** | **227.749.580** |

| EQUITY AND LIABILITIES | | |
|---|---|---|
| **EQUITY** | | |
| **Capital and reserves attributable to shareholders** | | |
| Share capital | 20.000.000 | 20.000.000 |
| Own shares | -11.179.644 | -11.179.644 |
| Goodwill | 156.296 | 156.296 |
| Reserves and retained results | 100.428.366 | 95.293.425 |
| Net profit in the year | 2.671.590 | 6.125.138 |
| | **112.076.608** | **110.395.215** |
| Non-controlling interest | 4.498.768 | 4.449.991 |
| **Total Equity** | **116.575.376** | **114.845.206** |
| **LIABILITIES** | | |
| **Non-current** | | |
| Loans | 36.766.063 | 44.331.622 |
| Deferred tax liabilities | 11.188.350 | 10.820.760 |
| Provisions | 33.257 | 33.257 |
| Other non-current liabilities | 332.400 | 420.552 |
| **Total non-current liabilities** | **48.320.070** | **55.606.191** |
| **Current** | | |
| Loans | 18.248.244 | 13.313.341 |
| Accounts payable to suppl. and accrued costs | 32.963.641 | 29.712.622 |
| Other current liabilities | 13.598.480 | 14.272.220 |
| **Total current liabilities** | **64.810.365** | **57.298.183** |
| **Total Liabilities** | **113.130.436** | **112.904.374** |
| **Total Equity and Liabilities** | **229.705.812** | **227.749.580** |

The Board of Directors,

**IBERSOL S.G.P.S., S.A.**
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**
**FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER, 2012 AND 2011**
**(values in euros)**

| | Notes | 30-09-2012 | 30-09-2012 |
|---|---|---|---|
| **Operating Income** | | | |
| Sales | 5 | 126.602.577 | 145.531.010 |
| Rendered services | 5 | 484.187 | 596.294 |
| Other operating income | | 1.951.569 | 2.613.541 |
| **Total operating income** | | 129.038.333 | 148.740.845 |
| **Operating Costs** | | | |
| Cost of sales | | 29.549.527 | 32.712.771 |
| External supplies and services | | 43.131.824 | 47.740.845 |
| Personnel costs | | 42.619.415 | 49.154.551 |
| Amortisation, depreciation and impairment losses | 7 e 8 | 7.364.136 | 7.244.256 |
| Other operating costs | | 1.076.430 | 1.114.218 |
| **Total operating costs** | | 123.741.332 | 137.966.641 |
| **Operating Income** | | 5.297.001 | 10.774.204 |
| Net financing cost | | -1.593.942 | -1.051.411 |
| **Profit before tax** | | **3.703.059** | **9.722.793** |
| Income tax expense | 5 | 982.692 | 2.669.701 |
| **Profit for the year from continuing operations** | | **2.720.367** | **7.053.092** |
| **Net profit** | | **2.720.367** | **7.053.092** |
| **TOTAL COMPREHENSIVE INCOME** | | **2.720.367** | **7.053.092** |
| **Net profit from continuing operations attributable to:** | | | |
| Owners of the parent | | 2.671.590 | 6.884.555 |
| Non-controlling interest | | 48.777 | 168.537 |
| | | 2.720.367 | 7.053.092 |
| **Net profit attributable to:** | | | |
| Owners of the parent | | 2.671.590 | 6.884.555 |
| Non-controlling interest | | 48.777 | 168.537 |
| | | 2.720.367 | 7.053.092 |
| **Total comprehensive income attributable to:** | | | |
| Owners of the parent | | 2.671.590 | 6.884.555 |
| Non-controlling interest | | 48.777 | 168.537 |
| | | 2.720.367 | 7.053.092 |
| **Earnings per share:** | 9 | | |
| **From continuing operations:** | | | |
| Basic | | **0,15** | **0,38** |
| Diluted | | **0,15** | **0,38** |

