IBERSOL - SGPS, SA

Public Company

Head Office: Edifício Península, Praça do Bom Sucesso, n.º 105 a 159 - 9th floor, 4150 - 146 Porto

Share Capital: 20,000,000 €

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

2013 ANNUAL REPORT AND CONSOLIDATED ACCOUNTS

(proposal point 2 to the Annual General Meeting)

- MANAGEMENT REPORT
- CORPORATE GOVERNANCE REPORT
- FINANCIAL STATEMENTS AND ANNEXES

MANAGEMENT REPORT

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1. Introduction

2013 was the third year of economic adjustments due to implementation of the measures provided for in the agreement with the Troika, which resulted in a reduction in GDP and a continued decline in domestic demand.

From the end of the first half, however, the economic data started to show the first signs of a change of trend: the Portuguese economy started to grow and domestic demand recovered, posting year-on-year growth of 1.6% in the last quarter, outperforming all other eurozone members, including Germany.

As a result, the unemployment rate fell slightly, while employment levels showed signs of recovery.

Meanwhile, Portugal attracted more foreign tourists (a trend which, according to some analysts, has gained traction during the three years of the financial adjustment programme), further contributing to the upturn in consumption.

These positive signs are particularly important for the Ibersol Group because they have a practical effect on domestic demand; not that they had a material impact on the results for 2013, but they serve as indicators for 2014.

Overall, the year continued to be marked by the effects of the austerity measures, with a continuation of the contraction in demand, an effective decline in disposable income and a high level of unemployment, with direct implications for consumer behaviour.

Combined, these factors led to a continuation of the contraction in consumption.

On the downside, contrary to expectations (Portugal being one of the European countries in which the restaurant sector contributes most to the growth of employment and the economy), the Government considered that the conditions were not fulfilled for a reduction in the rate of VAT applicable to the sector to more competitive levels, despite earlier promises. The sector continues to labour under the burden of an extremely high VAT rate, which has very negative consequences for the sector and the country as a whole.

There persists the mistaken notion that VAT on food service is a tax borne by the consumer, whereas the fact is that, as the burden cannot be passed on to consumers through prices, most operators have continued to see their margins squeezed. Yet this squeeze on margins affects only those who stay within the law, as the rest offset the extra cost by not paying tax on part of their income, putting honest competitors in a weaker position, although it has to be acknowledged that the authorities have made considerable efforts to combat the underground economy.

To alleviate this difficulty, the Ibersol Group, as a large restaurant operator, has tried to hone its management model by trimming variable costs and also, where possible, some of its fixed costs. At the same time, it has sought to implement an expansion plan in the Iberian market through very selective openings, while also modernizing existing units, so as to continue to offer customers a richer experience in terms of service and quality.

Given that the consumer decision-making process has become more complex and selective, as reflected in the different rates and habits of consumption, we took care, in these modernizations and remodels, to consolidate our operations so as to ensure the best possible consumer experience, as we have found it essential to always strive to strengthen the customer relationship and anticipate customers' needs at all times.

The above applies equally to the Spanish market, where we face similar challenges, since the Spanish economy is likewise undergoing severe adjustments.

The Group continued to reinforce its positioning, founded on three broad lines of action: readjusting and modernizing the Group's portfolio; adding value to the Group's human resources; and expanding the Group's operations to new markets in Portuguese-speaking countries, especially in Africa.

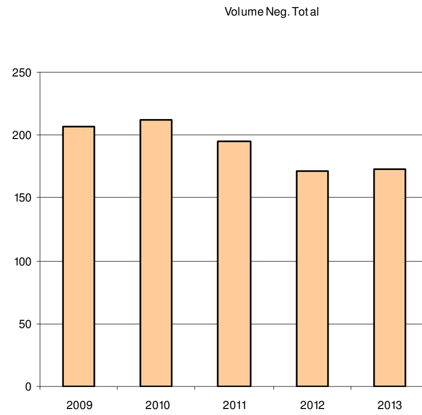
In all these lines of action we are making steady progress towards a new horizon of business and corporate development, introducing new concepts, opening new units in key locations and closing unprofitable ones, all thanks to the efforts of the operational teams, which have internalized the customer orientation.

As the largest Portugal-based multinational operating in the modern restaurants sector, the Ibersol Group continues to offer its stakeholders a robust vision of the future: a multi-concept Group, present in different geographical areas, that seeks to meet customers' needs through appropriate management of resources.

2. Main indicators

ECONOMIC INDICATORS 2013

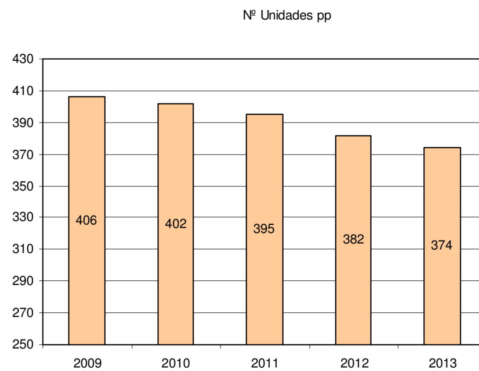
Turnover



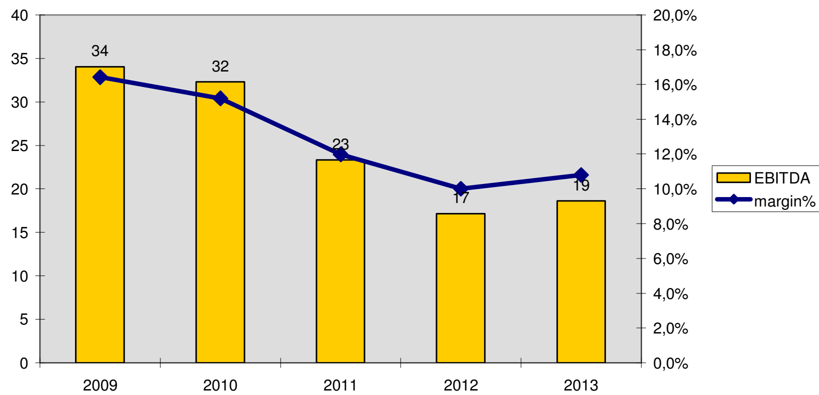
Restauration Sales

	million €	% Ch. 13/12
Sales of Restaurants	168,68	0,7%
Sales of Merchandise	3,16	-1,5%
Services Rendered	0,64	-0,1%
Net Sales & Services	172,49	0,7%

No. Units



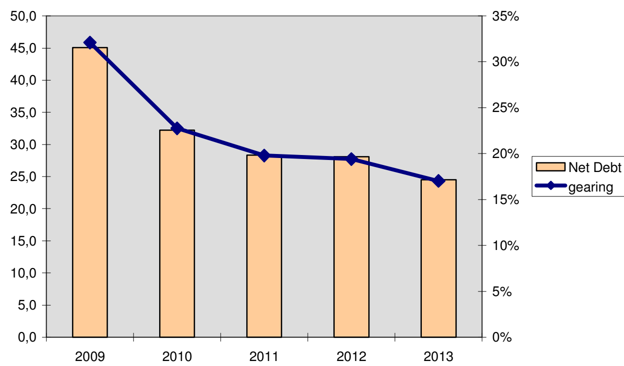
EBITDA

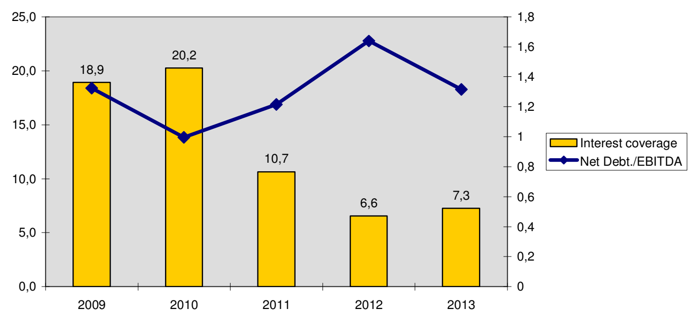


FINANCIAL INDICATORS 2013

	Net Assets	Net Debt	Equity
Mn Euros	**218**	**24,5**	**114,5**
Ch %	**-2,5%**	**-12,8%**	**2,3%**

Net Debt





3. Message from the Chairman of the Board of Directors

For a large group such as Ibersol, 2013 proved that persistence and focus are vital in order to stay on course.

We knew it would be another difficult year for households and businesses in Portugal and Spain, because of the high unemployment and the increasing tax burden, in a context of uncertainty, which in our line of business directly affects the consumption profile.

Times have changed and, with them, the consumer decision-making process, whether through a reduction in consumer purchasing power or through changes in consumption habits and rates, changes which have come to stay.

In this context, our persistence and our focus on cost reduction, both at the operational level and at a more structural level, have been decisive in enabling us to maintain the sustainable pace that has characterized our management, providing assurance to all our stakeholders.

This desideratum was only achieved because we were able to rely on the effort and involvement of our entire team (for which they deserve praise), who have internalized and grasped the importance of the current adjustments, which are crucial in order to maintain the Group's economic and financial health.

Portugal is regaining confidence. There are signs of recovery and hope, mainly due to the effort and sacrifice of the Portuguese people and their creative energy. The tide of unemployment is on the ebb and economic growth, though still fragile, appears to have returned, giving real hope that the worst is over.

In the Ibersol Group we have weathered the storm, protecting jobs and employment and showing rigor and persistence in all we do. It is this same persistence and rigor in action that guides us every day in the Ibersol Group in Portugal, Spain and Angola.

4. Year 2013

4.1 Main events

Portfolio modernization and new concepts

Modernization of the business portfolio and continuity in the introduction of new concepts were the two main thrusts of the Group's activity in 2013.

Because we take a long-term view, we aim to continuously renew our spaces and concepts, both in Portugal and in Spain. An example worth pointing out is the modernization of the Pasta Caffé brand, with the development of a new restaurant and menu concept in the Vasco da Gama shopping centre, aimed at associating the brand more strongly with designer Italian cuisine and featuring an exclusive new menu designed by the celebrated chef Luís Américo, one of the highlights being the crispy thin-crust stone-baked pizza. In addition, the restaurant has a modern decor and image, a full-time professional pizza maker and unique spaces with different ambiences.

Several Burger King units in Portugal and Spain were modernized, with the expansion of the Play King Virtual concept to a larger number of restaurants, implementation of the free refill service and digital menuboards, and the launch of the mobile application. We opened a new restaurant in Mem Martins in the municipality of Sintra, which seats 120 guests and has a drive-thru service, while in Spain a new restaurant was opened in Ricoletas in Valladolid.

As regards the Pizza Hut brand, we remodelled the Ponta Delgada unit in the Azores and opened a new unit in Funchal Airport. A new Pizza Hut Delivery unit was opened in Lisbon, with a new design, to replace the Álvares Cabral unit.

Turning to Pans & Company, the Algarve Shopping, Fórum Montijo, Parque Atlântico and Fórum Algarve units also underwent modernization, inspired by the new brand designs.

Another highlight of 2013 was the performance of the new MiiT concept, designed in response to a growing concern among Portuguese consumers, who are showing an increasing interest in and awareness of the advantages of healthy eating. MiiT is a food service proposition centred on strong differentiating factors: a specialization in grilled meat with exciting flavours and an emphasis on quality and authenticity.

In view of the acceptance of this new concept, two new units were opened in Lisbon and one in Cascais, consolidating MiiT as one of the Ibersol Group's new concepts in Portugal.

A winning bid in Madeira Airport

The Ibersol Group opened four new restaurant spaces in Madeira Airport. The new spaces, located on Floor 3 (one on the land side, open to the general public, the others on the ocean side, in a restricted area):

· Clocks, a cafeteria with a large selection, including fresh salads, pasta, hamburgers, steak sandwiches and fruit juices

· Cockpit restaurant bar with table service, offering a variety of tapas, mini-sandwiches, cooked meals and wine by the glass

· Go To café, a self-service cafeteria for those who do not have a minute to spare

· Pizza Hut, a high impact international brand, with its range of cooked-to-order pizzas

The architectural space, complemented by a contemporary interior design, takes advantage of the privileged ocean and mountain views to create unique settings that invite customers to relax and enjoy themselves. These concepts also offer a number of additional services: laptop and mobile phone battery charging, free wi-fi, spaces for the use of PCs, videowall with Sport TV and access to the main international channels, children’s play area, lounge area and terraces with a smokers’ area.

They serve to strengthen the Ibersol Group’s competitive position in the Madeira market, where we have been present since 2000.

With this new project the Ibersol Group has investments totalling more than 5.5 million euros and employs nearly 130 people, most of them from Madeira.

The Angolan market

2013 was marked by the consolidation of the Ibersol Group’s internationalization strategy in the Angolan market.

We gave ourselves three years to assess the maturity of the Angolan market by offering the possibility to consumers of KFC products.

During the year we opened the third restaurant in Luanda, in an urban environment. So far, sales in the Angolan units have performed as planned and the product seems to be well received by consumers.

4.2. Economic context

World economic situation

According to the IMF, in 2013 the world economy grew by nearly 3%, falling short of initial expectations, which projected growth of 3.5%. Economic performance was disappointing, especially in emerging or developing economies. Growth is expected to accelerate to around 3.7% in 2014, buoyed by more investment and most favourable consumption economic policies in the developed economies and a stabilization of growth in the emerging economies, with China at the forefront.

In 2013 the United States grew by an average of 1.9%, in a year marked by severe budgetary restrictions, including indiscriminate cuts in public spending and the temporary shutdown of some public services. This situation, which had considerable impact in the first quarter of the year, was resolved by the agreement that put an end to the stand-off between Democrats and Republicans. With private demand and investment on the rise, GDP growth can be expected to return to rates of around 2.5% in 2014, despite the gradual withdrawal of monetary stimuli to the economy by the Federal Reserve.

In spite of the return to positive growth from the second quarter of 2013, the eurozone economy contracted by nearly 0.4%, with forecasts of 0.9% growth in 2014. With European elections on the horizon, the weakness of the employment market, with unemployment at 12%, is an additional factor of political instability that could compromise the hoped-for start of a new cycle of expansion, however moderate.

The prevailing optimism sees 2014 as a year of global recovery and expansion. However, the dependency on the performance of the financial markets, the doubts about the maintenance of the growth of the Chinese economy and the political environment in the eurozone are just some of the risk factors that could affect the rate of growth.

Situation in Portugal

Portuguese GDP fell 1.5% in 2013, contradicting most forecasts, which predicted a slowdown in excess of 2%.

The continued good performance on the external front, especially as regards exports of goods and services, and a slight recovery in domestic private demand are the main factors explaining the less negative behaviour of the Portuguese economy.

The increase in unemployment, which, despite a slight dip in the last quarter, rose over the year as a whole from 15.7% to 16.6%, should be noted.

After three consecutive years of recession, the available indicators suggest that 2014 will see a return to moderate growth, estimated at 1% of GDP. No substantial improvement is expected in the employment market, although the unemployment rate is expected to decline slightly.

As regards the commitments assumed at European level, the process of fiscal consolidation will continue, based on cutbacks in public spending, which will mainly affect spending on public employees, pensions and welfare benefits.

The end of the Economic and Financial Assistance Programme will force a transition to a new market-based model of government financing. This will be a major challenge to the country's ability to maintain the confidence of international creditors and improve debt service conditions.
The great unknown, however, will be the sustainability of economic growth, considering the negative impact that implementation of the additional austerity policies envisaged in the 2014 national budget is likely to have on consumption and private investment.

Situation in Spain

Spanish GDP contracted by nearly 1.2% over 2013 as a whole. In the last half, after nine consecutive quarters of contraction, the economy finally showed clear signs of a change of trend, allowing predictions of moderate growth in the region of 1% for 2014.
The recovery is attributable to the strengthening of the export sector, thanks to the increase in competitiveness of the economy as a result of the decrease in unit labour costs and signs of recovery in some of the country's main trading partners.
A series of factors, including the fragility of the job market (with unemployment at around 26%), the persistently tight lending conditions and the need to continue to reduce the budget deficit, limit the growth of domestic demand and impose a moderate pace of economic expansion.
Success in correcting the external imbalance of the Spanish national accounts will depend on boosting exports and substituting a large proportion of imports with goods and services produced domestically.
The programme of financial assistance to banks, which allowed the recapitalization of financial institutions, ended in January 2014.
In 2014 the public sector will need to maintain the fiscal consolidation effort in order to reduce the deficit to 5.8% of GDP (6.3% in 2013).

Situation in Angola

2013 was marked by a slight decline in the rate of expansion of economic activity in Angola, which grew 4.5%, mainly due to the slowdown in oil production and the partial execution of the expenditures anticipated in the national budget (OGE), specifically the expenditures envisaged under the Public Investment Programme (PIP).
According to Finance Ministry data, revenue from oil exploration decreased significantly in the last few months of 2013. The drop in revenue is due to the fall in the average price per barrel exported (down from USD 107.5 in 2013 to USD 111.0 in 2012), as the volume of exports was almost unchanged (630 million barrels, +0.2% more than the previous year).
A new customs tariff was published, effective from 2014, with the ultimate objective of stimulating local production through an increase in duties on imported goods. Given the existing constraints on the local supply, this change of policy may lead, in the short term, to an increase in final prices for consumers, which will tend to create inflationary pressures.

After of a period of very rapid growth associated with the reconstruction effort, the Angolan economy entered a period of more moderate, though still significant, growth. The stable revenue from the expansion of oil and natural gas exploration will allow the authorities to pursue their strategy to stimulate economic diversification.

Final Note

Though less pronounced than before, some of the risk factors that could derail the recovery of global growth are still present in 2014, in particular the numerous political conflicts with no solution in sight, which will continue to affect the normal functioning of world trade and the performance of the emerging economies, which have been affected by the shift in U.S. policy.

Even so, the outlook for the economy is more positive.

5. The Ibersol Group

5.1 Business Structure

IBERSOL SGPS

100% Ibergourmet
100% Ibersol Restauração
10,02%
89,98% Asurebi SGPS
100% Ibersol Mad. e Açores
61% Restmon Portugal
2,11%
EGGON SGPS
97,89%
100% ANATIR SGPS
50% UQ Consult
100% MAESTRO
100% Ibersol Hot.Turismo
51% 39%
IBR Imobiliária
10%
IBERSANDE
80%
10,19%
89,81% Iber King
80,37% GRAVOS
30%
5% 65% IBERUSA
40%
39,8% Ibersol Angola (*)
100% HCI
100% Inverpeninsular
100% Lurca
100% Charlotte
100% VIDISCO
100% QRM
100% Sugestões & Opções
100% J. S. Carvalho Catering
100% SEC - Eventos e Catering
100% Firmoven
100% Iberaki
99,75% Ferro & Ferro
100% Parque Central Maia
100% Restoh
95,96% Resboavista
4,04%

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

{(*) Other shareholders: ANATIR SGPS (10%), EGGON SGPS (10%) and IBERSOL SGPS (0.2%)}

5.2 Strategic Profile of the Group

GUARANTEEING GOOD EXPERIENCES AND QUALITY OF LIFE

Never before have our customers placed so much value on good experiences and quality of life. We know that millions of people make us an integral part of their lives, so we make them the centre of our attention. The Group offers diversified products that allow consumers to choose from a wide range of taste and quality experiences. Whether at breakfast, lunch, snack time or dinner, during the week or on the weekend, at a rest stop on a car trip, before a train departure or on an all-night flight, people spend a lot of time away from home. The Ibersol Group aims to provide consumers with enjoyable moments accompanied by balanced and carefully prepared meals that are well suited to the Portuguese lifestyle. And today, likewise more than ever, we require highly demanding policies on functional aspects such as Product and Food Safety, as a solid foundation for a brand offering that has built up a decades-long relationship of trust.

FOCUSING ENERGIES ON THE CUSTOMER RELATIONSHIP

At a time when consumers continue to see their disposable income fall, they become more demanding when eating away from home. Perceived value must be ever greater in the value proposition and the experience provided.

To meet these new demands, we continuously work to improve our organizational units, information systems and the systemic approach to identifying large consumer clusters and restaurant segments per the different environments and habits. We likewise pursue an active policy of value-based pricing, adjusting the prices of what's offered to the benefits provided and respecting the heterogeneity of consumers and markets.

Every day the Ibersol Group seeks to actively interact with its customers and respond to the trending habits of 'new' consumers. We do this by relying on the most up-to-date and effective resources to achieve a firm grasp of the changing consumer environment.

A SOCIAL NETWORK WITH ADDED VALUE FOR CONSUMERS

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

The Ibersol Group today has on the Iberian peninsula, and now also in Africa, a network of emotional bonds and trust built up between our workers and customers every minute on the job.

To continually create conditions so that the Ibersol team can be the transmitter of that added-value relationship with customers —interaction, in-depth communication, care and dedication— is a principle the Group wants thoroughly imprinted in its DNA. To achieve this goal, we continuously invest in skillbuilding for our people, especially unit managers and shift leaders, and in increasing their capacity to take responsibility for interacting with customers.

These managers are on the front line of efforts to identify shifts in consumer preferences and habits. They are the ones who must 'read' changing expectations and realities and transmit them so they can be included in new value propositions. We have also decentralized the

capacities associated with quality certification processes and thus strengthened the ability of managers to know and verify quality standards.

OVERALL MANAGEMENT AND LOGISTIC PLANNING PROCESSES

The Ibersol Group has organized a supply chain that guarantees the quality of the products it markets from the supply to logistics to sale phases.

It is a single, unified body that is continuously streamlined by taking an active approach to quality and certification.

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

The commitment not to compromise the quality/price relation is a rule that admits no exceptions. By constantly improving management processes for resources and goods, Ibersol aims to maintain long-lasting and consistent relationships with our supplier partners.

In a particularly difficult scenario for economic operators, especially our domestic suppliers, the Ibersol Group pursues a policy of active support, promoting the development of their capacities, especially in those areas that ensure supply of specific products tailor-made for the operation of certain brands.

The overall aim is to achieve efficiency improvements, with rigorous and exacting standards and greater competitiveness, by playing an active role in improving the policies and practices of partners and suppliers, especially the smaller ones, to whom we offer the possibility of expanding to the markets in which the Group operates.

EXCELLENCE IN FOOD QUALITY AND SAFETY

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

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

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

Thus, with its focus on assuring the appropriateness of children's menus for the brands taking part in that programme and the associated communication activities, and its support for youth and school sports initiatives, the *Viva Bem* Programme has become a daily reality in consumer health instructional activities.

From Mother's Day to Back-to-School, on the www.vivabem.pt website, and most especially in such enriching actions as the Open Kitchens for Schools and periodic informational scripts, this

programme provides active support on matters of nutrition, health, physical activity and wellness.

IBERSOL TRAINING, A SCHOOL FOR LIFE

Ibersol's business is people-based and it is thus vital for our people to be properly qualified to ensure our success.

Ibersol is strongly committed to training our employees, each and every day and from day one.

In a scenario of hard economic times, in which consumers have seen their purchasing power eroded and are thus become ever more demanding in the products and services they choose, employee training has become even more important. By strengthening this training, Ibersol aims to improve the quality of service provided and keep its place in the vanguard of excellence.

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

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

In addition to training to improve its operational efficiency, the Group seeks to broaden the horizon of its employees, encouraging them to take active part in a Career Building Programme and in others enabling them to obtain specific qualifications.

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

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

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

AN ACTIVE APPROACH TO RESOURCES MANAGEMENT AND RESPECT FOR THE ENVIRONMENT

Controlling costs is also a process of reinvention and change.

A rethink must be conducted of teams, energy consumption, consumables, products and waste, above all to inculcate a drive to rethink processes and change the way of doing things. This approach has led the group to redefine the employee profile, optimizing management of time, processes and resources.

That's why the Ibersol Group continues consolidating policies on good practices for resource management, specifically in energy consumption, with clear beneficial results.
This policy has positive collateral effects, as awareness of the need to adopt measures for rational use of electricity lead to those measures being extended to other types of consumption.
An excellent example of this sustainable approach is the Used Food Oil Recycling Programme, in tandem with the biodiesel industry.

5.3 Governing Bodies

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

Fiscal Council:
Chairman- Joaquim Alexandre de Oliveira e Silva;
Deputy Chairman - António Maria de Borda Cardoso;
Member - Eduardo Moutinho dos Santos;
Alternate - Maria Helena Moreira de Araújo;

Members of the Board of the General Assembly:
Chairwoman - Alice de Assunção Castanho Amado;
Deputy Chairwoman - Anabela Nogueira de Matos;
Secretary- Maria Leonor Moreira Pires Cabral Campello;

Remuneration Committee:
Vítor Pratas Sevilhano;
Amândio Mendonça da Fonseca;
Alfonso Munk Pacin;

Chartered Accounting Firm:
PRICEWATERHOUSECOOPERS & ASSOCIADOS, Sociedade de Revisores Oficiais de Contas, represented by Hermínio António Paulos Afonso or by António Joaquim Brochado Correia

Corporate Secretary:
Secretary in Office — José Carlos Vasconcelos Novais de Queirós
Alternate Secretary – Maria Helena Moreira de Araújo

6. Financial Year Activity

6.1 Restaurants

In 2013 there was a deepening decline in the full-service restaurant and delivery segments, in contrast to an upturn in the counter service segment.
The loss of liquidity, lower confidence levels and an unemployment rate that is still very high all contributed to consumer retrenchment, especially in the higher average revenue segments.
Despite these constraints, this segment recorded turnover of 65.11 million euros.

PIZZA HUT
In line with the brand's international strategy, in 2013 Pizza Hut Portugal separated the management of its assets into two segments: restaurants and delivery.

PIZZA HUT RESTAURANT
The Pizza Hut restaurant business ended 2013 with 63 restaurants and 1086 employees.
Continuing its investment policy of redoing its network of outlets, the company remodelled the image of the Ponta Delgada in the Azores and opened a new site at the Funchal airport.
In line with the Fun and Friendly positioning, two new specialties were launched during the year: the Super Pan Pizza in March and Crown CheeseBurger in November.
Two important media campaigns were carried out, with television time for Super Pan Pizza in April and billboard and Internet advertising for Crown CheeseBurger in the last two months of 2013. Both campaigns achieved high customer recognition levels.
The drive to innovate and to provide customers with new and different experiences was further strengthened by the Rodizzio All Star campaign in the summer and Christmas holiday seasons, as well as the partnership with Zon Cinemas, in December, with the "Free Birds" children's film, and with the much applauded presence of Pizza Pooch in the parade of mascots in downtown Lisbon.
The summer months saw a new edition of the Salad Season with a wide variety of compositions and unbeatable prices, which won strong customer acceptance.
In its positioning in family restaurants, in response to the difficult economic circumstances, in January the brand launched Pizzas Primo, five pizza combinations with a single fixed price. June was designated as Children's Month and we launched a Kids Free campaign in which children who visited the restaurants accompanied by their parents received free meals. Several new menus were created during the year: the Super 4 Menu, Super Pan Pizza Menu and CheeseBurger Menu, which allow customers to get the Super Pan Pizza and Crown CheeseBurger specialities at unbeatable prices.
In September the brand surprised its fans with a digital campaign to mark its 23rd anniversary, featuring an Anniversary Pizza for €2.3, generating strong buzz on its page and bringing in many friends.

Always actively targeting the youth market, Pizza Hut renewed its presence with a mobile service unit at the Burning of the Ribbons in Porto and at the Optimus Alive, Optimus Porto and Marés Vivas festivals.
In the internal processes area, mention should be made of continued certification to the demanding ISO 22000 standard for the Foz, NorteShopping, Dolce Vita Antas and Colombo units, which exemplify the brand team's demanding attention to food safety.
According to the "2013 Restaurant Market Study", Pizza Hut attained 95% recognition among the Portuguese population during the year, consolidating its position as Portuguese leader in the ranking of Portuguese pages in Facebook’s restaurant section. In fact, Pizza Hut is the only brand in Portugal with more than 275,000 fans in Facebook.

PIZZA HUT DELIVERY

Pizza Hut's home delivery business ended the year with 601 employees and 30 outlets, which combine to guarantee service to more than 1,600,000 homes, with complete coverage of the largest population centres.
Pursuant to the ongoing overhaul of its units, Pizza Hut Delivery opened a new outlet in Lisbon with a new design to replace the restaurant in Álvares Cabral.
As part of its product sharing and innovation initiatives, the brand launched various initiatives during the year to strengthen its positioning in this respect: in March, as part of the “All in the Box” concept it began offering a combination of one medium-size pizza, one lasagne and three different starters, as an innovative and fun way of sharing a varied meal with family and friends. July saw the rollout of “Menu for Two” and in September we relaunched “4forAll”, a square pizza in which each quadrant is composed of a different pizza recipe. And in November Pizza Hut once again innovated with the launch of the Crown Cheeseburger.
In a highly competitive market, Pizza Hut Delivery also brought out aggressive campaigns such as its 2x1 and 3x1 offerings, individual menus and specific events with a 1-week duration in which it offered very competitively priced medium-sized pizzas.
Pizza Hut customers can place their orders at the outlets, through our call centre or on the website. The call centre channel generates the largest volume of orders, although the new ways of ordering, such as Internet and Skype, are growing in relative importance and are now used for 14% of orders.
In the internal processes area, mention should be made of continued certification to the ISO 22000 standard for the Matosinhos unit, a shop specializing in home delivery.

PASTA CAFFÉ

At year-end Pasta Caffé had 14 units in Portugal and one in Spain, after having closed two outlets in Portugal (Fórum Algarve and Gaia Shopping) and one in Spain (Vitoria), as part of the scaling back of its portfolio. At the end of December the brand had 178 employees.

The year also featured a remodelling of the Centro Vasco da Gama restaurant, consolidation of the lunch buffet format and continuation of the seasonal campaigns with genuine Italian specialities.

The Pasta Caffé restaurant in Centro Vasco da Gama was remodelled in the last quarter of the year, and reopened to the public on 24 October with a more Italian ambiance and exclusive menu signed by the well-known chef Luís Américo.

Noteworthy amongst the specialties created by the chef Luís Américo were the Bruschetta di Capra ai Prosciutto, Foccacia di Cipolle Caramellate, the thin-crust pizzas and Spaghetti alla Carbonara in Evoluzione, uniquely Italian dishes.

The new restaurant also guarantees a different dining experience than traditional restaurants. The new decor features colours, façades and an architectural theme that enhance the outlet's strong Italian authenticity. The venue is designed with four differentiated environments, each affording a different type of experience and recalling the layout of a house:

- the kitchen-themed area, highlighted by the Pizzaiolo, where the magic of Italian cuisine happens with two stone ovens that bake ultra-thin and crispy, genuinely Italian pizzas.
- the living room, an ideal space for eating and good conversation for two.
- the winter garden, an ideal spot for a group of friends, where the watchword is a relaxed setting.
- the terrace, a quiet restful balcony with outstanding views over the Tagus River.

No doubt, 2013 was a year of consolidation for this buffet value proposition for weekday meals. The phased roll-out took place from April to October of 2012 in eight restaurants located in the Lisbon and Porto areas, with nearly 66,000 customers served. The buffet is designed for persons who work in the area and do not have time for a lengthy lunch but do not want to go without having a good meal, with many options, and at the right price.

The wide variety of starters, cold and warm, plain and mixed salads, thin crust pizzas, pasta al dente and desserts, all with a self-service format, made this the best received offering of all time and attracted new customers to the brand.

In the restaurants where this proposition was not implemented, we revised the "House Menu", with new dishes, a new image and revised prices aimed at enhancing their appeal in the ever more competitive foodcourts where they are located.

Dinner is the most difficult time for attracting customers and the company also reformulated its offering in this segment, bringing out the "House Dinner", which features very popular dishes and a low-priced beverage.

The *Temporadas* seasonal format was well received in 2012 and was therefore kept by the brand in 2013, with the launch of four seasons, one per quarter: Rodízio de Pastas, Rice, Pizzas and Autumn Specialties. These actions translate into new experiences and moments for sharing a meal that strengthen the brand's positioning as a *ristorante italiano*.

Holidays were celebrated very intensely at Pasta Caffé restaurants, especially Valentine's Day, which set the year's sales record. Father's Day, Mother's Day and Children's Day were also highlights, the latter having been extended to the entire month of June with the *Menu Bambino*.

In particular, in street restaurants we celebrated Saint John's Day in Cais de Gaia, as well as New Year's Eve in Docas, marked by joyous festive atmospheres.

Despite a lean advertising budget, we emphasized below-the-line and digital campaigns, using tools such as newsletters, group purchasing platforms like Sapo Voucher and LetsBonus, and a presence on sites such as Promofans, as well as first-hand dissemination of information on all novelties to over 12,500 Facebook fans.

We invested in providing a friendly and receptive service in which a host or hostess greets customers at the door and leads them to their table, giving a warm welcome to all who enter this "Casa di Famiglia".

In 2013 we continued recertifying our brand training processes for all shift leaders and unit heads through the "Manager Development", "Food Safety and Hygiene" and "Occupational Safety and Health" initiatives. The Dolce Vita Antas and Norte Shopping units were recertified to the APCER ISO 22000 quality standard.

PIZZA MOVIL

In 2013 markets in Spain were heavily marked by the continued slump in demand initiated in the first half of 2008, with the unemployment rate remaining very high and a drop in consumer and business spending. Naturally, the restaurant sector was no unaffected by this situation.

Pizza Móvil's most important sales channel is its delivery business, which accounted for 50% of sales in 2013. The company ended the year with 55 outlets, 19 operated under franchising arrangements.

At 31 December 2013 Pizza Móvil had 528 employees working for Vidisco, SI (owner of the brand).

One unit was closed due to decline in consumer spending and the oversized network in the region of León. We also closed the venue in Segovia.

As discussed in previous years, we continued the drive to modernize Pizza Móvil, by having a stronger presence in social networks such as Facebook and Twitter and expanding our e-commerce operations.

6.2 Counters

The Ibersol Group brands that operated in the Counters segment ended 2013 with turnover of 85.07 million euros.

KFC

Portugal

KFC Portugal ended the year with 18 units and 192 employees.

KFC's distinctive characteristic is he recipe, comprising 11 herbs and spices, created by Colonel Sanders, combined with the fresh and natural ingredients that we use in our kitchens.

In Portugal we have followed the international trend and applied the "So Good" brand slogan, which is clearly positioned across the globe and emphasizes the originality and legacy of the brand, as reflected in the product, in the décor of outlets, and in the special relationship KFC has with the local community and customers.

The new slogan infuses KFC Portugal with renewed dynamism, which is also manifested through the "Music is So Good" slogan, which the brand adopted for its presence, with its mobile units, at the Optimus Alive, Queima das Fitas do Porto, Circuito da Boavista, Marés Vivas and Primavera Optimus Sound festivals, where it served thousands of customers.

In 2013 we expanded the menu, incorporating the best international launches: the Box Meal, the Variety Buckets and the Snack Attack format. Furthermore, through our carefully planned marketing campaigns, we launched the Brazzer Max, Tower Bacon, Grander Texas and Big Daddy sandwiches, as well as the new Filet Bites, seeking to highlight the diversity of our offerings.

Since KFC is a friend of the environment, the oils we use in our operations are collected at all our restaurants and recycled by certified companies. We only use sunflower oil, which is monitored twice daily to ensure the quality, safety and best flavour for our products.

All restaurants adhere to an energy conservation programme that seeks to reduce consumption in line with the best practices in the sector.

In addition, we were recently ISO 22000 certified at the Dolce Vita Antas, Norte Shopping, Colombo and CascaiShopping restaurants. This project, already four years old, aims to promote the improvement of internal processes and procedures. All the lessons learned from the certification process will be adopted by the entire network of KFC restaurants, as we aim to continuously enhance product and service quality.

Because at KFC the client is always number one, the brand has implemented a benchmarking programme for hospitality, the Champs Management System, which defines behaviours and sets demanding goals, in order to constantly improve the service quality.

Angola

In Angola, the brand closed the year with three units and 133 employees, some seven of whom were foreigners.