The Board of Directors,

**IBERSOL S.G.P.S., S.A.**
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**
**FOR THE THIRD TRIMESTER OF 2012 AND 2011**
**(values in euros)**

| | Notes | 3rd TRIMESTER (unaudited) 2012 | 2011 |
|---|---|---|---|
| **Operating Income** | | | |
| Sales | 5 | 45.303.075 | 52.500.201 |
| Rendered services | 5 | 157.319 | 190.247 |
| Other operating income | | 494.659 | 1.063.317 |
| **Total operating income** | | 45.955.053 | 53.753.765 |
| **Operating Costs** | | | |
| Cost of sales | | 10.286.426 | 11.780.761 |
| External supplies and services | | 14.988.638 | 17.059.623 |
| Personnel costs | | 14.368.796 | 16.511.010 |
| Amortisation, depreciation and impairment losses | 7 e 8 | 2.507.774 | 2.499.638 |
| Other operating costs | | 432.187 | 583.723 |
| **Total operating costs** | | 42.583.821 | 48.434.755 |
| **Operating Income** | | 3.371.232 | 5.319.010 |
| Net financing cost | | -817.262 | -481.190 |
| **Profit before tax** | | **2.553.970** | **4.837.820** |
| Income tax expense | 5 | 660.923 | 1.286.474 |
| **Profit for the year from continuing operations** | | **1.893.047** | **3.551.346** |
| **Net profit** | | **1.893.047** | **3.551.346** |
| **TOTAL COMPREHENSIVE INCOME** | | **1.893.047** | **3.551.346** |
| **Net profit from continuing operations attributable to:** | | | |
| Owners of the parent | | 1.870.729 | 3.473.158 |
| Non-controlling interest | | 22.318 | 78.188 |
| | | 1.893.047 | 3.551.346 |
| **Net profit attributable to:** | | | |
| Owners of the parent | | 1.870.729 | 3.473.158 |
| Non-controlling interest | | 22.318 | 78.188 |
| | | 1.893.047 | 3.551.346 |
| **Total comprehensive income attributable to:** | | | |
| Owners of the parent | | 1.870.729 | 3.473.158 |
| Non-controlling interest | | 22.318 | 78.188 |
| | | 1.893.047 | 3.551.346 |
| **Earnings per share:** | 9 | | |
| **From continuing operations:** | | | |
| Basic | | **0,10** | **0,19** |
| Diluted | | **0,10** | **0,19** |

The Board of Directors,

## IBERSOL S.G.P.S., S.A.
## Statement of Alterations to the Consolidated Equity
## for the nine months period ended 30 September, 2012 and 2011
**(value in euros)**