During the past year, KFC Angola opened one new restaurant in downtown Luanda, bringing the total outlets in the country to three.
Ibersol initially decided that the project to establish KFC in the country would be evaluated at the end of the third year, following the opening of five units in different locations. Once this period has passed, an assessment will be made of the maturity of the market and the acceptance of the product by consumers.
We are at the halfway point in this timetable, so it is still too early to perform that assessment.
That being said, the market remains immature, and there are few competing offerings. Furthermore, most Angolans are still no in the habit of having lunch or dinner away from home.
This limits the size of the market. And we are still seeking to understand the motivations of consumers and the best way to adapt the business in its various aspects, namely, suppliers, logistics and management of human resources.
For the above reasons, expanding the business will require detailed knowledge of the local environment and of how things are done there.
However, there are certain conclusions that can be drawn: consumers appreciate the product and the service we provide, and customers' experience is positive.
Sales have performed in line with our estimates.
Our activity is being carried out in the same manner as in other markets: in scrupulous compliance with the law and with an uncompromising commitment to quality (e.g. we carry out monthly analyses of the water we use in our units for quality control purposes and we also treat wastewater).
The company supports an event for the selection of youth to attend a football school in Europe and is involved on an ongoing basis in the recruitment and subsequent training of Angolan employees. Excellence in our products and services remain top priorities.
In terms of training, 25 shift employees and four unit managers were certified. At the end of 2014, we expect to hand over management functions for one of our units to our first Angolan team.
Training continues to focus on guaranteeing proper management of restaurants using highly trained employees in conjunction with Angolan teams, in order to provide our customers with excellent products and services while scrupulously complying with the brand's standards, as evidenced by the assessment of our “mystery customer” survey that gave us an average score of 96.5%.
We expect to open a new establishment in 2014 in the southern zone of Luanda.

Ò KILO

Ò Kilo is a restaurant that specialises in grilled meats and serves as an alternative for consumers who seek varied meals and enjoy the pleasure of eating meat.
Served quickly and conveniently, customers can create combinations of their liking, choosing from a variety of delicious and healthy foods for a set price.

In 2013, the brand sought to adjust its offerings and prices in order to respond to the needs of customers and compete with the aggressive positioning of its most direct competitors.
The brand is aware that the quality of its products is a critical success factor. Maintaining high quality requires selecting the best ingredients. Therefore the process of choosing suppliers is carried out according to strict quality criteria.
The brand is highly aware of the growing importance of food safety and reinforced its measures in this regard through the HACCP system, which is designed to monitor the product, the hygiene of the installations, and the handling of food by employees. The certification of the Dolce Vita Antas establishment has been renewed.
Due to the downturn in consumer spending that affected all of 2013, Ò Kilo reduced its employee headcount to 70, and its units to six, after closing the establishments in Oeiras, Maia, Cascais and Vasco Gama. The latter two were converted into MiiT units.

MIIT

At the end of 2012, the Ibersol Group launched the first unit of its new brand, MiiT, in Norte Shopping. This new format is focused on grilled meats, and also includes white meats.
In addition to high quality meats, MiiT offers delectable side dishes to complete meals: beans, grilled fruit, rustic potatoes, and seasoned rice, creating a combination of authentic flavours.
The sauces are also a specialty and are prepared with the best ingredients: wild mushrooms, honey, pink pepper, and garlic. The innovative desserts are served in the form of "shots".
Notable among the beverages offered are natural fruit juices and cold drinks, which range from traditional currant infused drinks to fresh lemonade and ice tea, as well as traditional Portuguese DOC Alentejano wine, sold by the glass.
Creating a meal is very simple. Customers can choose one type of meat to grill, two side dishes, and one sauce. If customers so desire, they can select a side dish of grilled vegetables or fruit, which preserve and accentuate the flavour and quality brought out in the grilling process.
The Miit format was created in response to the growing concerns of Portuguese consumers about their food, and the rising awareness of the benefits of healthier and more conscious eating habits.
This new brand ended 2013 with three units, at Norte Shopping, Vasco da Gama and Cascais, with 40 employees.

BURGER KING

Portugal

In Portugal in 2013, Burger King recovered a substantial part of the sales lost in previous years, ending the year with a total of 39 units, one more than last year, and 480 employees.

The new unit is located in Mem Martins, Sintra, and has seating for 120. In addition to having drive-through service it also has Play King Virtual and the Free Refill system. The opening entailed a major investment and was a great success.

In the past year, Burger King increased its advertising spending, specifically, in general-interest television channels (TVI and SIC), in Cabo channels, on the radio, on outdoor platforms and billboards, and intensified the use of LSM (Local Store Marketing).

We made several changes to the advertising strategy: products of €1 will be continuously advertised at the entrance of establishments.

Giving priority to the units which have been in operation longer, 16 establishments were refurbished, bringing them into line with the eight that were remodelled in 2012. The renovated establishments were the Dolce Vita Douro, Dolce Vita Antas, Norte Shopping, Ikea Matosinhos, Área de Serviço Prio de Póvoa de Varzim, Parque Nascente Gondomar, Fórum Coimbra, Dolce Vita Coimbra, Serra Shopping, Continente de Aveiro, S. João da Madeira Shopping, Castelo Branco, Vasco da Gama, MM Areeiro, Odivelas Parque, Dolce Vita Tejo, Cascais, Fórum Montijo, Fórum Algarve, Algarve Shopping, Madeira Shopping, Dolce Vita Funchal and Parque Atlântico.

In all outlets the new Whopper & Fries platform was installed, in order to attend to customers' needs more efficiently. As a result of this initiative, the Whopper is prepared the moment it is ordered, thereby adding more value to customers' experience.

We still use the Refill system in the Colombo, Norte Shopping, Mem Martins, Asa Norte, Algarve Shopping, Nó do Fojo and Cascais establishments. This system allows customers to refill their soft drinks free of charge as many times as they like for thirty minutes.

Digital displays were also installed in all units to improve communication with customers.

In addition, investments were made in 2013 to place Play King Virtual in the Cascais, Mem Martins and Póvoa de Varzim venues. As a result, newer customers can enjoy 25 virtual, interactive games that are revamped quarterly.

Another important platform launched in 2013 was the online satisfaction survey, "minhaexperiencia.com". On this platform, customers are invited to provide feedback about their experience at Burger King, which is an important added value to the process of enhancing the service provided by the brand, as part of its continuous drive to improve.

To thank customers for the time they spend responding to the survey, customers are offered a Whopper or a Long Chicken with the purchase of French fries and a beverage.

Furthermore, teams are trained through the international BK Foundations training programme, which aims to create school-shops as a pillar of growth.

With the launch of new products in the gourmet hamburger segment, a segment in which Burger King has been a pioneering specialist, the company reaffirmed its innovative spirit with the launch of the BEANBURGER, a proprietary Burger King "hamburger" which once again reveals the brand's initiative in offering vegetarian products.

As is now habitual, a customer may request a tour of the kitchen at any of the brand's units. The customer really is the KING and when they visit the restaurants they have the right to learn

about the brand's quality policies and to witness the care that goes into making their meals. This is further reflected by the certification of the brand's units to APCER and ISO 22000, which entail an extremely rigorous quality assessment process.
To lessen environmental impact, Burger King wraps its sandwiches in recycled paper, thereby reducing waste volumes. The oil used in our establishments is also recycled, and later transformed into biodiesel.

Spain
In Spain, 2013 was a difficult year due to the crisis currently affecting the entire world, and that has translated into a decline in domestic consumer spending and a high unemployment rate.
Pessimism and uncertainty about the future have caused relationships with consumers to enter a particularly difficult phase, as they become more demanding and discriminating when spending their money.
Despite the headwinds faced this year, Lurca ended the year operating 33 Burger King restaurants (one more than the prior year), with 617 employees.
The Guest Trac continued to prove itself a powerful tool for collecting customers' opinions, providing insight into the consumer experience at the brand's restaurants. This tool allows for more demanding criteria at the operational level, based on the customer feedback on the most important areas.
The strategy adopted by the brand during the year was based on three major value offerings: Coupons, distributed door to door, and at the moment of purchase; Euroking (products costing €1), advertised in external campaigns and on national television; and King Ahorro (King Savings), with more offerings and variety. Notably, Euroking sales surpassed 2 million units sold in 2013.
In regard to product innovation, and initiatives to attend to customers more efficiently, the brand launched the Whopper & Fries platform. We would also highlight the Shock Event, Trial Weeks and Frozen Beverage initiatives.
Betting on the future, over the course of the year we made a series of investments to upgrade the brand's image. We remodelled 16 restaurants, introducing the new 20/20 and 20/20 Light image. In addition, the brand committed to two key initiatives to take on its main competitor: Play King Virtual and the Free Refill system.
Next year, in order to further strengthen the relationship with customers, it will conclude the restaurant refurbishment process.

PANS & COMPANY

Pans & Company closed the year with 54 units and 390 employees.

During 2013, the brand closed four units and continued the asset renovation process, remodelling the Algarve Shopping, Fórum Montijo, Parque Atlântico and Fórum Algarve units. At these units, customers can now learn about the new approach of Pans & Company, inspired by Mediterranean environments and flavours.

Over the course of the year, in order to reinforce its positioning as the leading brand in its business segment, Pans & Company remained committed to product innovation. Consequently, the year saw the launch of "Portuguese Traditions by Pans", a new generation of traditional recipes, with ingredients that are characteristic of Portuguese cuisine, and which are sure to please customers.

Simultaneously, in order to respond to the needs of today's consumer, Pans & Company reinforced its "value for money" line, with new product categories ("Bifanas à moda da Pans" and "Poupans €1"), an increase in the number of promotional campaigns and boosted investment in above-the-line communications media .

The company thereby continues to adjust to an environment that remains challenging, in order to transform itself into an important option in the modern restaurant sector for a broad target audience with wide ranging consumption profiles.

6.3. Other Businesses

The diversity of the Ibersol Group's other businesses allows it to offer a wide range of proposals for consumers in different consumption situations: travelling — different schemes and offers at airports, trains and highway rest stop/petrol stations — during small pauses at cafeterias and at different concessions, offerings at different leisure areas in the main cities or at events with catered offerings. Through these initiatives, the Ibersol Group makes its multi-brand strategy a reality.

The sales volume for this group of businesses amounted to 18.54 million euros in 2013.

SERVICE AREAS

Highway service areas are an important business segment for the Ibersol Group, which at the end of the year totalled 33 units and 221 employees spread out among various units:

Sol: 23

A5, Lusoponte, A8, Carvalhos, Modivas: 10

This business segment continues to be hit hard by the introduction of tolls in previously toll-free roads.

The SOL brand specialises in restaurants at long distance and urban highway rest stops, through units with modern functional designs that offer food suited to the needs of consumers and with services that go far beyond the conventional rest stop café-restaurant. Catering to the diverse customer profiles that visit Sol outlets, the brand is prepared to offer a good experience to all.

Sol units are characterised by their quick service and varied menus at affordable prices, prepared in the moment, and always with personalised customer service. At several locations, Sol integrates well-known international brands such as Pans & Company, Burger King and KFC, all of which have the global ISO 22000 certification, a demanding international food safety standard.

Sol units offer services such as specific areas set aside for smokers, changing area, lounge, free wi-fi, outlets to charge mobile handsets or computers. In addition, daily newspapers, journals and magazines are made available, as well as last minute gifts and a drive-through option.

At the beginning of October 2013, an administrative claim was brought against the Portuguese State, by the investee Iberusa Hotelaria e Restauração, SA, seeking compensation for the extensive financial damages it is suffering during the current and future performance of contracts to which it is party in Public-Private Partnerships at various highway concessions where Iberusa operates several restaurants in different service areas under various contracts that have been subcontracted to it.

AIRPORTS

The Group is a leading player in Portuguese airports, having obtained the concession for four new restaurants at the Madeira airport. The new venues are located on the Third floor (on the “Ground” side, open to the public and on the restricted “Air” zone) and comprise:

· Clocks, a cafeteria with a wide-ranging menu which includes fresh salads, pasta dishes, hamburgers, *prego* meat sandwiches and fruit juices;

· Cockpit restaurant bar with table service that offers a variety of tapas, mini-sandwiches, hot meals, and wine by the glass;

· Go To café, a cafeteria with fast service for those who do not have a minute to spare;

· Pizza Hut, renowned international anchor brand, with quick-serve pizzas.

This represents one more Ibersol Group investment in Funchal, where we have been present since 2000 and already have seven restaurants from the international brands, Burger King, KFC and Pans & Company.

These units at the Madeira airport are in addition to the 11 points of sale at the Lisbon and João Paulo II (Ponta Delgada) airports. The year ended with a total of 122 employees.

CATERING

The Ibersol Group catering business comprises Silva Carvalho Catering, Solinca and Sugestões e Opções, with two production centres, both ISO 22000 certified, and two warehouses in Albarraque and Maia.

These two centres, which strictly comply with all food hygiene and safety regulations, were responsible for preparing the food for over 1,160 events, serving 330,000 customers.

All the same, while complying with food hygiene and safety regulations is of critical importance, the main goal was to create exceptionally high quality food using creative and innovative techniques.

All catering events are considered important and all our teams are firmly committed to striving for perfection.

Ibersol is the only group with truly national coverage, benefitting from a team of exceptional professionals in all departments — the commercial area, operations, kitchens, warehouses, and logistics. Furthermore, our employees are prepared to take on any kind of event, in any part of the country.

In 2013 the market continued to shrink, due to the challenging economic environment which is being felt both domestically and across Europe.

This trend was particularly intense in the Portuguese market where companies held fewer events or smaller-sized events, and government bodies cut the number of events requiring catering services sharply.

The fact that companies and individuals have fewer available financial resources has had a major impact on pricing, with clients opting for more economical solutions for their events.

As medium and large-sized catered events require significant planning ahead of time, we have detected some initial signs that 2014 may see some improvement.

Rigorous cost control on all levels and a strict budget for each event has allowed for improvements in profit margins.

In parallel, the comprehensive restructuring plan carried out in 2011 allowed for a significant improvement in the overall profitability of the business.

In 2013 the operation at the Centro de Congressos de Lisboa (Lisbon Convention Centre) showed signs of a rebound, with indications of rising sales volumes. It appears that national and international companies are starting to return to regular events, reversing the trend of recent years, where said events were virtually non-existent.

The exclusivity of the Centro de Congressos de Lisboa and the partnerships with the Centro de Congresso do Estoril, Centro de Congressos do Freeport, Exponor, Europarque, Alfandega do Porto, FIL Parque das Nações and the Palácio da Bolsa among others, clearly put us in a leadership position in this market, giving us a presence at the country's major convention venues.

The exclusive concession of the Cabins and VIP Area at the Dragão stadium in recent years evidences the consistency and quality of our business in the sports segment. In this particular case, we have clearly met the high standards of a very demanding client.

In the individual segment, the search for new sites to hold weddings and private parties and stepped-up digital communication efforts were carried out at the beginning of 2012 and only showed modest results in 2013.

We head into 2014 with the same prudence with which we started 2013, aware that completing the internal restructuring process will allow us to better meet our customers' needs. This may entail providing our services at small events or taking on large-scale challenges.

COFFEE STANDS

Operating under the Delta brand, the coffee kiosks have, over time, strengthened their positioning and renown as coffee specialists in the areas where they are implanted,

The year ended with 10 units, representing 18 points of contact with customers. No new units were opened, and attention was focused on maintaining the current stands and renovating the image of the stands that had suffered the most wear and tear.

In this regard, efforts this year were very focused on consolidating the business by investing in customer service training for the operating team which, at the end of the year, totalled close to 90 employees. This team was certified in areas such as food safety, customer service, and other areas needed to properly carry out required tasks.

In recent years we have seen a recovery from the downturn brought about by the prohibition of smoking in closed areas, as more customers have been attracted to this format by the diversification of the product line, increased options for customers, and small menus that successfully complement the overall offering.

CONCESSIONS

At present the Ibersol Group is exploring the following concession spaces: Museu de Serralves, Casa da Música, Biblioteca Almeida Garrett, VOG Tecmaia, Exponor and Estação CP de Campanhã.

The focus on training employees in service, quality and control of operations were the main lines of action that drove the concessions business.

All the units that comprise this business have unique characteristics, not just in terms of the public they serve, but also as regards the needs they must meet. Hence the importance of identifying the target audience and what they look for at each moment of consumption. Following this identification it is necessary to present an offer that meets and always tries to surpass consumer expectations. Consequently, it is critical to have an adequately trained team, and that is why the Group prioritises investment in training its human resources.

At the end of the year, the Blú Coffee Shop outlets in Campanhã and VOG renewed their ISO 22000 certification.

7. Financial statements

OPERATING INCOME

In financial year 2013 consolidated operating revenue was 174.3 million euros, up 0.1% on 2012. EBITDA for the same period was 18.6 million euros, up 8.6%. EBIT was 6.5 million euros, an increase of 15.7% compared to the previous year.

Sales and other operating revenue

Consolidated turnover at year-end reached 172.5 million euros, up 0.7% on 2012.

Turnover was distributed as follows:

	Millions of euros	Change 13/12
Sales in restaurants	168.68	0.7%
Sales of merchandise	3.16	-1.5%
Services rendered	0.64	-0.1%
Turnover	172.49	0.7%

Sales in the restaurants reached 168.7 million euros, a year-on-year increase of 0.7%, which breaks down as follows by segment:

SALES IN RESTAURANTS	Millions of euros	Change 13/12
Restaurants	65.11	-6.3%
Counters	85.04	7.4%
Other	18.54	-1.6%
Total sales revenue	168.68	0.7%

The upscale segment is the one that showed the greatest difficulty in reflecting the recovery.

The need for constant assessment of the portfolio of outlets led to the closure of 11 company-owned units. With the consumer market in recession and demanding greater choice, we opened only four new units, so that as of the end of the year we operated 301 company-owned units in Portugal, 70 in Spain and 3 in Angola.