| | Note | Share Capital | Own Shares | Conversion Reserves | Reserv. & Retained Results | Net Profit | Total parent equity | Non-controlling interest | Total Equity |
|---|---|---|---|---|---|---|---|---|---|
| | | Attrivutable to shareholders | | | | | | | |
| **Balance on 1 January 2011** | | 20.000.000 | -11.179.644 | 9.581 | 81.068.016 | 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 | | | | | 13.626.510 | -13.626.510 | - | | - |
| Net consolidated income in the nine month period ended on 30 September 2011 | | | | | | 6.884.555 | 6.884.555 | 168.537 | 7.053.092 |
| **Total changes in the period** | | - | - | - | 13.626.510 | -6.741.955 | 6.884.555 | 168.537 | 7.053.092 |
| **Other comprehensive income** | | | | | | **6.884.555** | **6.884.555** | **168.537** | **7.053.092** |
| **Transactions with capital owners in the period** | | | | | | | | | |
| Application of the consolidated profit from 2010: | | | | | | | | | |
| Paid dividends | | | | | | -990.000 | -990.000 | | -990.000 |
| Acquisition/ (sale) of own shares | | | | | | | - | | - |
| | | - | - | - | - | -990.000 | -990.000 | - | -990.000 |
| **Balance on 30 September 2011** | | **20.000.000** | **-11.179.644** | **9.581** | **94.694.526** | **6.831.931** | **110.356.394** | **5.039.309** | **115.395.703** |
| **Balance on 1 January 2012** | | 20.000.000 | -11.179.644 | 9.581 | 95.440.140 | 6.125.138 | 110.395.215 | 4.449.990 | 114.845.205 |
| **Changes in the period:** | | | | | | | | | |
| Application of the consolidated profit from 2011: | | | | | | | | | |
| Transfer to reserves and retained results | | | | | 5.135.138 | -5.135.138 | - | | - |
| Insertion of Parque Central Maia | | | | | -3.309 | | -3.309 | | -3.309 |
| Conversion reserves - Angola | | | | 3112 | | | 3.112 | | 3.112 |
| Net consolidated income in the nine month period ended on 30 September 2012 | | | | | | 2.671.590 | 2.671.590 | 48.777 | 2.720.367 |
| **Total changes in the period** | | - | - | 3.112 | 5.131.829 | -2.463.548 | 2.671.393 | 48.777 | 2.720.170 |
| **Other comprehensive income** | | | | | | **2.671.590** | **2.671.590** | **48.777** | **2.720.367** |
| **Transactions with capital owners in the period** | | | | | | | | | |
| Application of the consolidated profit from 2011: | | | | | | | | | |
| Paid dividends | | | | | | -990.000 | -990.000 | | -990.000 |
| Acquisition/ (sale) of own shares | | | | | | | - | | - |
| | | - | - | - | - | -990.000 | -990.000 | - | -990.000 |
| **Balance on 30 September 2012** | | **20.000.000** | **-11.179.644** | **12.693** | **100.571.969** | **2.671.590** | **112.076.608** | **4.498.767** | **116.575.375** |

The Board of Directors,

**IBERSOL S.G.P.S., S.A.**
**Consolidated Cash Flow Statements**
**for the nine months period ended 30 September, 2012 and 2011**
**(value in euros)**

| | Note | Nine months period ending on September 30 | |
|---|---|---|---|
| | | **2012** | **2011** |
| **Cash Flows from Operating Activities** | | | |
| Flows from operating activities (1) | | **13.102.071** | **15.758.896** |
| | | | |
| **Cash Flows from Investment Activities** | | | |
| Receipts from: | | | |
| Financial investments | | | |
| Tangible fixed assets | | 175.368 | 72.716 |
| Intangible assets | | | 5.443 |
| Investment benefits | | | |
| Interest received | | 705.771 | 717.851 |
| Dividends received | | | |
| Other | | | |
| Payments for: | | | |
| Financial Investments | | 200.000 | 430.537 |
| Tangible fixed assets | | 7.228.619 | 7.079.638 |
| Intangible assests | | 1.162.254 | 493.916 |
| Other | | | |
| Flows from investment activities (2) | | -7.709.734 | -7.208.081 |
| | | | |
| **Cash flows from financing activities** | | | |
| Receipts from: | | | |
| Loans obtained | | 4.000.000 | 9.103.898 |
| Sale of own shares | | | |
| Other | | | |
| Payments for: | | | |
| Loans obtained | | 6.557.496 | 14.071.879 |
| Amortisation of financial leasing contracts | | 544.968 | 1.281.250 |
| Interest and similar costs | | 2.100.670 | 1.496.759 |
| Dividends paid | | 990.000 | 990.000 |
| Capital reductions and supplementary entries | | | |
| Acquisition of own shares | | | |
| Other | | | |
| Flows from financing activities (3) | | -6.193.134 | -8.735.990 |
| | | | |
| **Change in cash & cash equivalents (4)=(1)+(2)+(3)** | | **-800.797** | **-185.175** |
| Perimeter changes effect | | | |
| Exchange rate differences effect | | | |
| Cash & cash equivalents at the start of the period | | 28.481.438 | 29.239.847 |
| **Cash & cash equivalents at end of the period** | | **27.680.641** | **29.054.672** |

The Board of Directors,

IBERSOL SGPS, S.A.