The total number of units at year-end, including both company-owned and franchised, was 394, distributed as follows:

No. units	2012 31 Dec	Openings	2013 Transfers	Closures	2013 31 Dec
PORTUGAL	**308**	**2**		**8**	**302**
Company-owned	**307**	**2**		**8**	**301**
Pizza Hut	95			2	93
Okilo	11			2	9
Pans	57			1	56
Burger King	38	1			39
KFC	18				18
Pasta Caffè	16			2	14
Quiosques	10				10
Flor d'Oliveira	1				1
Cafetarias	35				35
Catering (SeO, JSCCe Solinca)	6				6
Concessions and others	20	1		1	20
Franchised	**1**				**1**
SPAIN	**92**	**2**		**5**	**89**
Company-owned	**73**	**1**	**-1**	**3**	**70**
Pizza Móvil	39		-1	2	36
Pasta Caffè	2			1	1
Burger King	32	1			33
Franchised	**19**	**1**	**1**	**2**	**19**
ANGOLA	**2**	**1**			**3**
KFC	2	1			3
Total company-owned	**382**	**4**	**-1**	**11**	**374**
Total franchised	**20**	**1**	**1**	**2**	**20**
Total	**402**	**5**	**0**	**13**	**394**

Note: transfer of one company-owned Pizza Móvil unit to be operated on a franchise basis

Other operating revenue amounted to 1.8 million euros, the bulk of which came from suppliers' contributions to marketing campaigns. This component of revenue has decreased over the years as suppliers' contributions have been replaced by purchase price reductions.

Operating costs

Consolidated operating costs came to 167.9 million euros, a reduction of 0.4% compared to the previous year, representing a smaller proportion of sales.

Gross margin

Cost of sales (cost of merchandise and raw materials sold and consumed), which in 2012 was 23.5% of sales, increased to 23.6%, reflecting the intense pressure on restaurant prices.

The gross margin in 2013 was 76.4%, compared to 76.6% the previous year.

Personnel costs

Staff costs fell by 1.3 million euros to 55.4 million euros. This 2.3% decrease was necessary to offset the decrease in prices and the optimization of the opening times of some restaurants. As a percentage of turnover, staff costs fell from 33.1% in 2012 to 32.1% in 2013.

External Supplies and services

The cost of supplies and external services was 57.8 million euros, down from 58.5 million euros in 2012, a decrease of 1.1%.

As a percentage of turnover, it fell from 34.1% to 33.5%. The increase in energy prices and maintenance costs was offset by strict austerity in the management of other general expenses.

Other operating costs

Other operating costs amounted to 1.8 million euros, which included a cost of around 700 million euros for the closing of a number of units during the period.

Stamp duty and other taxes totalled 557 thousand euros in 2013.

Depreciation and amortization expense and impairment

Depreciation and amortization expense and impairment losses for the year totalled 12.2 million euros, 0.6 million euros more than in 2012, representing 7.1% of turnover. Impairment losses on tangible and intangible assets recognized in the year came to 2.5 million euros, 0.9 million more than the amount recorded in 2012.

EBITDA

EBITDA for the period was 18.6 million euros, compared to 17.1 million euros the previous year. The slight recovery of sales in the Iberian Peninsula in the second half and the operation of the restaurants in Angola for the whole year were decisive in growing consolidated EBITDA at a rate of 8.6%.

The increase in turnover and the cost reduction dynamic led to a recovery of the EBITDA margin, which rose from 10.0% in 2012 to 10.8% in 2013.

FINANCIAL RESULT

The net finance cost for the year of 2.3 million euros was nearly 140 thousand euros higher than in 2012. This increase in net finance cost is due mainly to lower interest rates on deposits and an increase in borrowings in Angola, the nominal cost of which is well above the average for the Group as a whole.

Interest expense remained unchanged compared to 2012 at 2.6 million euros, giving an average cost of debt of 5.0%.

CONSOLIDATED NET PROFIT

Consolidated profit before taxes was 4.2 million euros, an increase of 0.7 million euros, representing 21% growth.

Income tax expense

Tax expense in 2013 was 0,9 million euros, compared to 1.1 million in 2012, in line with the increase in profit, the utilization of deferred tax assets and the deduction of the extraordinary tax credit for investment (Law 49/2013).

Due to the effect of the deferred taxes, the total amount of tax payable for calculating net profit was 472 thousand euros, giving an effective tax rate of 11.3%.

Consolidated profit for the year

The **consolidated net profit for the year** was 3.70 million euros, compared to 2.74 million euros in 2012, an increase of 34.7%.

Non-controlling interests relate essentially to the direct and indirect holdings of minority shareholders in the subsidiary Ibersande (Pans & Co.), amounting to 120 thousand euros.

The c**onsolidated net profit attributable to shareholders of the parent** was 3.58 million euros, up 42.3% on 2012.

FINANCIAL POSITION

Balance sheet

Consolidated **assets** totalled 218 million euros at 31 December 2013, approximately 6 million euros less than at year-end 2012.

This decrease was mainly due to the following movements in fixed assets:

(i) decrease in property, plant and equipment as a result of depreciation and impairment for the year (approx. -12 million euros)

(ii) investment in expansion plans and remodels in Portugal and Spain, especially remodels (approx. +10 million euros)

(iii) investment in Angola (approx. +3.3 million euros)

(iv) closure of units (approx. -0.5 million euros)

(v) decrease in accounts receivable (approx. -1,6 million euros);

(vi) increase in inventories (+1.5 million euros), as the Group holds the inventories for the supply of the three restaurants in Angola

(vii) decrease in State and Public Entities (approx. -1 million euros)

(viii) decrease in cash and cash equivalents (approx. -5 million euros)

Consolidated **liabilities** amounted to 99 million euros at 31 December 2013, down 8.5 million euros on 2012.

At 31 December 2013 shareholders' equity stood at 119 million euros, up 2 million euros on year-end 2012. Approximately 1.0 million euros were paid out as dividends during the year.

CAPEX

In 2013 CAPEX reached 13.3 million euros, made up of investments in:

- expansion and remodels in Portugal and Spain: 3 new restaurants and remodels of 15 units (totalling 7.5 million euros)

- expansion in Angola: third unit opened and acquisition of rights to the land for a fourth (3.3 million euros)

- various current expenditures totalling 2.5 million euros

There were also some divestments due to the closure of 11 units (8 in Portugal and 3 in Spain).

The cash flow generated during the year totalled 15.9 million euros, sufficient to cover CAPEX.

Consolidated net debt

At the end of the year, net interest-bearing debt stood at 24.5 million euros, down 3.6 million on year-end 2012 (28.1 million euros). Short-term bank borrowing consists of issues under the Commercial Paper Programme redeemable in 2014 and medium and long-term debt maturing in 2014.

The gearing ratio (net debt/(net debt + equity)), which at the end of 2012 was 19.4%, fell to 17.0%.

Net debt over EBITDA at year-end 2013 was 1.3 times (1.6 times at year-end 2012), while the interest coverage ratio was 7.3 times (as against 6.6 in 2012).

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

8. Risks and uncertainties

Risk management is part of the company’s culture and operates across the organization, is present in all processes and is the responsibility of all managers and employees at every level of the organization.

Risk management is carried out with the aim of creating value by managing and controlling uncertainties and threats that could affect Group companies from a business continuity perspective, while taking advantage of business opportunities.

In the context of strategic planning, the risks to the portfolio of existing businesses, the development of new businesses and the implementation of the most important projects are identified and assessed; and strategies to manage those risks are defined.

At operational level the management risks affecting the objectives of each business are identified and assessed, and actions are planned to manage those risks. These actions are included and monitored through the plans of the individual businesses and functional units.

To ensure that the established procedures are followed, the Group’s main internal control systems are evaluated periodically.

Internal control and the monitoring of internal control systems are the responsibility of the Executive Committee. Given the nature of the business, certain areas of risk require special attention:

- Food quality and hygiene

- Health and safety at work

- Financial

- Environmental

Given the sharp drop in consumption in recent years and the uncertainty over the future development of the Spanish and Portuguese economies, we anticipate a slow recovery of the food service sector and of the Group's sales. To mitigate the impact on its results, the company has implemented rigorous cost control, with monthly monitoring of market trends and subsequent reviews of resource planning.

Operating as it does in the food service business, the company is also subject to the risk of epidemics, disruptions in raw materials markets and changes in consumption patterns, which can have a material impact on the financial statements.

9. Own shares

The company did not enter into any transactions in own shares during the year.

At 31 December 2013 the company held 2,000,000 of its own shares (10% of the share capital), with a nominal value of 1 euro per share and an overall acquisition cost of 11,179,643 euros.

10. Note on the activity of the non-executive member of the Board of Directors

The non-executive member of Ibersol's Board of Directors, Professor Juan Carlos Vázquez-Dodero, took part in six meetings of the Board of Directors, that is, 85% of the meetings held. He was provided with all the necessary information and documentation regarding the business on the agenda beforehand, including for the meetings he did not attend.

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

He frequently requested detailed information from the Executive Committee about decisions taken in relation to business development and expansion.

In 2013, in order to better assess the new market for the Group's development, he travelled to Angola.

At functional level Professor Vázquez-Dodero worked closely with the Planning and Management Control Department. He met five times with the heads of the department to jointly evaluate methodologies and tools and determine ways to improve control of the businesses. He also contributed relevant macroeconomic information to help assess the situation in Spain.

At quarterly intervals Management Control supplied him with detailed information, so that he could monitor operational activity and measure the performance of executive management against the plans and budgets approved by the Board of Directors. All explanations requested were provided.

The non-executive director attended all the meetings held with the Audit Committee and monitored all the corporate governance issues that arose during the year.

11. Outlook

All forecasts point to a slight easing of the pressure on domestic demand in the Iberian market, but the need to maintain the fiscal consolidation measures will continue to affect the growth of the food service market. However, if the signs of a pick-up in the economy continue in 2014, sales can be expected to continue the trend seen in the fourth quarter. The pressure on prices will continue, so margins will continue to contract.

As regards funding, the increase in liquidity seen at the end of 2013 can be expected to continue through 2014. The selective release of funds to the economy has been apparent in the approach most Banks have taken towards the Group, offering new credit lines or expressing a willingness to extend existing facilities. Consequently, we anticipate a reduction in the spreads on loans in Portugal and Spain.

As regards expansion, we will remain alert to opportunities to strengthen the competitive position of the brands we operate and expect Ibersol to open 5 units and remodel more than 10 in 2014, possibly also closing some, especially those units where renegotiation of the franchise agreement makes the operation unviable given the level of sales.

In Angola, with the business now more firmly established, we envisage the opening of one or two more restaurants.

12. Allocation of results

In 2013 Ibersol SGPS, S.A. posted consolidated net profit of 3,696,939 euros and parent company net profit of 3,576,911 euros.

As indicated in the management report on an individual basis, the Board of Directors proposes that the profit for the year be allocated as follows:

Non-distributable reserves	€ 2,706,183.00
Unrestricted reserves	€ 870,728.00

We also propose the distribution of reserves in the amount of 1,100,000 euros, which corresponds to a gross dividend per share of 0.055 euros. If the company holds own shares, the allocation is still 0.055 euros per share in issue and the total amount of dividends is reduced accordingly.

13. Events after the date of the statement of responsibility

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

In compliance with article 245.1.a) of the Securities Code, we declare that to the best of our knowledge:

- the management report, annual accounts and other documents setting out the accounts for financial year 2013 of Ibersol SGPS, S.A., required by law or regulation, were prepared in accordance with applicable accounting standards and provide a true and fair view of the assets and liabilities, financial position and results of operations of Ibersol SGPS, S.A. and the companies included in the consolidation; and
- the information contained in the management report fairly presents the evolution of the businesses, performance and position of Ibersol SGPS, S.A. and the companies

included in the consolidation and includes a description of the main risks and uncertainties they face.

14. Acknowledgments

The first vote of thanks from this Board of Directors is addressed to all the Group's employees for their dedication and enthusiasm in meeting the challenges of a market as adverse as we face at present.

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

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

The Audit Committee, auditors and chartered accountant must also be thanked for the assiduous collaboration and capacity for dialogue they have shown in monitoring and examining the company's management.

Oporto, 7 April 2014

The Board of Directors,

____

António Alberto Guerra Leal Teixeira

____

António Carlos Vaz Pinto de Sousa

____

Juan Carlos Vázquez-Dodero

QUALIFIED HOLDINGS

As required by article 8 nº1 b) of the Portuguese Securities Market Comission Regulation (CMVM) nº 5/2008, at 31 de December de 2013

Shareholders	nº Shares	% share capital	% of voting rights
ATPSII - SGPS, S.A. (*)			
ATPS-SGPS, SA	886.359	4,43%	4,43%
I.E.S.-Indústria, Engenharia e Serviços, SGPS,S.A.	9.998.000	49,99%	49,99%
António Alberto Guerra Leal Teixeira	1.400	0,01%	0,01%
António Carlos Vaz Pinto Sousa	1.400	0,01%	0,01%
Total attribubutable	**10.887.159**	**54,44%**	**54,44%**
Banco BPI, S.A.			
Fundo Pensões Banco BPI	400.000	2,00%	2,00%
Total attribubutable	**400.000**	**2,00%**	**2,00%**
Avelino da Mota Gaspar Francisco	**401.000**	**2,01%**	**2,01%**
Santander Asset Management SGFIM, SA			
Fundo Santander Acções Portugal	514.241	2,57%	2,57%
Fundo Santander PPA	25.316	0,13%	0,13%
Total attribubutable	**539.557**	**2,70%**	**2,70%**
Bestinver Gestion			
BESTINVER BOLSA, F.I.	919.144	4,60%	4,60%
BESTINFOND F.I.M.	841.661	4,21%	4,21%
BESTINVER GLOBAL, FP	248.528	1,24%	1,24%
BESTVALUE F.I..	214.354	1,07%	1,07%
SOIXA SICAV	150.142	0,75%	0,75%
BESTINVER MIXTO, F.I.M.	81.623	0,41%	0,41%
BESTINVER AHORRO, F.P.	102.062	0,51%	0,51%
BESTINVER SICAV-BESTINFUND	110.383	0,55%	0,55%
BESTINVER SICAV-IBERIAN	308.305	1,54%	1,54%
DIVALSA DE INVERSIONES SICAV, SA	5.253	0,03%	0,03%
BESTINVER EMPLEO FP	6.414	0,03%	0,03%
LINKER INVERSIONES, SICAV, SA	3.936	0,02%	0,02%
BESTINVER FUTURO EPSV	2.210	0,01%	0,01%
BESTINVER EMPLEO II, F.P.	1.415	0,01%	0,01%
BESTINVER EMPLEO III, F.P.	795	0,00%	0,00%
ARBILIBIA SIVAC, SA	1.905	0,01%	0,01%
Tura INVESTMENT SIVAC, SA	1.869	0,01%	0,01%
Total attribubutable	**2.999.999**	**15,00%**	**15,00%**
Norges Bank			
Directly	**767.454**	**3,84%**	**3,84%**
FMR LLC			
Fidelity Managemment & Research Company	**400.000**	**2,00%**	**2,00%**

Article 447º of The Portuguese Companies Act and article 14, paragraph 7, of The Portuguese Securities Comission (CMV) Regulation nº 5/2008

Number of shares at 31 December 2013 and transactions during 2013 by the members of statutory bodies:

Board of Directors	Data	Additions	Reductions	Shares at 31.12.2013
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 31.12.2013
Ibersol SGPS, SA	21-05-2013	99.927		886.359
I.E.S.- Indústria Engenharia e Seviços, SA (3)				2.455.000
Regard -SGPS, SA (4)	21-05-2013		-146.815.181	0

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

(4) Regard- SGPS, SA merged into ATPS-SGPS, SA at 21/05/2013

During the financial year in analysis no transaction executed by people discharging managerial responsabilities (" dirigentes").

Article 448º of The Portuguese Companies Act

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

At 31 December 2013, helds 9.998.000 shares of Ibersol SGPS, SA capital

CORPORATE GOVERNANCE
REPORT
2013

IBERSOL, SGPS, SA.

Publicly Listed Company, with share capital of 20,000,000 euros, with its registered office at Praça do Bom Sucesso, nºs 105/159, 9º andar, 4150-146 Oporto, registered in the Companies Register of Oporto under registration and fiscal identification number 501669477

PART I – SHAREHOLDING STRUCTURE, ORGANIZATION AND CORPORATE GOVERNANCE

A. SHAREHOLDING STRUCTURE

1. Share Capital structure.

The share capital of Ibersol, SGPS, SA. amounts to 20,000,000 euros, fully subscribed and paid, represented by 20,000,000 ordinary registered shares with a par value of 1 euro per share, all carrying the same rights and obligations.

2. Share transmission and ownership restrictions.

There is no restriction under the Bylaws, in particular under articles 4 and 5 thereof, on the transferability of the shares, nor any clause requiring consent to the transfer of the shares, nor any type of limitation on ownership of the shares.

3. Own shares.

At 31 December 2013 Ibersol, SGPS, SA held 2,000,000 of its own shares, corresponding to 10% of the share capital, with a nominal value of one euro per share, at an overall acquisition cost of 11,179,643 euros.
During 2013 the company did not enter into any transactions in own shares.

4. Impact of change in shareholder control of the company in significant agreements.

There are no significant agreements entred into by the Company or by its subsidiaries that contain clauses aimed at establishing measures to protect against a change of control (including after a tender offer). There are no specific conditions that limit the exercise of voting rights by the shareholders of the Company or other matters liable to interfere in the success of a tender offer.

5. Defensive measures in case of change in shareholding control.

No defensive measures, nor any regime for the renewal or revocation of such measures, have been adopted in the Company.

6. Shareholders agreements.

The Company is not aware of any shareholders' agreement that could lead to restrictions on the transfer of marketable securities or to the concerted exercise of voting rights.

II. Qualifying shareholdings and Bonds helds

7. Qualifying Shareholdings.

At 31 December 2013, according to the notifications received by the Company, the persons who, in accordance with article 20 of the Companies Code who have a qualifying shareholding of at least 2% of the share capital of Ibersol, are as follows:

Accionista	nº acções	% capital social	% direitos voto
ATPSII - SGPS, S.A. (*)			
Total participação detida / imputável	**10.887.159**	**54,44%**	**54,44%**
Banco BPI, S.A.			
Fundo Pensões Banco BPI	400.000	2,00%	2,00%
Total participação detida / imputável	**400.000**	**2,00%**	**2,00%**
Avelino da Mota Gaspar Francisco	**401.000**	**2,01%**	**2,01%**
Santander Asset Management SGFIM, SA			
Total participação detida / imputável	**539.557**	**2,70%**	**2,698%**
Bestinver Gestion			
Total participação detida / imputável	**2.999.999**	**15,00%**	**15,00%**
Norges Bank			
Directamente	**767.454**	**3,84%**	**3,84%**
FMR LLC			
Fidelity Managemment & Research Company	**400.000**	**2,00%**	**2,00%**

(*) ATPS II-SGPS is held by António Alberto Guerra Leal Teixeira and António Carlos Vaz Pinto Sousa, each owning 50%.