ANNEX TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 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 403 units in the restaurant segment through the brands Pizza Hut, Pasta Caffé, Pans & Company, Kentucky Fried Chicken, Burguer King, O' Kilo, Bocatta, Café Sô, Quiosques, Pizza Móvil, Flor d'Oliveira, Sol, Sugestões e Opções, José Silva Carvalho, Catering and SEC Eventos e Catering. The group has 383 units which it operates and 20 units under a franchise contract. Of this universe, 93 are headquartered in Spain and 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 30 September 2012, mainly with the international standard n.º 34 –Interim Financial Report.

The accounting policies applied on 30 September 2012 are identical to those applied for preparing the financial statements of 30 September and of 31 December 2011.

3. IMPORTANT ACCOUNTING ESTIMATES AND JUDGMENTS

There where no substantially differences between accounting estimates and judgments applied on 31 December 2011 and the accounting values considered in the nine months period ended on the 30 September 2012.

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

4.1 The following group companies were included in the consolidation on 30 September 2012, 30 September 2011 and 31 December 2011:

| Company | Head Office | % Shareholding Sep-12 | Dec-11 | Sep-11 |
|---|---|---|---|---|
| **Parent company** | | | | |
| Ibersol SGPS, S.A. | Porto | parent | parent | parent |
| **Subsidiary companies** | | | | |
| Iberusa Hotelaria e Restauração, S.A. | Porto | 100% | 100% | 100% |
| Ibersol Restauração, S.A. | Porto | 100% | 100% | 100% |
| Ibersande Restauração, S.A. | Porto | 80% | 80% | 80% |
| Ibersol Madeira e Açores Restauração, S.A. | Funchal | 100% | 100% | 100% |
| Ibersol - Hotelaria e Turismo, S.A. | Porto | 100% | 100% | 100% |
| Iberking Restauração, S.A. | Porto | 100% | 100% | 100% |
| Iberaki Restauração, S.A. | Porto | 100% | 100% | 100% |
| Restmon Portugal, Lda | Porto | 61% | 61% | 61% |
| Vidisco, S.L. | Vigo - Espanha | 100% | 100% | 100% |
| Inverpeninsular, S.L. | Vigo - Espanha | 100% | 100% | 100% |
| Ibergourmet Produtos Alimentares, S.A. | Porto | 100% | 100% | 100% |
| Ferro & Ferro, Lda. | Porto | 100% | 100% | 100% |
| Asurebi SGPS, S.A. | Porto | 100% | 100% | 100% |
| Charlotte Develops, SL | Madrid-Espanha | 100% | 100% | 100% |
| Firmoven Restauração, S.A. | Porto | 100% | 100% | 100% |
| IBR - Sociedade Imobiliária, S.A. | Porto | 98% | 98% | 90% |
| Eggon SGPS, S.A. | Porto | 100% | 100% | 100% |
| Anatir SGPS, S.A. | Porto | 100% | 100% | 100% |
| Lurca, SA | Madrid-Espanha | 100% | 100% | 100% |
| Q.R.M.- Projectos Turísticos, S.A | Porto | 100% | 100% | 100% |
| Sugestões e Opções-Actividades Turísticas, S.A | Porto | 100% | 100% | 100% |
| RESTOH- Restauração e Catering, S.A | Porto | 100% | 100% | 100% |
| Resboavista- Restauração Internacional, Lda | Porto | 100% | 100% | 100% |
| José Silva Carvalho Catering, S.A | Porto | 100% | 100% | 100% |
| (a) Iberusa Central de Compras para Restauração ACE | Porto | 100% | 100% | 100% |
| (b) Vidisco, Pasta Café Union Temporal de Empresas | Vigo - Espanha | 100% | 100% | 100% |
| Maestro - Serviços de Gestão Hoteleira, S.A. | Porto | 100% | 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% | 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.

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

4.2. Alterations to the consolidation perimeter

4.2.1. Acquisition of new companies

The group did not buy any subsidiary in the nine months period ended on 30 September 2012.