8. Shares held by members of Governing Bodies, in accordance with number 5, article 447 of the Portuguese Company Law.

Número de acções detidas directa ou indirectamente na Ibersol, SGPS, SA:

Conselho de Administração:

Chairman - Dr. António Alberto Guerra Leal Teixeira

1,400 shares of the capital of Ibersol SGPS, SA.
3,384,000 shares representing 50% of the capital of ATPSII, SGPS, SA
At 31/12/2013 ATPS II, SGPS, SA held 5,680 shares representing 50.04% of the share capital of ATPS, SGPS, SA.
At 31/12/2013 ATPS, SGPS, SA held 886,359 shares of the capital of Ibersol, SGPS, SA and 2,455,000 shares representing 100% of the capital of I.E.S. – Indústria Engenharia e Serviços, SGPS, SA
At 31/12/2013 IES – Indústria, Engenharia and Services, SGPS, SA held 9,998,000 shares of the capital of Ibersol, SGPS, SA.

Vice-Chairman - Dr. António Carlos Vaz Pinto de Sousa

1,400 shares of the capital of Ibersol SGPS, SA.
3,384,000 shares representing 50% of the capital of ATPSII, SGPS, SA
At 31/12/2013 ATPS II, SGPS, SA held 5,680 shares representing 50.04% of the share capital of ATPS, SGPS, SA.
At 31/12/2013 ATPS, SGPS, SA held 886,359 shares of the capital of Ibersol, SGPS, SA and 2,455,000 shares representing 100% of the capital of I.E.S. – Indústria Engenharia e Serviços, SGPS, SA
At 31/12/2013 IES – Indústria, Engenharia and Services, SGPS, SA held 9,998,000 shares of the capital of Ibersol, SGPS, SA.

Director – Prof. Doctor Juan Carlos Vázquez-Dodero

Does not hold any shares of the company

Audit Committee:

Chairman - Dr. Joaquim Alexandre de Oliveira e Silva

Does not hold any shares of the company

Vice-Chairman – António Maria Borda Cardoso

Does not hold any shares of the company

Member – Eduardo Moutinho Ferreira Santos

Does not hold any shares of the company

Substitute – Maria Helena Moreira de Araújo

Does not hold any shares of the company

9. Board of Directors qualification due to share capital increase.

Under article 4.2 of the Company’s Bylaws the share capital may be increased to one hundred million euros in one or more increases by resolution of the Board of Directors, which shall determine the manner, conditions of subscription and categories of shares to be issued from among those provided for in the articles of association or such others as may be permitted by law.

10. Related Party Transactions.

No material business or transactions were conducted between the Company and holders of qualifying shareholdings.

B. GOVERNING BODIES AND COMMITTEES

I. General Meeting

a) Board of the Shareholders' General Meeting

11. Name, function and mandate of the General Meeting Boards member.

Throughout 2013, and as a result of elections held in the Annual General Meeting held on 6 May 2013, the composition of the Board of the General Meeting was as follows:
Chairwoman of the Board – Dr. Alice da Assunção Castanho Amado;
Vice-Chairwoman – Dr. Anabela Nogueira de Matos;
Secretary – Dr. Maria Leonor Moreira Pires Cabral Campello;

These members are elected for a four-year term, from 2013 to 2016.

b) Exercise of the voting rights

12. Possible restrictions on voting rights.

There are no restrictions on voting rights, such as limitations on the exercise of the vote depending on ownership of a certain number or percentage of shares, given that, under the terms of article 21 of the Bylaws, each share carries one vote.
According to article 23 of the Bylaws of the Company, for the General Meeting to be able to meet and deliberate on first call, shareholders of shares representing more than fifty per cent of the share capital must be present in person or by proxy. According to article 21.1 and 21.2 of the Bylaws, each share carries one vote and resolutions of the General Meeting shall be adopted by simple majority, unless the law requires otherwise.
Article 22.3-11 of the Company's Bylaws contain rules on the exercise of voting rights by post, there being no restriction on postal voting. The company provides postal voting forms and informs of the necessary procedures to exercise this right. The form is available on the company's website at www.ibersol.pt. Under article 22.4 of the Bylaws, postal votes may be received up to three days before the date of the General Meeting.

13. Maximum percentage of voting rights that may be exercised by a single shareholder or shareholders which have with the Company any relations of n.º 1 of Art. 20.º.

There is no indication of the maximum percentage of voting rights that may be exercised by any one shareholder or by shareholders who are in any of the situations described in said rule.

14. Resolutionswhich only may be taken by qualified majority.

Shareholder resolutions are not subjust, under the Bylaws, to qualified majorities,

unless such a requirement is imposed by law. Thus, unless the law provides otherwise, resolutions of the General Meeting shall be adopted by simply majority (art. 21.2 of the Bylaws);

II. MANAGEMENT AND SUPERVISION

a) Composition

Board of Directors
Audit Committee
Chairman - Dr. Joaquim Alexandre de Oliveira e Silva
Vice-Chairman - Dr. António Maria de Borda Cardoso
Director – Dr. Eduardo Moutinho dos Santos
Substitute – Dr. Maria Helena Moreira de Araújo
Statutory Auditor - PriceWaterHouseCoopers & Associates – Sociedade de Revisores Oficiais de Contas, Lda.

15. Identification of model of governance adopted.
The Company adopts a classical, monist model of governance, made up of Board of Directors and the Audit Committee, the statutory auditor having been appointed by the General Meeting. The Board of Directors is responsible for performing all the administrative acts relating to the corporate object, determining the Company's strategic guidelines, and appointing and overseeing the work of the Executive Committee, no specialized committees having been formed. The Executive Committee coordinates the operations of the functional units and the Company's various businesses, meeting with the senior managers of these units and businesses on a regular basis.
The Audit Committee is responsible for auditing the Company's activity in accordance with law and the Company's bylaws.

16. Statutory rules for procedural and material requirements applicable to appointment and replacement of members of the Board of Directors.
The rules on the procedural and material requirements applicable to the appointment and replacement of members of the Board of Directors are stated in articles 8, 9, 10 and 15 of the Bylaws.
The Board of Directors is made up of an uneven or even number of members, with a minimum of three and a maximum of nine, elected by the General Meeting. A number of substitutes equal to one-third of the number of acting directors may also be elected.

Up to one-third of the directors shall be elected from among persons proposed in lists subscribed by shareholder groups holding shares representing no more than 20% and no less than 10% of the share capital. Each list must propose at least two candidates for each post to be filled and a shareholder may not subscribe to more than one list. If, in a given election, lists are presented by more than one group, the vote will decide on all the lists taken together.
In the event of death, resignation or temporary or permanent disability of a director, the Board of Directors shall arrange for a replacement. Where a director elected under the rules set forth in the preceding paragraph is no longer able to serve, a replacement shall be elected by the General Meeting.

17. Composition of the Board of Directors.

The Board of Directors is currently made up of three members, the executive members being the Chairman and Vice-Chairman. The Board of Directors shall choose its own chairman if a chairman has not been appointed by the General Meeting at the time the Board was elected. The Board of Directors may specifically appoint one or more directors to handle certain matters. As of 31 December 2013 the Board of Directors was made up of the following members:

Chairman – Dr. António Alberto Guerra Leal Teixeira;
Vice-Chairman – Dr. António Carlos Vaz Pinto de Sousa;
Director – Prof. Juan Carlos Vázquez-Dodero

All the members were elected by the General Meeting on 6 May 2012 for a term that expires in 2016 or when new members are elected.
The dates on which the current members were first elected to their posts are as follows: Dr. António Carlos Vaz Pinto de Sousa, 1991; Dr. António Alberto Guerra Leal Teixeira, 1997; and Prof. Juan Carlos Vázquez-Dodero, 1999.
Under article 27 of the Bylaws, directors are elected for a period of four years.
The Board of Directors may also delegate the day-to-day management of the Company to one or more directors or an executive committee, within the terms and limits established by law. The Board of Directors shall be responsible for regulating the functioning of the Executive Committee and the way it exercises the powers assigned to it.

18. Distinction between executive and non-executive members.

The governing body of the Company is made up of three directors and includes one non-executive member, Prof. Juan Carlos Vázquez-Dodero, who is not associated with any specific interest groups, whether of the Company or its principal shareholders, and has no

material interests that might clash or interfere with the free performance of his duties as a director. No internal control committee has been established. Said non-executive member is a director of related companies, in which he does not perform any executive functions. He does not carry out any activities or businesses with the Company, within the meaning of articles 397 and 398 of the Companies Code (CSC) and meets the other requirements for independence stated in art 414.5 of the CSC, in particular as stated in the European Commission Recommendation of 15 February 2005.

The abovementioned non-executive director, as a non-executive director of the Board of Directors of companies included in or linked to the Ibersol Group, does not provide any other type of service to any of these companies and has no other type of commercial relationship (material or non-material), whether of service provision or another nature, and is not a beneficiary of any kind of remuneration beyond that received annually as a non-executive director of Ibersol, SGPS, SA.

19. Professional qualifications of the members of the Board of Directors.

Board of Directors

Chairman - Dr. António Alberto Guerra Leal Teixeira

Academic qualifications

- BA in Economics – Faculty of Economics of the University of Oporto.

Professional activity

- Chairman of the Board of Directors of Ibersol, SGPS, SA
- Director of other companies in which Ibersol, SGPS, SA holds shares

Date first appointed and end of current term of office – 1997 / 2016;

Functions performed in the governing bodies of other companies belonging to the Ibersol Group:

ASUREBI - Sociedade Gestora de Participações Sociais, SA

EGGON – SGPS, SA

ANATIR – SGPS, SA

CHARLOTTE DEVELOPS, SL

FIRMOVEN - Restauração, SA

IBERAKI - Restauração, SA

IBERGOURMET - Produtos Alimentares, SA

IBER KING - Restauração, SA

IBERSANDE - Restauração, SA

IBERSOL - Hotelaria e Turismo, SA

IBERSOL - Restauração, SA

IBERSOL MADEIRA e AÇORES, Restauração, SA

IBERUSA - Hotelaria e Restauração, SA

IBERUSA - Central de Compras para a Restauração, ACE

INVERPENINSULAR, SL

MAESTRO - Serviços de Gestão Hoteleira, SA

VIDISCO SL. Y LURCA SA. Unincorporated joint venture

VIDISCO, SL

LURCA, SA

IBR – Imobiliária, SA

QRM – Projectos Turísticos, SA

RESTOH – Restauração e Catering, SA.

JOSÉ SILVA CARVALHO – Catering, SA

SUGESTÕES E OPÇÕES – Actividades Turísticas, SA.

SEC - EVENTOS E CATERING, SA.

IBERSOL ANGOLA, S.A.

General Manager

FERRO & FERRO, Lda.

RESTMON (Portugal) – Gestão e Exploração de Franquias, Lda.

Parque Central da Maia- Actividades Hoteleiras, Sociedade Unipessoal, Lda

RESBOAVISTA – Restaurante Internacional, Lda.

Functions performed in the governing bodies of companies not belonging to the Ibersol Group:

ATPS - Sociedade Gestora de Participações Sociais, SA

ATPS II, SGPS, SA.

I.E.S. - Indústria, Engenharia e Serviços, SGPS, SA

MATEIXA Soc. Imobiliária, SA.

ONE TWO TASTE, SA.

Vice-Chairman - Dr. António Carlos Vaz Pinto de Sousa

Academic qualifications

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

Professional activity

- Chairman of the Board of Directors of Ibersol, SGPS, SA
- Director of other companies in which Ibersol, SGPS, SA holds shares

Date first appointed and end of current term of office – 1991 / 2016;

Functions performed in the governing bodies of other companies belonging to the Ibersol Group:

ASUREBI - Sociedade Gestora de Participações Sociais, SA

EGGON – SGPS, SA

ANATIR – SGPS, SA

CHARLOTTE DEVELOPS, SL

FIRMOVEN - Restauração, SA

IBERAKI - Restauração, SA

IBERGOURMET - Produtos Alimentares, SA

IBER KING - Restauração, SA

IBERSANDE - Restauração, SA

IBERSOL - Hotelaria e Turismo, SA

IBERSOL - Restauração, SA

IBERSOL MADEIRA e AÇORES, RESTAURAÇÃO, SA

IBERUSA - Hotelaria e Restauração, SA

IBERUSA - Central de Compras para a Restauração, ACE

INVERPENINSULAR, SL

MAESTRO - Serviços de Gestão Hoteleira, SA

VIDISCO SL. Y LURCA SA. Unincorporated joint venture

VIDISCO, SL

LURCA, SA

IBR – Imobiliária, SA

QRM – Projectos Turísticos, SA

RESTOH – Restauração e Catering, SA.

JOSÉ SILVA CARVALHO – Catering, SA

SUGESTÕES E OPÇÕES – Actividades Turísticas, SA.

SEC - EVENTOS E CATERING, SA.

IBERSOL ANGOLA, S.A.

General Manager

FERRO & FERRO, Lda.

RESTMON (Portugal) - Gestão e Exploração de Franquias, Lda.

Parque Central da Maia- Actividades Hoteleiras, Sociedade Unipessoal, Lda.

RESBOAVISTA – Restaurante Internacional, Lda.

Functions performed in the governing bodies of companies not belonging to the Ibersol Group:

ATPS - Sociedade Gestora de Participações Sociais, SA.

ATPS II, SGPS, SA.

MBR, IMOBILIÁRIA, SA.

ONE TWO TASTE, SA.

I.E.S. - Indústria, Engenharia e Serviços, SGPS, SA

POLIATLÂNTICA, SA.

PLASTEUROPA- Embalagens, SA.

SOPRANO- SGPS, SA.

Director – Prof. Juan Carlos Vázquez-Dodero

Academic qualifications

- BA in Law – Complutense University of Madrid
- BA in Business Studies – ICADE, Madrid
- Master of Business Administration – IESE, University of Navarra;
- PhD in Management - IESE, University of Navarra
- "Managing Corporate Control and Planning" and "Strategic Cost Management" programmes, Harvard University

Professional activity

- Ordinary Professor at IESE
- Advisor and consultant to various European and American companies
- Member of the Board of Directors of Ibersol, SGPS, SA
- Director of other companies in which Ibersol, SGPS, SA holds shares

Date first appointed and end of current term of office –1999 / 2016;

Functions performed in the governing bodies of other companies belonging to the Ibersol Group:

IBERUSA - Hotelaria e Restauração, SA

IBERSANDE - Restauração, SA

IBERSOL - Restauração, SA

IBERSOL ANGOLA S.A.

Functions performed in the governing bodies of companies not belonging to the Ibersol Group:

ATPS - Sociedade Gestora de Participações Sociais, SA

I.E.S. - Indústria, Engenharia e Serviços, SGPS, SA

ATPS II, SGPS. SA.

FINAVES I, SCRRC, S.A.

20. Significant relationships between members of Board of Directors and qualified shareholders.

There are no family, professional or business relationships with holders of qualifying shareholdings beyond the fact that the directors António Alberto Guerra Leal Teixeira and António Carlos Vaz Pinto de Sousa are the owners, in equal shares, of the company ATPSII- SGPS, SA, which holds 54.44% of the share capital of Ibersol.

21. Division of powers between the different boards, committees and/or departments within the company, including information on delegating responsibilities, particularly with regard to the delegation of powers, in particular with regard to the delegation of daily management of the Company.

Two of the members of the Board of Directors perform executive functions and form an Executive Committee, which was elected and has powers delegated to it by the Board of Directors under the terms of art. 8.4 of the Bylaws of the Company. The third director performs non-executive functions.

The executive committee coordinates the operations of the functional units and the various businesses, meeting with the senior managers of these units and businesses on a regular basis. The decisions taken by the functional and business managers, which must respect the overall guidelines, are taken under powers delegated by the Executive Committee and are coordinated in periodic meetings.

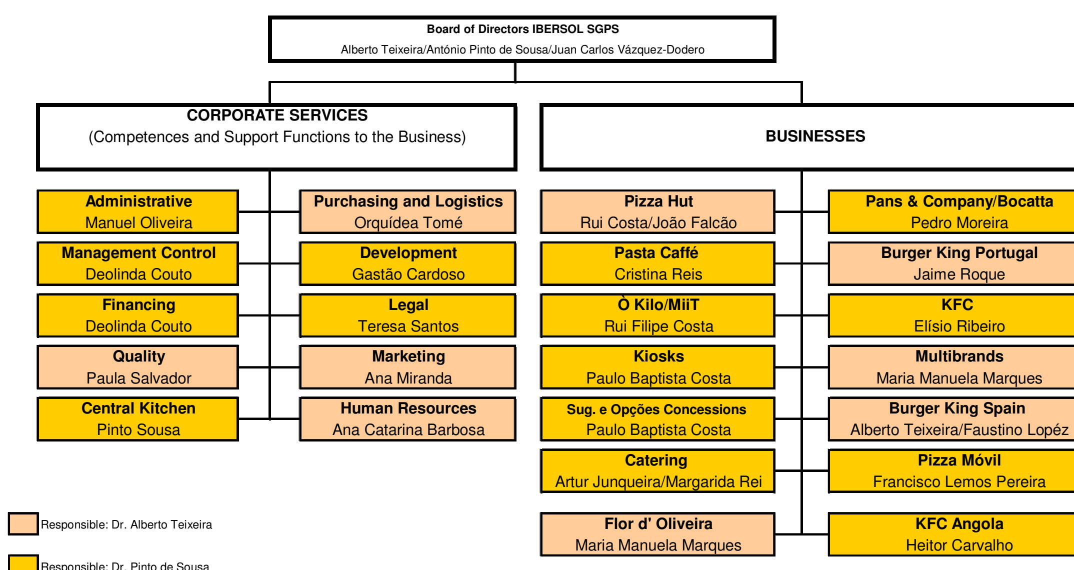
The powers delegated to the Executive Committee are as follows:

a) Exercise full powers of decision making, management and monitoring of the Company's activity at a strategic level, within the legal limits of art. 407.4 of the CSC.

b) Develop, plan and schedule the actions of the governing body, in the Company's internal and external plan for the year, so as to achieve the corporate objectives in accordance with the Company's mission, in particular assisting the Board of Directors in the proper verification of the instruments of supervision of the economic and financial situation and in the exercise of the control function over the companies belonging to the Ibersol Group.

c) It is responsible for assisting the Board of Directors in the updating of its structures of advice and functional support; in the procedures of the companies belonging to the Ibersol Group, in line with the changing needs of the business, defining the profiles and characteristics of their strategic partners, customers, workers, employees and other agents; and in the conduct of the Group's relationships with its environment, acquiring, disposing and encumbering movable property and establishing or terminating cooperation agreements with other companies.