4.2.2. Disposals

The group did not sell any of its subsidiaries in the nine months period ended on 30 September 2012.

## 5. INFORMATION PER SEGMENT

In the nine months ended September 30, 2012, since there is no operational activity and asset values are not enough to constitute a separate segment, the contribution of Angola is reflected in the segment of Portugal.

**Main Report Format – geographic segment**

The results per segment for the nine months period ended on 30 September 2012 are as follows:

| **30 September 2012** | **Portugal** | **Spain** | **Group** |
|---|---|---|---|
| Restaurants | 93.134.025 | 31.559.464 | 124.693.489 |
| Merchandise | 647.148 | 1.261.940 | 1.909.088 |
| Rendered services | 141.599 | 342.588 | 484.187 |
| **Turnover por Segment** | **93.922.772** | **33.163.992** | **127.086.764** |
| Operating income | 3.368.618 | 1.928.383 | 5.297.001 |
| Net financing cost | -1.102.857 | -491.085 | -1.593.942 |
| Share in the profit by associated companies | - | - | - |
| **Pre-tax income** | **2.265.761** | **1.437.298** | **3.703.059** |
| Income tax | 686.594 | 296.098 | 982.692 |
| **Net profit in the period** | **1.579.167** | **1.141.200** | **2.720.367** |

The results per segment for the nine months period ended on 30 September 2011 are as follows:

| **30 September 2011** | **Portugal** | **Spain** | **Group** |
|---|---|---|---|
| Restaurants | 109.987.183 | 33.120.117 | 143.107.300 |
| Merchandise | 952.751 | 1.470.959 | 2.423.710 |
| Rendered services | 201.910 | 394.384 | 596.294 |
| **Turnover por Segment** | **111.141.844** | **34.985.460** | **146.127.304** |
| Operating income | 8.843.271 | 1.930.933 | 10.774.204 |
| Net financing cost | -620.828 | -430.583 | -1.051.411 |
| Share in the profit by associated companies | - | - | - |
| **Pre-tax income** | **8.222.443** | **1.500.350** | **9.722.793** |
| Income tax | 2.408.780 | 260.921 | 2.669.701 |
| **Net profit in the period** | **5.813.663** | **1.239.429** | **7.053.092** |

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

## 6. UNUSUAL AND NON-RECURRING FACTS AND SEASON ACTIVITY

No unusual facts took place during the nine months period ended 30 September 2012.

In the restaurant segment season activity is characterized by an increase of sales in the months of July, August and December, witch leads to a greater activity on the third trimester of the year compared with the first semester. The previous years have evidenced that, in comparable perimeter and with an equal distribution of openings and closings, in the period that understands the nine first months of the year, sales are about 74% of annual volume and, with the dilution effect of the fixed costs with the increase of the activity, the operating income represents about 77%.

7. TANGIBLE FIXED ASSETS

In the nine months period ended 30 September 2012 and in the year ending on 31 December 2011, the following movements took place in the value of tangible fixed assets, and in the respective amortisation and accumulated impairment losses:

| | Land and buildings | Equipment | Other tangible 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 Assets | Tangible Assets in progress (1) | Total |
|---|---|---|---|---|---|
| **30 September 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 | -1.208 | -41 | -12 | -1.720 | -2.981 |
| Additions | 2.671.842 | 2.289.454 | 273.738 | 134.066 | 5.369.100 |
| Decreases | 432.686 | 187.329 | 1.296 | 2.183 | 623.494 |
| Transfers | 1.723.453 | 399.692 | 102.058 | -2.482.310 | -257.107 |
| Depreciation in the year | 2.346.565 | 3.153.080 | 760.498 | - | 6.260.143 |
| Deprec. by changes in the perim. | - | - | - | - | - |
| Impairment in the year | - | - | - | - | - |
| Impairment reversion | 5.697 | - | - | - | 5.697 |
| **Final net amount** | **100.594.517** | **17.930.949** | **2.140.916** | **777.722** | **121.444.105** |
| **30 September 2012** | | | | | |
| Cost | 133.042.467 | 69.986.666 | 14.591.907 | 777.722 | 218.398.763 |
| Accumulated depreciation | 28.580.117 | 51.493.084 | 12.388.477 | - | 92.461.677 |
| Accumulated impairment | 3.867.833 | 562.633 | 62.515 | - | 4.492.981 |
| **Net amount** | **100.594.517** | **17.930.949** | **2.140.916** | **777.722** | **121.444.105** |