The organization chart and distribution of tasks is as follows:



b) Functioning

22. Location where the regulations governing the functioning of the Board of Directors can be found.

The Regulations of the Board of Directors may be consulted on the Company's website: www.ibersol.pt.

23. Number of meetings held and attendance level of each member, as applicable, of the Board, the General ans Supervisory Board and Executive Board of Directors.

The bylaws of the Company stipulate that the Board of Directors shall meet at least quarterly and whenever convened by the Chairman or two of its members. During 2013 the Board met seven times and the rate of attendance was 100% for the two executive directors (António Alberto Guerra Leal Teixeira and António Carlos Vaz Pinto Sousa) and 85% for the non-executive director (Juan Carlos Vázquez-Dodero)

Meetings of the Board of Directors are arranged and prepared in advance and the necessary documentation of the points on the agenda is made available in good time.

24. Competent Bodies of the Company to appraise the performance of executive directors.

The Remuneration Committee is the body responsible, in representation of the shareholders, for assessing the performance and approving the remuneration of the members of the Board of Directors and other bodies in accordance with the remuneration policy approved by the shareholders in General Meeting.

25. Predetermined criteria for evaluating the performance of executive directors.

The remuneration of the executive members of the Board of Directors does not include any variable component and is conducted through a service agreement with ATPS-SGPS, SA. There are no pre-determined criteria for this purpose.

26. Availability of each member of the Board of Directors indicating the positions held simultaneously in other companies inside and outside the group, and other relevant activities by members of these bodies during the financial year.

The professional activity of the current members of the Board of Directors is described in point 19 above.

c) Committees within trhe board of directors and delegates;

27. Identification of committees created within the board of directors and where

can be found the Regulations on the functioning.

The Executive Committee is the only committee of the Board of Directors and the Regulations of the Board of Directors may be consulted on the website www.ibersol.pt;

28. Executive Committee.

Chairman - Dr. António Alberto Guerra Leal Teixeira;

Vice-Chairman - Dr. António Carlos Vaz Pinto de Sousa;

29. Competence of each committee created and synthesisof activities in exercise of those competence.

Ibersol, SGPS, SA has a Board of Directors made up of three members: a Chairman, a Vice-Chairman and a Director.

Two of the members perform executive functions and form an Executive Committee, which was elected and has powers delegated to it by the Board of Directors under the terms of art. 8.4 of the Bylaws of the Company. The third director performs non-executive functions.

The executive committee coordinates the operations of the functional units and the company's various businesses, meeting with the senior managers of these units and businesses on a regular basis. The decisions taken by the functional and business managers, which must respect the overall guidelines, are taken under powers delegated by the Executive Committee and are coordinated in committee meetings.

The powers delegated to the Executive Committee are as follows:

d) Exercise full powers of decision making, management and monitoring of the Company's activity at a strategic level, within the legal limits of art. 407.4 of the CSC.

e) Develop, plan and schedule the actions of the governing body, in the Company's internal and external plan for the year, so as to achieve the corporate objectives in accordance with the Company's mission, in particular assisting the Board of Directors in the proper verification of the instruments of supervision of the economic and financial situation and in the exercise of the function of control of the companies belonging to the Ibersol Group.

f) The Executive Committee is also responsible for assisting the Board of Directors in the updating of its structures of advice and functional support; in overseeing the procedures of the companies belonging to the Ibersol Group, in line with the changing needs of the business, defining the profiles and characteristics of their strategic partners, customers, workers, employees and other agents; and in the conduct of the Group's relationships with its environment, acquiring, disposing and encumbering movable property and establishing or terminating cooperation agreements with other companies.

The Executive Committee meets monthly and whenever called by the Chairman. Apart from the regular contacts established between the members of the Executive Committee in the periods between meetings, a total of 20 meetings were held during 2013.
The members of the Executive Committee provide the information requested by other members of the corporate governing bodies in a timely manner.

III. SUPERVISION

a) Composition

30. Identification of the Fiscal Board.

The Company is audited by the Audit Committee and the statutory auditor or a statutory audit firm who are not members of the Audit Committee, both elected by the General Meeting of shareholders.

31. Composition.

Audit Committee

Chairman – Dr. Joaquim Alexandre de Oliveira e Silva ;
Vice-Chairman – António Maria Borda Cardoso;
Member – Eduardo Moutinho Ferreira Santos;
Substitute – Maria Helena Moreira de Araújo;

The Audit Committee is made up of at least three active members, who are elected by the General Meeting and must meet at least quarterly. Where the Audit Committee has only three active members, there must be one or two substitutes; where there are more than three active members, there must be two substitutes.
The statutory auditor or statutory audit firm are elected by the General Meeting at the proposal of the Audit Committee.
The term of office of the members of the Audit Committee is four years (art. 27 of the Bylaws). The current Chairman took up the post of Vice-Chairman in 2008 and was appointed Chairman in 2013 for the period 2013-2016. The current Vice-Chairman was first appointed as a member of the Audit Committee in 2007 and was appointed vice-chairman for the period 2013-2016. The Member was first appointed as a substitute in 2007 and was appointed as a member for the period 2013-2016.

32. Independence of the Fiscal board members.

All the active members meet the criteria stated in article 414.5 of the CSC and comply

with all the rules of incompatibility mentioned in article 414.1 of the CSC.
The members of the Audit Committee have the duty to immediately report to the Company any event that might give rise to incompatibility or loss of independence.

33. Professional Qualifications.

Chairman – Joaquim Alexandre de Oliveira e Silva;

Academic qualifications

- BA in Economics (1970) from the Faculty of Economics of the Univesity of Oporto

Professional activity in the last five years:

- University teaching
- Tax consulting

Date first appointed and end of current term of office: 2008 / 2016.

Functions performed in the governing bodies of other companies belonging to the Ibersol Group:

He does not perform any functions in other companies in the Ibersol Group.

Number of shares of Ibersol, SGPS, SA held directly or indirectly:

He does not hold any shares of the company.

Vice-Chairman – Dr. António Maria de Borda Cardoso;

Academic qualifications

- BA in Economics (1966) from the Faculty of Economics of the Univesity of Oporto

Professional activity in the last five years:

- Retired since 25/10/2005
- Director of Laminar – Indústria de Madeiras e Derivados, SA since 29/11/2002

Date first appointed and end of current term of office: 2007 / 2016.

Functions performed in the governing bodies of other companies belonging to the Ibersol Group:

He does not perform any functions in other companies in the Ibersol Group.

Number of shares of Ibersol, SGPS, SA held directly or indirectly:

He does not hold any shares of the company.

Director – Dr. Eduardo Moutinho dos Santos;

Academic qualifications

- Degree in Law from the Faculty of Law of the Univ. of Coimbra (1978)

Professional activity in the last five years:

- In legal practice in the county of Oporto**;**

Date first appointed and end of current term of office: 2007 / 2016.

Functions performed in the governing bodies of other companies belonging to the Ibersol Group:

He does not perform any functions in other companies in the Ibersol Group.

Number of shares of Ibersol, SGPS, SA held directly or indirectly:

He does not hold any shares of the company.

b) Functioning

34. Location where the regulations governing the functioning of the Fiscal Board can be found.

The Regulations of the Audit Committee may be consulted on the website: www.ibersol.pt.

35. Meeting of the Fiscal Board.

The Audit Committee meets at least once each quarter. In 2013 there were five formal meetings of this body and the rate of attendance of all the active members was 100%.

36. Availability of each member with description of positions hels in other companies inside and outside the group and other relevant activities carried out.

All the members of the Audit Committee consistently demonstrated their availability to perform their functions, having attended all the meetings and taken part in the work.
For point 33 above we refer to the information on other posts held in other companies by the active members of the Audit Committee in Annex 2 to this report.

c) Competences and functions

37. Description of the procedures and criteria for intervention by the Fiscal Board for the purpose of hiring additional services to the Statutory Auditor.

The Audit Committee annually assesses the work of the external auditor and states its conclusions in its Report and Opinion, issued in the terms and for the purposes of art. 420.1.g) of the Companies Code.

The Audit Committee analyzes and approves the scope of any non-audit services provided, considering whether they call the independence of the external auditor into

question. It also ensures that any consulting services provided have the necessary level of quality, autonomy and independence relative to the services provided within the scope of the audit process.

38. Other functions.

The Audit Committee, in coordination with the statutory auditor, is responsible for the auditing of the Company, namely:
- examine the appropriateness of the accounting policies
- examine the effectiveness of the risk management system and of the internal control system
- examine the process of preparation and disclosure of financial information
- examine the auditing of the accounts

It is also responsible for making proposals to the General Meeting for the appointment of the statutory auditor and examining the auditor's independence, particularly as regards the provision of non-audit services.

The annual report on the work of the Audit Committee is published, together with the financial statements, on the Company's website.

To all effects, the Audit Committee represents the company in relation to the external auditor, ensuring that all the conditions of service provision are met, annually assessing the auditor's performance, acting as the auditor's main contact and receiving its reports, jointly with the Board of Directors.

To perform its functions the Audit Committee obtains from the Board of Directors the information it needs in order to carry out its activity, namely information on the Group's operations and finances, changes in the composition of the Group's portfolio of companies and businesses and the content of the main resolutions adopted by the Board.

IV. Statutory External Auditor

39. Statutory External Auditor identification and the representing partner.

The statutory auditor of the Company is PriceWaterHouseCoopers and Associates – Sociedade de Revisores Oficiais de Contas, Lda.", represented by Dr. Hermínio António Paulos Afonso or Dr. António Joaquim Brochado Correia.

40. Permanence of functions.

PriceWaterHouseCoopers and Associates has been acting as the Company's statutory auditor since 2005.

41. Other services provided to the Company.

The statutory auditor is also the Company's external auditor.

V. External Auditor

42. Identification.

The external auditor is PriceWaterHouseCoopers and Associates, SROC, registered with the Securities Market Commission under no. 9077, represented by Dr. Hermínio António Paulos Afonso or Dr. António Joaquim Brochado Correia.
No ano de 2013 o representante foi o Dr. Hermínio António Paulos Afonso.

43. Permanence of Functions.

The external auditor was elected for the first time in 2005 and this is its second term of office.
The partner who represents it has been acting as representative since 2011.

44. Policy and frequency of rotation of the external auditor and its partner.

The external auditor and the partner who the represents it in this role are in their second term of office. The external auditor is elected by the General Meeting at the proposal of the Audit Committee and the need for a change of external auditor will be assessed based on best practices in corporate governance at the time of the proposal for a new term of office.

45. External Auditor assessment.

The Audit Committee annually assesses the work of the external auditor and states its conclusions in its Report and Opinion, issued in the terms and for the purposes of art. 420.1.g) of the Companies Code.

46. Additional work.

The non-audit services provided by the external auditor will mainly include services to do with the review of tax documentation processes and keeping up to date with tax legislation.
The Audit Committee analyzed and approved the scope of said services, concluding that they do not represent any threat to the auditor's independence.
The non-audit services are provided by different individuals from those involved in the audit, so that the independence and impartiality of the auditor is considered to be assured.
The fees billed for non-audit services in 2013 represented 10% of the total fees billed to the Group by PriceWaterHouseCoopers in the year.

47. Annual remuneration.

The total annual remuneration paid by the Company and other Group entities to the auditor or other corporate entities belonging to auditor's network amounted to 170,195 euros, as follows:

	2013	%	2012	%
Ibersol SGPS, SA				
Audit Services	44425	25%	35578	20%
Other				
Group Subsidiaries				
Audit	114327	65%	131160	75%
Fiscal consulting	17610	10%		
Other			8945	5%
Total	176362	100%	175683	100%

C. INTERNAL ORGANIZATION

I. Articles of Association

48. Rules about changes in Statutes.

The rules applicable to amendment of the Bylaws of the Company are those set forth in articles 85 ff. and 383 ff. of the Companies Code (CSC).

II. Whistle Blowing Policy

49. Whistle Blowing Policy.

The Company has a policy in place for the receipt of reports, claims or complaints about irregularities detected in the Company. As set forth in the Regulations of the Audit Committee, which are published on the Company's website, the Audit Committee keeps a written record of reports of irregularities that are addressed to it and, where considered appropriate, takes the necessary steps, together with the directors and the auditors, and prepares a report on the irregularities. Thus, some kinds of irregularities may be reported to the Audit Committee without maintaining anonymity by reporting them directly to the Company, for reference to the Audit Committee. The Company will refer the reports it receives to the Chairman of the Audit Committee, ensuring confidentiality.

During 2013 the Audit Committee did not receive any reports of irregularities.

III. Internal Control and Risk Management

50. Individuals, bodies or committees responsible for internal audit and/ or implementation of internal control systems.

Ibersol does not have autonomous internal audit and compliance services.

Risk management, as part of the company's culture, is present in all processes and is the responsibility of all managers and employees at every level of the organization.

Internal control and the monitoring of internal control systems are overseen by the Executive Committee.

51. Disclosure of the relationship to other committees of the Society in hierarchical dependence and/ or functional relation.

Not applicable as the Group does not have autonomous services.

52. Existence of other functional areas regarding competences in risk control.

There are central functions (the Quality, Human Resources and Financial Units), reporting to the Executive Committee, that promote, coordinate and facilitate the development of risk management processes.

53. Main Risks to which the Company and its Affiliates are exposed.

The Board of Directors considers that the Group is exposed to the normal risks arising from its activity, namely at the level of the restaurants.

Given the nature of the business, there are certain risk areas that are assigned to particular functional departments, notably:

Food quality and food safety

In the restaurants business, the risk associated with hygiene and food safety is of primordial importance.

The management of this area of risk is overseen by the Quality Unit and is aimed primarily at adopting a responsible, proactive approach, following the principles of prevention, training, monitoring of indicators and continuous improvement in order to minimise food risks that could have an impact on the health of consumers.

The main management dimensions of this risk area are:

- qualification and selection of suppliers and products in the area of food quality/safety and a programme of periodic inspections of suppliers, products and services
- ensuring the effectiveness of the traceability system
- control of the production process in the units through HACCP systems
- system for developing food safety competencies
- maintenance and monitoring of measurement devices
- food crisis management system, which can be used to monitor existing food warning systems at all times and take immediate action when necessary

- continuous improvement system supported by the following tools, among others: programme of external audits in all Group units; programme of microbiological analyses of the end products, carried out through sampling by an authorized outside body; complaints processing system; mystery shopper programme; and programme of internal audits in relation to food safety indicators.

-certification of the food safety management system under ISO 22000, a demanding international food safety standard.

Health and safety at work (HSW)

The management of this risk area is overseen by the Human Resources Unit, which coordinates training plans and monitors the application of the rules and procedures defined in Ibersol's HSW Manual.

Financial

Risk management in the financial area is led by the Financial Unit, which focuses on monitoring the volatility of the financial markets, especially interest rate volatility. The current situation of the markets has led to liquidity risk taking on greater importance. The main sources of exposure to financial risk are:

a) Exchange rate risk

Exchange rate risk is reduced, as the Group operates mainly in the Iberian market. Bank loans are denominated mainly in euros and the volume of purchases outside the eurozone is small. The purchases and external financing of the Angolan subsidiaries are also on a small scale (given that a substantial portion of the assets are funded with capital).

As regards future borrowings outside the eurozone, the Group will pursue a policy of natural coverage, using financing in local currency whenever interest rate conditions make it recommendable.

The growth of the business in Angola translates into an increase in exchange rate risk, which will affect the value of the assets and liabilities.

b) Interest rate risk

As the Group has no interest-bearing assets with significant interest rates, the gains and cash flows of the financing activity are substantially independent of changes in market interest rates.
The interest rate risk for the Group comes from the liabilities, namely long-term loans. Fixed-rate borrowings expose the Group to fair value interest rate risk. With the current level of interest rates, the Group's policy in long-term financings is to fully or partly fix the interest rates.

Ibersol uses interest rate hedges for 30% of the loans obtained. As a result of the liquidity policy implemented in recent years, available funds amount to nearly 36% of interest-bearing liabilities, so the exposure to interest rate risk is considered to be low.

c) Credit risk

The Group's principal activity is carried out with sales paid in cash or by debit/credit card, so that the Group has no material credit risk concentrations. However, with the increase in sales of the catering business, which has a significant proportion of credit sales, the Group has started to monitor its accounts receivable more regularly in order to:

i) limit the credit granted to customers
ii) analyze the age and recoverability of receivables
iii) analyze the risk profile of customers

d) Liquidity risk

As already mentioned, the recent situation of the financial markets has lent a new importance to liquidity risk. Systematic financial planning based on cash flow forecasting in different scenarios and for periods of more than one year has become an imperative in the Group. Short-term cash management is based on the annual plan, which is reviewed quarterly and adjusted daily. In line with the dynamics of the underlying businesses, the Group's Treasury aims for flexible management of commercial paper and the negotiation of lines of credit that are available at all times. The policy of open dialogue with all the financial partners has allowed the Group to maintain relationships of trust, despite the liquidity restrictions Portuguese banks have had to contend with. Despite the cost, the Group has given priority to liquidity risk and has been reinforcing its medium and long-term funding by replacing short-term credit lines and putting surplus funds into longer-term deposits. Managing liquidity risk also means maintaining a comfortable level of available funds. The Group ended the year with nearly 22 million euros of available funds, equivalent to nearly 36% of the interest-bearing liabilities. However, reducing liquidity risk increases the risk associated with investing the cash surpluses.

e) Capital risk

The Company seeks to maintain a level of capital appropriate to its principal business (cash sales and supplier credit) and ensure its continuity and expansion. The balance of the capital structure is monitored based on the leverage ratio (defined as: net interest-bearing debt / (net interest-bearing debt+shareholders' equity)), aiming to keep this ratio within the 35%-70% range. In 2013, as a measure of prudence in view of the current market constraints, we maintained a ratio of 17%.