(1) fixed assets in progress relates mainly to the KFC restaurant Belas Shopping in Luanda, Angola. The movements in the period concern the 1st KFC restaurant in Luanda, Angola, open to the public on the third trimester.

8. INTANGIBLE ASSETS

Intangible assets are broken down as follows:

| | Sep-12 | Dec-11 |
|---|---|---|
| Goodwill | 43.034.262 | 43.034.262 |
| Other intangible assets | 16.397.063 | 16.205.541 |
| | **59.431.325** | **59.239.803** |

In the nine months period ended 30 September 2012 and in the year ending on 31 December 2011, the movement in the value of intangible fixed assets and in the respective amortisation and accumulated impairment losses were as follows:

| | Goodwill | Industrial property | Other intangible Assets | Intangible Assets in progress (1) | Total |
|---|---|---|---|---|---|
| **1 January 2011** | | | | | |
| Cost | 44.765.226 | 19.141.360 | 4.604.257 | 2.273.973 | 70.784.816 |
| Accumulated amortisation | - | 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 |
| Depreciation in the year | - | 932.842 | 585.247 | - | 1.518.089 |
| Deprec. by changes in the perim. | - | - | - | - | - |
| 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 amortisation | - | 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** | **59.239.804** |

| | Goodwill | Industrial property | Other intangible Assets | Intangible Assets in progress (1) | Total |
|---|---|---|---|---|---|
| **30 September 2012** | | | | | |
| Initial net amount | 43.034.262 | 13.273.310 | 648.062 | 2.284.169 | 59.239.804 |
| Changes in consolidat. Perimeter | - | - | - | - | - |
| Additions | - | 361.884 | 13.984 | 749.570 | 1.125.438 |
| Decreases | - | 8.259 | 5.844 | - | 14.103 |
| Transfers | - | 18.158 | - | 167.410 | 185.568 |
| Depreciation in the year | - | 719.160 | 386.220 | - | 1.105.380 |
| Deprec. by changes in the perim. | - | - | - | - | - |
| Impairment in the year | - | - | - | - | - |
| Impairment reversion | - | - | - | - | - |
| **Final net amount** | **43.034.262** | **12.925.932** | **269.982** | **3.201.149** | **59.431.326** |
| | | | | | |
| **30 September 2012** | | | | | |
| Cost | 44.895.940 | 19.952.178 | 4.702.679 | 3.201.149 | 72.751.946 |
| Accumulated amortisation | - | 6.303.709 | 4.362.587 | - | 10.666.296 |
| Accumulated impairment | 1.861.678 | 722.537 | 70.110 | - | 2.654.324 |
| **Net amount** | **43.034.262** | **12.925.932** | **269.982** | **3.201.149** | **59.431.326** |

(1) the balance of the fixed assets items in progress refers mainly to the 3 new concessions still unopened, in service areas of the following motorways: Guimarães, Fafe and Paredes, these service areas are still in the design stage and awaiting for platforms delivery, and to the KFC restaurant Belas Shopping in Luanda, Angola.

The table below summarises goodwill broken down into segments:

| | Sep-12 | Dec-11 |
|---|---|---|
| Portugal | 10.000.021 | 10.000.021 |
| Spain | 32.903.527 | 32.903.527 |
| Angola | 130.714 | 130.714 |
| | **43.034.262** | **43.034.262** |

On 30 September 2012 on the Spain segment, goodwill refers mainly to the purchase of the subsidiaries Lurca and Vidisco.