Environmental

The environmental risk management area is overseen by the Quality Unit, whose main concern is the implementation of the policy deriving from Ibersol's Sustainability Principles, so that environmental processes and procedures are applied across the organization.

Adoption of good environmental management practices is a matter of concern to Ibersol's Board of Directors, which promotes a responsible, proactive approach to resource and waste management.

The procedures set forth in Ibersol's Standards Manual as regards environmental matters are focused mainly on the rational use of electricity and the recycling of used oil and packaging.

Legal

Ibersol and its businesses have a legal function, which works full-time, in coordination with the other central and business functions, to protect the Group's interests, while ensuring strict compliance with the Group's legal duties and implementation of good practices.

Legal advice is also obtained, at national and international level, by recognized outside experts.

Sector-specific

The tenuous and hesitant recovery of private consumption, after the ssevere disruption seen in recent years, mainly in Portugal, will continue to affect sales in restaurants. To mitigate the impact on its results, the company has implemented rigorous cost control, with monthly monitoring of market trends and subsequent reviews of resource planning.

Operating as it does in the food service business, the company is also subject to the risk of epidemics, disruptions in raw materials markets and changes in consumption patterns, which can have a material impact on the financial statements.

54. Description of the identification, assessment, monitoring, control and risk management process.

Risk management is carried out with the aim of creating value by managing and controlling uncertainties and threats that could affect Group companies from a business continuity perspective, while taking advantage of business opportunities.

In the context of strategic planning, the risks to the portfolio of existing businesses, the development of new businesses and the implementation of the most important projects are identified and assessed; and strategies to manage those risks are defined.

At operational level the management risks affecting the objectives of each business are identified and assessed, and actions are planned to manage those risks. These actions are included and monitored through the plans of the individual businesses and functional units.

As regards the risks to the security of tangible assets and persons, policies and standards have been established and are monitored to ensure compliance. All units are subject to external audits and preventive and corrective measures are taken in respect of the risks that have been identified.

To ensure that the established procedures are followed, the Group's main internal control systems are evaluated periodically.

55. Main elements of the internal control systems and risk management implemented by the company regarding the finantial disclosure process.

The Company does not have any specific internal audit services reporting directly to the Audit Committee (given the Latin model adopted), the necessary compliance services being overseen by the individual departments of the company. Organizationally and functionally, the various units of the Group are directly responsible for compliance services to the Board of Directors and of the Audit Committee, whenever requested by the latter, and the persons responsible are duly identified in the Company's organization chart. Under the Latin model of corporate governance, the individual departments of the Company oversee the compliance services in interaction with the Audit Committee or the non-executive director of the Company, reporting functionally to that director, independently of the departments' reporting relationship with the Company's executive management.

External audit assesses and reports on the reliability and integrity of accounting and financial information, validating the internal control system established in the Group and the effectiveness of the separation between the persons who prepare the information and those who use it and carrying out various validation procedures throughout the financial information preparation and disclosure process.

The external auditor meets with the different departments of the Group, at least twice a year to analyze and review the internal control system, submitting a report to the Audit Committee for subsequent discussion with the Board of Directors, namely with the non-executive director.

As regards risk in the process of financial information disclosure, only a restricted number of employees is involved in the disclosure process. All those who are involved in the process of financial analysis of the Company are considered to have access to inside information and are specially informed of their obligations.

The system of internal control of the recording, preparation and disclosure of financial information rests on the following key elements:

- the use of accounting principles, as set forth in the notes to the accounts, is one of the bases of the control system

- the plans, procedures and records of the Company and its subsidiaries offer a reasonable guarantee that only duly authorized transactions are are recorded and that they are recorded in accordance with generally accepted accounting principles

- the financial information is analysed systematically and regularly by business unit management (supported by the Management Control Department) and by the heads of the profit centres, ensuring continuous monitoring and the necessary budgetary control

- a timetable is established for the preparation and review of information, the work is divided up among the various areas involved and all the documents are reviewed in detail. This includes a review of the principles used, verification of the accuracy of the information produced and a check of consistency with the principles and policies used in previous years

- the accounting records and the preparation of the financial statements are overseen by the central accounting function. The financial statements are prepared by the accountants and are reviewed by the Administrative Unit.

- The consolidated financial statements are prepared on a quarterly basis by the central consolidation function, which conducts an additional reliability check

- The financial information, annual report and financial statements are reviewed by the Financial Unit and submitted to the Board of Directors for final review and approval. Once the documents have been approved, they are sent to the external auditor, which issues its audit report and opinion.

- The statutory auditor carries out an annual audit and a half-yearly limited review of the individual and consolidated accounts. Also, each quarter it conducts a summary examination of the quarterly information.

- The process of preparation of the individual and consolidated financial information and of the management report is supervised by the Audit Committee and the Board of Directors. At quarterly intervals these bodies meet and analyze the individual and consolidated financial statements and management report.

Among the causes of risk that may materially affect financial reporting are the accounting estimates, which are based on the best information available and on the knowledge and experience of past and current events. Balances and transactions with related parties are disclosed in the annex to the financial statements and are associated above all with the Group's operating activities and its lending and borrowing, which is done at market prices.

IV. Investor Relations Office

56. Department responsible for investor relations, composition, functions,

information provided by these services ans elements for contract.

The Office may be contacted through the representative for the capital market, António Carlos Vaz Pinto de Sousa (Telephone: +351 22 6089708; Telefax: +351 22 6089757; E-mail: psousa@ibersol.pt, Morada: Praça do Bom Sucesso, 105/159 – 9th floor, 4150–146 Porto.

57. Legal Representative for Capital Market Relations.

The representative is the person indicated on the website of Ibersol, SGPS, SA. - Dr. António Carlos Vaz Pinto de Sousa;

58. Information about the volume and response time for information request at the year or outstanding from previous years.

Ibersol maintains constant contact with analysts and investors, supplying them with up-to-date information.

Whenever necessary, the representative for market relations ensures that all the necessary information on the Group's activity is made available and provides any clarifications requested by investors within five business days.

V. Website

59. Address.

The Ibersol has a website for disclosure of information about the company. The address of the website is www.ibersol.pt

60. Location of the information mentioned in Article 171 of the Commercial Companies Code.

www.ibersol.pt\ investidores\Governo da Sociedade

61. Location where the Articles of Regulation for the committees can be found.

www.ibersol.pt\investidores\Estatutos

www.ibersol.pt\investidores\Governo da Sociedade

62. Location where is provided information about the identify of the governing bodies, the representative for market relations, the Investor Relations Office, functions and means of access.

www.ibersol.pt\investidores\Governo da Sociedade

www.ibersol.pt\investidores\Relação com Investidores

63. Location where is provided the documents of accounting, calendar of

corporate events.

www.ibersol.pt\investidores\Relatório e Contas

www.ibersol.pt\investidores\Calendário de Eventos

64. Location where is provided the notice to General Meeting and related information.

www.ibersol.pt\investidores\Assembleias Gerais

65. Location where the historical archives are available with resolutions adopted at general meetings of the company, the represented share capital and the voting results, with reference to the previous 3 years.

www.ibersol.pt\investidores\Assembleias Gerais

D. REMUNERATIONS

I. Competence for definition

66. Competence for determining the remunerations of governing bodies of the executive committee members and managers of the Company.

The members of the corporate governing bodies are remunerated in accordance with the remuneration policy proposed by the Remuneration Committee and approved by the General Meeting of shareholders.

II. Remuneration Committee

67. Composition of the Remuneration Committee, including the identification of the other independent commission hired to support the committee.

The Remuneration Committee is made up of three members: Vítor Pratas Sevilhano, Dr. Amândio Mendonça da Fonseca and Don Alfonso Munk Pacin.

The members of the Remuneration Committee are independent of the members of the Board of Directors and no individual or corporate entity that has provided services to any body reporting to the Board of Directors of the Company or to the Board of Directors itself at any time in the last three years or that currently provides consulting services to the Company has been hired to support the Remuneration Committee in any capacity.

68. Experience and professional qualifications of the members of the Shareholders' Remuneration Committee.

The professional experience and background of the members of the Remuneration Committee allows them perform their functions rigorously and effectively. In particular, one of the members of the Remuneration Committee, Dr. Amândio Mendonça of the Fonseca, has deep knowledge and experience in this field.

III. Remuneration Structure

69. Remuneration policy and performance assessment.

The remuneration policy of the corporate governing bodies is approved by the shareholders in General Meeting.

The General Meeting of shareholders held on 6 May 2013 approved the remuneration policy already in force, which has been implemented consistently.

The remuneration policies and practices of other groups of companies are not used as a benchmark in setting the remuneration of the members of the Board of Directors and Audit Committee and no policy has been established with regard to severance payments for directors, as indicated in the statement of the Remuneration Committee attached to the Corporate Governance Report.

The remuneration policy for senior managers is described in the statement of the Board of Directors attached to the Corporate Governance Report. The remuineration of senior managers includes no major or material variable components.

The executive members of the Board of Directors are remunerated by the shareholder ATPS-SGPS, SA, which provides administrative and management services to the Group.

The non-executive member receives a fixed annual remuneration and no other remuneration of any kind.

The total remuneration of the members of the Audit Committee for 2013 was as follows: Chairman: 8,785.92 euros; Vice-Chairman: 8,785.92 euros; Member: 8,785.92 euros; and external auditor: 42,499.98 euros.

70. Information about remuneration structure in order to align the interests of members of the board with the long-term interests of the Company as well as about the Company assess and discourage excessive risk assumption.

The directors' remuneration policy is the responsibility of the Remuneration Committee, which will submit its proposals to the approval of the Company's shareholders in the 2014 Annual General Meeting, in accordance with Annex 1.

The general principles of the remuneration policy for the audit bodies and the Board of the General Meeting are as follows:

a) Functions performed: - the nature and volume of the activity involved in the functions performed by each member of the abovementioned corporate governing bodies is taken into consideration, as well as the responsibilities assigned to each one. The members of the Audit Committee, the Board of the General Meeting and the audit firm will not all occupy the same organizational or functional position. Various criteria are applied, including level of responsibility, time commitment or the value of a particular service or institutional representation.

b) The Company's economic situation.

This criterion will also require interpretation. One relevant consideration will be the size of the company and the relative degree of functional complexity.

71. Reference, if applicable, of the existence of a variable remuneration component and information about likely impact of performance appraisal in this component.

There is no variable component.

72. Deferring payment of the variable remuneration component, specifying the period of deferral.

There is no variable component.

73. Criteria that underlie the allocation of variable remuneration in shares and the maintenance of these shares by Executive Directors.

No remuneration involving the allocation of shares or any other system of bonuses paid in shares is envisaged.

74. Criteria that underlie the allocation of variable remuneration in options and indication of the deferral period and the exercise price and the members of the Company.

No remuneration invlving the allocation of share options is envisaged.

75. Main parameters and reasonning for any scheme of annual bonuses and any other noncash benefits.

There is no system of annual awards or other non-cash benefits.

76. Main characteristics of complementary pension or early retirement schemes for the Administrators.

There is no pension or early retirement scheme for members of the governing bodies, audit bodies or other senior managers.

IV. Disclosure of remuneration

77. Statement of the annual amount of remuneration received by the board members including fixed and variable remuneration, and for this, mentioning the different components that gave rise

The executive members of the Board of Directors are remunerated by the shareholder ATPS-SGPS, SA, which provides administrative and management services to the Group. In 2013 ATPS-SGPS, SA received a total of 756,034.00 euros from the investee Ibersol, Restauração, SA. for such services. One of the obligations of ATPS-Sociedade Gestora de Participações Sociais, SA. under the service agreement with Ibersol, Restauração, SA. is to ensure that the directors of the Company António Carlos Vaz Pinto de Sousa and António Alberto Guerra Leal Teixeira perform their duties without the Company incurring any additional expense. The Company does not directly pay any remuneration to any of its executive directors. Given that ATPS-Sociedade Gestora de Participações Sociais, SA. is owned in equal shares by the directors António Carlos Vaz Pinto de Sousa and António Alberto Guerra Leal Teixeira, out of the abovementioned total of 756,034.00 euros paid in 2013, each director received the amount of 378,017.00 euros. The executive directors do not receive any remuneration from other companies in the group and acquired no pension rights in the year in question.

The non-executive member receives a fixed annual remuneration of 6,000.00 euros and no other remuneration of any kind. In particular, he receives no performance award, bonus or complementary performance-related fees, retirement supplement or any additional payments beyond the annual amount of 6,000.00 euros delivered to him by the Company.

78. Any amounts paid by other companies in a control or group or that they are subject to the same domain

No other amounts are paid on any account by other companies controlled by or belonging to the Group, except as indicated in no. 77 above.

79. Compensation paid in the form of profit sharing and / or bonus payments and the reasons why such bonuses and / or profit sharing were granted

During the year no remuneration was paid in the form of profit-sharing or awards.

80. Compensation paid or owed to former executive directors following the termination of their duties during the year.

No amounts were paid or are owed as compensation to directors who crased to be directors.

81. Indication of the annual remuneration earned in aggregate and

individually, by the members of the Fiscal Board of the Company.

The total remuneration received by the members of the Audit Committee was 26,357.76 euros. this total breaks down as follows:

Chairman (until May) – Dr. Luzia Leonor Borges e Gomes Ferreira: 3,075.09 euros;

Chairman (from May) and Vice-Chairman until May – Dr. Joaquim Alexandre de Oliveira e Silva: 8,785.92 euros;

Vice-Chairman (from May) and Member until May - Dr. António Maria de Borda Cardoso: 8,785.92 euros

Member (from May) – Dr. Eduardo Moutinho do Santos: 5,710.83 euros

82. Indication of the annual remuneration earned by the Chairman of the Shareholders' General Meeting.

Chairman of the Board – Dr. Alice de Assunção Castanho Amado: 1,333.44 euros

V. Agreements with remuneration implications

83. Contractual limitations provided for compensation payable for unfair dismissal Managers and its relationship with the variable remuneration component.

No contractual limitation is envisaged for the compensation payable for unfair dismissal of a director, nor is there any indication of a relationship with the variable component of remuneration (the variable component is not stipulated in the contract).

84. Reference to the existence and description stating the sums involved, of the agreements between the company and members of the Board of Directors, providing for compensation in case of dismissal without due cause or termination of the employment relationship, following a change of control of the company.

There are no agreements between the Company and the directors or other senior managers, within the meaning of article 248-B.3 of the Securities Code, that provide for compensation in the event of resignation, unfair dismissal or termination of the employment relationship following a change of control of the company.

VI. Share Plans and Stock Option Plans

85. Identification of the plan and recipients.

There are no share or share option schemes in force.

86. Plans functioning.

The Company does not have any share or share option scheme.

87. Option rights granted to acquire shares (stock options) where the

beneficiaries are company employees.

No share options have been allocated to workers or employees of the Company.

88. Control mechanisms in any system of employee participation in the capital.

Not applicable.

E. RELATED PARTY TRANSACTIONS

I. Control procedures and mechanisms

89. Mechanisms implemented by the Company for purposes of monitoring of transactions with related parties (for this purpose refers to the concept resulting from IAS 24).

The Audit Committee has approved the criterion for deciding when transactions between the Company and holders of qualified shareholdings or entities related to them, within the terms of art. 20 of the Securities Code, require prior assessment. The criterion has been defined as a transaction value equal to five per cent or more of the consolidated net assets of Ibersol SGPS, SA.

90. Statement of the transactions that were subject to control in the reference year.

No businesses or transactions were entered into that required such prior assessment.

91.Description of the procedures and criteria for intervention by the Authority for the purpose of preliminary assessment of the business carried out between the Company and holders of qualifying holdings or entities that are in a relationship with them, under Article 20. of CVM.

The Audit Committee was not required to issue any opinion in 2013, given no liability transactions were entered into that required its opinion.

II. Elements related to transactions

92. Location where the finantial statements and the information about transactions with subsidiaries can be found (in accordance of IAS 24).

Information on transactions with related parties is provided in Note 25 of the Annex to the individual financial statements and Note 34 of the Annex to the consolidated financial statements.

PART II - GOVERNANCE MODEL EVALUATION

1. Identification of adopted Corporate Governance Code.

This Corporate Governance Report was prepared in accordance with CMVM Regulation 4/2013 of 1 August and the CMVM's Corporate Governance Code. In accordance with article 4. 2 of CMVM Regulation 4/2013, the necessary and indispensable information is dislosed as required by these regulations, both in substance and in form.

The report complies with article 245-A of the Securities Code and, in accordance with the comply or explain principle, indicates the degree of compliance with the CNMV's recommendations as stated in the 2013 Corporate Governance Code.

The reporting obligations under Law 28/2009 of 19 June, articles 447 and 448 of the Companies Code and CMVM Regulation 5/2008 of 2 October 2008 are also met.

All the legal and regulatory texts mentioned in this report are available at www.cmvm.pt.