## 9. INCOME PER SHARE

Income per share in the nine months period ended 30 September 2012 and 2011 was calculated as follows:

| | Sep-12 | Sep-11 |
|---|---|---|
| Profit payable to shareholders | 2.671.590 | 6.884.555 |
| 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) | 0,15 | 0,38 |
| Earnings diluted per share (€ per share) | 0,15 | 0,38 |
| Number of own shares at the end of the year | 2.000.000 | 2.000.000 |

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

10. DIVIDENDS

At the General Meeting of 13 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).

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 30 September 2012, responsibilities not recorded by the subsidiaries consist mainly of bank guarantees given on their behalf, as shown below:

| | **Sep-12** | **Dec-11** |
|---|---|---|
| Guarantees given | 92.168 | 74.091 |
| Bank guarantees | 2.509.000 | 3.970.973 |

Bank loans with the amount of 73.820 € (485.092 em 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.

13. IMPAIRMENT

In the nine months period ended 30 September 2012, the movement in the value of current assets and in the respective accumulated impairment losses were as follows:

| | **Starting balance** | **Transfers** | **Impairment assets disposals** | **Losses in the Year** | **Impairment reversion** | **Closing balance** |
|---|---|---|---|---|---|---|
| **Tangible fixed assets** | 5.553.870 | -1.568 | -1.053.624 | - | - 5.697 | 4.492.981 |
| **Consolidation differences** | 1.861.678 | - | - | - | - | 1.861.678 |
| **Intangible assets** | 791.079 | 1.568 | - | - | - | 792.647 |
| **Stocks** | 74.981 | - | - | - | - | 74.981 |
| **Other current assets** | 1.062.787 | - | - | - | -28.565 | 1.034.222 |
| | 9.344.395 | - | -1.053.624 | - | -34.262 | 8.256.510 |

14. 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 only in the Iberian market. Bank loans are in euros and all sales and rendered services are performed in Portugal and Spain. Moreover, purchases outside the Euro zone are of irrelevant proportions.

Although the Group hold investments outside the euro-zone in external operations, in Angola, there is no significant exposure to currency exchange risk due to the reduced size of the investment. Angolan branch loan in the amount of 2.200.000 USD does not provide great exposure to currency exchange rate due to its reduced amount and to the strong correlation between American dollar and local currency. The remaining loans raised by the Angolan subsidiaries are denominated in the local currency, the same that are generated income.

ii) Price risk
The group is not significantly 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 stems from its liabilities, in particular from 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.

Remunerated debt bears interest at a variable rate, part of which is being negotiated for a fixed interest rate. On the other hand, the Group has holdings that cover about 43% of the loans whose remuneration in net terms dampens the debt interest rate changes.

Based on simulations performed on 30 September 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 EUR 140 thousand.

**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 the short-term bank loans payable on the date of renewal and that the contract commercial paper programmes expire on the dates of denunciation.

At the end of the third trimester, current liabilities (net of deferred income) reached 65 million euros, compared with 46 million euros in current assets. This disequilibrium is, on one hand, a financial characteristic of this business and, on the other hand, due to the option of using short-term debt to finance investments. In order to ensure liquidity of the short term debt it is expected that in the year 2012 the Group will continue financial consolidation operations. However, in case of need, the balance of cash and cash equivalents and operating cash flows provided are sufficient to settle the current loans.

Due to the current situation of financial markets pressure for the reduction of credit granted by the banks, the Group chose to negotiate and maintain a significant part of the short-term credit lines. On September 30, 2012, the use of short term credit lines to support treasury was 3%.The applications in term deposits of EUR 19 million correspond to 43% of liability paid.

**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 30 September 2012 the gearing ratio was of 18% and of 20% on 31 December 2011.

## 14. SUBSEQUENT EVENTS

In this quarter, we proceeded to the opening of the second Ibersol restaurant in Angola, brand KFC. Other than that there are no other events subsequent to September 30, 2012 that may have a material impact on the financial statements presented.

## 15. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors and authorised for emission on 16th November 2012.