2. Analysis of compliance with the adopted Corporate Governance Code.

Overall, Ibersol, SGPS, SA complies with the CMVM's corporate governance recommendations, as follows:

RECOMMENDATIONS (July 18th 2013 Corporate Governance law *in* www.cmvm.pt *)*	**DETAILS OF THE ADOPTIONOF THE RECOMMENDATION**	
I – VOTING AND CONTROL OF THE COMPANY		
I.1. Companies shall encourage sharehoders to attend and vote at general meetings and shall not set an essecively large number of shares required for the entitlement of one vote, and implement the means necessary to exercise the right to vote by mail and electronically.	Adopted	Part I Numbers 11.12.of Annex I
I.2. Companies shall not adopt mechanisms that hinder the passing of resolutions by shareholders, including fixing a quorum for resolutions greater than that provided for by law.	Adopted	Parte I Numbers 13.14. of Annex I
I.3. Companies shall not establish mechanisms intended to cause mismatching between the right to receive dividends or the subscription of new securities and the voting right of each common share, unless duly justified in terms of long-term interests of shareholders.	Adopted	No such mechanisms are established under the Bylaws.
I.4. The company's articles of association that provide for the restriction of the number of votes that may be held of exercised by a sole		

shareholder, either individually or in concert with other shareholders, shall also foresee for a resolution by the general assembly (five year intervals), on wether that statutory provision is to be amended or prevails - without super quorum requirements as to the one legally in force - and that in said resolution, all votes issued be counted, without applying said restriction.	NA	The Company's articles of association set no limit to the number of votes to be issued by a shareholder.
I.5. Mesures that required payment or assumption of feesby the company in the event of change of control or change in the composition of the Board and that which appear likely to impair the free transfer of shares and free assessment by shareholders of the performance of Board members, shall not be adopted.	Adopted	. No such measures have been established or adopted.
II . SUPERVISION, MANAGEMENT AND OVERSIGHT		
II.1. SUPERVISION AND MANAGEMENT		
II.1.1. Within the limits established by law, and except for the small size of the company, the board of directors shall delegate the daily management of the company and said delegated powes shall be identified in the Annual Report on Corporate Governance.	Adopted	Parte I Numbers 15. 16. 17 of Annex I of this Corporate Governance Report
II.1.2. The Board of Directors shall ensure that the company acts in accordance with its objectives and shall not delegate its responsabilities as regards the following: i) define the strategy and general policies of the company; ii) define business structure of the group; iii) decisions considered strategic due to the amount, risk and particular characteristics involved.	Adopted	Parte I Numbers 27 and 29 of Annex I of this Corporate Governance Report
II.1.3. The General and Audit Committe, in addition to its supervisory duties supervision, shall take full responsability at corporate governance level, whereby through the statutory provision or by equivalent means, shall enshrine the requirement for this body to decide on the strategy and major policies of the company, the definition of the corporate tructure of the group and the decisions that shall be considered stategic due to the amount of risck involved. This body shall also assess compliance with the strategic plan and the implementation of key policies of the company.	NA	The corporate governance model adopted does not include a General Supervisory Board.
II.1.4. Except for small-sized companies, the Board of Directors and General and Audit committee, depending on the model adopted, shall create the necessary committees in order to: a) Ensure a competent and independent	NA	There are no specialised committees of the Board of Directors. Part I

assessment of the perfomance of the executive directorsand its own overall performance, as well as of others commitees; b) Reflect on the system structure and governance practices adopted, verify its efficiency and propose to the competent bodies, measures to be implemented with a view to their improvement.		Number 25 of Annex I of this Corporate Governance Report
II.1.5. The Board of Directors or the General and Audit committeed, depending on the applicable model, should set goals in terms of risk-taking and create systems for their control to ensure that the risks effectively incurred are consistent with those goals.	Adopted	Part I Numbers 24 and 50 of Annex I of this Corporate Governance Report.
II.1.6. The Board of Directors shall include a number of non-executive members ensuring effective monitoring, supervision and assessment of the activity of the remaining members of the board.	Adopted	Parte I Numbers 17 and 18 of Annex I of this Corporate Governance Report
II.1.7. Non-executive members shall include an appropriate number of independent members, taking into account the adopted governance model, the size of the company, its shareholder structure and the relevant free float. The independence of the members of the General and Supervisory Board and members of the Audit Committee shall be assessed as the per the law in force. The others members of the Board of Directors are considered independent if the member is not associated with any specific group of interests in the company nor is under any circumstance likely to affect an exempt analysis or decision, particularly due to: a. Having been an employee at the company or at a companyholding a controlling or group relationship within the last three years; b. Having, in the past three years, provided services or established commercial relationship with the company or company with which it is in a control or group relationship, either directly or as a partner, board member, manager or director of a legal person; c. Being paid by the company or by a company with which is in a control group relationship besides the remuneration arising from the exercise of the functions of a board member; d. Living with a partner or a spouse, relative or any first degree next of kin and up to and including the third degree of collateral affinity of board members or natural persons that are direct and indirectly holders of qualifying holdings; e. Being a qualifying shareholder or representative of a qualifying shareholder..	Adopted	Part I Numbers 18 and 18.1 of Annex I of this Corporate Governance Report
II.1.8 When board members that carry out		The Executive Committee makes

executive duties are requested by other board members, said shall provide the information requested, in a timely and appropriate mannerto the request..	Adopted	all the requested information available at all times to the members of the other corporate bodies.
II.1.9 The Cjair of the Executive Board of the Executive Committee shall sbmit, as applicable, to the Cjair of the Board of Directors, the Cjair of the Supervisory Board, the Chair of the Audit committee, the Chair General and Supervisory Board and the Chairman of the Financial Matters Board, the convening notices and minutes of the relevant meetings.	Adopted	The Chairman of the Executive Committee makes all the information about committee meetings available to the members of the Board of Directors and the Audit Committee.
II.1.10 If the chair of the board of directors carries out executive duties, said body shall appoint, from among its members, an independet member to ensure the coordination of the work of other non-executive members and the conditions so that these members can make independent and informed decisions or to ensure the existence of an equivalent mechanism for such coordination.	Adopted	Part I Numbers 18 and 18.1 of Annex I of this Corporate Governance Report
II. 2. SUPERVISION		
II.2.1 Depending on the applicable model, the Chair of the Supervisory Board, the Audit Committee or the Financial Matters Committee shall be independent in accordance with the applicable legal standard, and have the necessary skills to carry out their relevant duties.	Adopted	Part I Numbers 32 and 33 of Annex I of this Corporate Governance Report
II.2.2 The supervisory body shall be the main representative of the external auditor and the first recipient of the relevant reports, and is responsible, inter alia, for proposing the relevant remuneration and ensuring that the proper conditions for the provision of services are provided within the company.	Adopted	Part I Numbers 37 and 38 of Annex I of this Corporate Governance Report
II.2.3 The Audit Committee shall evaluate the external auditor on an annual basis and propose to the competent body its dismissal or termination of the contract as to the provision of their services when there is a valid basis for said dismissal.	Adopted	Part I Numbers 37.38. and 45. of Annex I of this Corporate Governance Report.
II.2.4 The Audit Committee shall evaluate the functioning of the internal control systems and risk management and propose adjustments as may be deemed necessary.	Adopted	Part I Numbers 49 and 55. of Annex I of this Corporate Governance Report.

II.2.5 The Audit Committee, the General and the Supervisory Board and the Audit Committee decideon the work plans and resouces concerning the internal audit services and services that ensure compliance with the rules applicable to the company (compliance services), and should be recipients of reports made by these services at least when it concerns matters related to accountability, identification or resolution of conflits os interest and detection of potencial improprieties.	Adopted	Part I Numbers 49. 50. and 55. do Anexo I deste Relatório de Governo.
II.3 REMUNERATION SETTINGS		
II.3.1 All members of Remuneration Committee or equivalente should be independent from the executive board members and include at least one member with knowledge and experience in matters of remuneration policy.	Adopted	Part I Numbers 67. and 68.. of Annex I of this Corporate Governance Report.
II.3.2 Any natural or legal person that provides or as provided services in the past three years, to any structure under the board of directors, the board of directors of the company itself or who as a current relationship with the company or consultant of the company, shall not be hired to assist the Remuneration Committee in the performance of their duties. This recommendation also applies to any natural or legal person that is related by employment contract or provision of services with the above.	Adopted	Part I Number 67. of Annex I of this Corporate Governance Report.
II.3.3 A statement on the remuneration policy of the management and supervisory bodies referred to in Article 2 of Law No. 28/2009 of 19 June, shall also contain the following; d) Information regarding the enforceability or unenforceability of payments for the dismissal or termination of appointment of board members.	Adopted	Part I Number 69. of Annex I of this Corporate Governance Report.
II.3.4. Approval of plans for the allotment of shares and/or aoptions to aquire shares or based on share price variation to board members shall be submitted to the General Meeting. The proposal shall contain all the necessary information in order to correctly evaluate said plan.	NA	Part I Numbers 70. and 73. and 85.of Annex I of this Corporate Governance Report.
II.3.5 Approval of any retirement benefit scheme established for members of corporation members shall be submitted to the General Meeting. The proposal shall contain all the necessary information in order to correctly evaluate said system.	NA	There are no approved or submitted for approval by the General Assembly any system of retirement benefits established for members of

		governing bodies
III . REMUNERATION		
III.1. The remuneration of the executive members of the board shall be based on actual performance and shall discourage taking on excessive risk-taking.	Adopted	Part I Numbers 77. 78. and 79 of Annex I of this Corporate Governance Report.
III.2 The remuneration of the non-executive board members and the remuneration of the members of the Audit Committee shal not include any component whose value depends on the performance of the company or of its value.	Adopted	Part I Numbers 69. 70.e 71. of Annex I of this Corporate Governance Report.
III.3 The variable component of remuneration shall be reasonable overall in relation to the fixed component of the remuneration and maximum limits should be set for all components.	NA	Part I Numbers 69. and 76. of Annex I of this Corporate Governance Report.
III.4 A significante part of the variable remuneration should be deferred for a period not less than three years, and the right of way payment shall depend on the continued positive performance of the componing during that period.	NA	Part I Numbers 69. and 76. of Annex I of this Corporate Governance Report.
III.5 Members of the Board of Directors shall not enter into contracts with the company of with third parties which intend to mitigate the risk inherent to remuneration variability set by the company..	Adopted	No such contracts exist. Part I Numbers 69. and 76. of Annex I of this Corporate Governance Report.
III.6 Executive board members shall mantain the company's share that were allotted by virtue of variable remuneration schemes, up to twice the value of the total annual remuneration, except for those that need to be sold for paying taxes on the gains of said shares, until the end of their mandate..	NA	No variable remuneration is paid to executive directors. Part I Numbers 69. and 76. of Annex I of this Corporate Governance Report.
III.7 When the variable remuneration includes the allocation of options, the beginning of the exercise period shall be deferred for a period not less than three years.	NA	No variable remuneration is paid to executive directors. Part I Numbers 69. and 76. of Annex I of this Corporate Governance Report.

III. 8 When the removal of board members is not due to serious breach of their duties nor to their unfitness for the normal exercise of their functions but is yet do on inadequate performance, the company shall be endowed with the adequate and necessary legal instruments so that any damages or compensation, beyond that wich is legally due, is unenforceable.	Adopted	In such situations the legal rules are applied.
IV. AUDITING		
IV.1. The external auditor shall, within scope of its duties, verify the implementation of remuneration policies and systems of the corporate bodies as well as the efficiency and effectiveness of the internal control mechanisms and report any short comings to the supervisory body of the company**.**	Adopted	The external auditor reports on the audit work carried out during the year in the annual audit report.
IV.2. The company or any entity with wich it maintains a control relationship shall not engage the external auditor or any entity with which it finds itself in a group relationship or that incorporates the same network, for services other than audit services. If there are reasons for hiring such services - wich must be approved by the Audit Committee and expained in its Annual Report on Corporate Governance - said should not exceed more than 30% of the total value of services rendered to the company.	Adopted	Part I Number 46 of Annex I of this Corporate Governance Report.
IV.3 Companies shall support auditor rotation after two or three terms whether four or three years, respectively. Its continuance beyond this period must be based on a specific opinion of the Audit Committee that explicitly considers the conditions of auditor's independence and the benefits and costs of its replacement.	Adopted	Part I Numbers 44 and 45 of Annex I of this Corporate Governance Report.
V. CONFLICTS OF INTEREST AND RELATED PARTY TRANSACTIONS		
V.1. The company's business with holders of qualifying holdings or entities with wich they are in any type of relationship pursuant to article 20 of the portuguese Securities Code, shall be conducted during normal maket conditions.	Adopted	Part I Number 91 of Annex I of this Corporate Governance Report.
V.2 The supervisory or oversight board shall lay down procedures and criteria that are required to define the relevant level of significance of business with holders of qualifying holdings - or entities with wich they are in any of the relationships described in article 20.1 of the Portuguese Securities Code - thus significant relevant business is dependent upon prior opinion of that body.	Adopted	Part I Numbers 89 and 92 of Annex I of this Corporate Governance Report.

V.I. INFORMATION		
V.I.1. Companies shall provide, via their websites in both the Poortuguese and English languages, access to information on their progress as regards the economic, financial and governance state of play.	Adopted	Part I Numbers 56 and 65 of Annex I of this Corporate Governance Report.
VI.2. Companies shall ensure the existence of an investor support and market liaison office, wich responds to requests from investors in a timely fashion and a record of the submitted requests and their processing, shall be kept.	Adopted	Part I Numbers 56 and 65 of Annex I of this Corporate Governance Report.

3. Other information

The company should provide any additional elements or information that, if not finding poured in the preceding paragraphs, are relevant to understanding the model and governance practices adopted.

There is no other relevant information beyond that provided herein.

Annex 1

REMUNERATION COMMITTEE

STATEMENT OF THE REMUNERATION COMMITTEE ABOUT THE REMUNERATION POLICY FOR THE CORPORATE GOVERNING BODIES OF IBERSOL, SGPS, S.A. TO BE SUBMITTED FOR APPROVAL BY THE GENERAL MEETING ON 30 APRIL 2014

1. Under the terms of the authority assigned to this Committee by the General Meeting of shareholders of Ibersol SGPS, SA. and under the terms of article 26.2 of the Bylaws of the Company, the function of this Remuneration Committee is to set the remuneration of the members of the corporate governing bodies.
2. Under the applicable terms of the Bylaws, the Remuneration Committee was appointed by the General Meeting of shareholders on 6 May 2013 and is made up of three members, who are independent of the members of the Company's governing and audit bodies.
3. The Remuneration Committee thus submits this report for the consideration of this General Meeting and for the purpose of adoption of Recommendation II.3.3 of the Corporate Governance Code of the CMVM. The report contains the guidelines followed by this Committee in setting the remuneration of the members of the governing and audit bodies and the Board of the General Meeting, as follows:
a) The remuneration of the members of the Board of the General Meeting for 2013 was set at a fixed annual amount, payable twelve times a year.
b) The shareholder ATPS-SGPS, SA. provides administrative and management services to the Group and in 2013 received from the investee Ibersol, Restauração, SA. a total of €756,034.00 for such services. One of the obligations of ATPS-Sociedade Gestora de Participações Sociais, SA. under the service agreement with Ibersol, Restauração, SA. is to ensure that the directors of the Company António Carlos Vaz Pinto de Sousa and António Alberto Guerra Leal Teixeira perform their duties without the Company incurring any additional expense. The Company does not directly pay any remuneration to any of its executive directors. Given that ATPS-Sociedade Gestora de Participações Sociais, SA. is owned in equal shares by the directors António Carlos Vaz Pinto de Sousa and António Alberto Guerra Leal Teixeira, out of the abovementioned total of €756,034.00 paid in 2013, each director received the amount of €378,017.00. The non-executive member receives annual remuneration of €6,000.00.
In view of the above, it is impossible to issue a statement on the remuneration policy of the members of the governing body of the company, particularly not a report containing the information mentioned in art. 2.3 of Law 28/2009.
c) The remuneration of the members of the Audit Committee for 2013 was set at a fixed annual amount, payable twelve times a year. The individual members received the following annual remuneration:

Chairman - Dr. Joaquim Alexandre de Oliveira e Silva: €8,785.92

Vice-Chairman - Dr. António Maria de Borda Cardoso: €8,785.92

Director – Dr. Eduardo Moutinho dos Santos: €5,710.83

The general principles observed are essentially those that follow from the law, taking into account the activities actually performed by the above persons, the Company's economic situation and the usual terms and conditions in comparable situations. The functions performed by each member of the corporate governing bodies, in the most broadest sense of the activity actually performed, using the level of responsibility as an assessment parameter. The weighting of the functions is considered in a broad sense, in the light of various factors, particularly the level of responsibility, the time spent and the value the member's institutional role added to the Group. The size of the company and

the degree of complexity of the assigned functions is also an important aspect. The combination of the abovementioned factors and assessment thereof serves to guarantee not only the interests of the post holders but also those of the Company.

The remuneration policy we submit to the shareholders of the Company for approval is therefore based on the abovementioned parameters, consisting of the remuneration of the members of the corporate bodies in a gross fixed amount, paid in twelve monthly instalments until the end of the year. In setting all remuneration, the general principles stated above were observed: functions performed, situation of the Company and comparative criteria for equivalent degrees of performance.

Oporto, 31 March 2014.

Remuneration Committee
Vítor Pratas Sevilhano, Dr.

Amândio Mendonça da Fonseca, Dr.

Don Alfonso Munk Pacin.

Annex 2

List of Positions (in other companies) held by the members of the Statutory Audit Committee and the General Meeting Board

STATUTORY AUDIT COMMITTEE

President – Dr. Joaquim Alexandre de Oliveira e Silva;

Beyond the position held in Ibersol SGPS, S.A. he holds the position of Managing Partner in the Company Alexandre Silva, Lda.

Vice – President – Dr. António Maria de Borda Cardoso;

Beyond the position held in Ibersol SGPS, S.A. he carries out no duties in other companies.

Effective Member – Dr. Eduardo Moutinho dos Santos;

Beyond the position held in Ibersol SGPS, S.A. he carries out no duties in other companies.

Alternate Member – Dr.ª Maria Helena Moreira de Araújo;

Beyond the position held in Ibersol SGPS, S.A. she holds the following positions:

In other Ibersol Group Companies
- Ibersol - Restauração, S.A., Vice-Chairwoman of General Meeting;
- Ibersande Restauração, S.A., Alternate Member of Fiscal Board;

Outside the Ibersol Group
- Volare - Equipamentos, S.A., President of the General Meeting;
- Volare – Gestão de Projectos, S.A, President of the General Meeting;
- Mirtal - SGPS, S.A., President of the General Meeting;
- Gravos 2012, S.A., President of the General Meeting;
- Daytime – Serviços e Gestão Imobiliária, S.A., Secretary of the General Meeting;
- Tenancy – Gestão de Projectos e Imobiliária, S.A., Secretary of the General Meeting.

GENERAL MEETING BOARD:

Chairwoman – Dr.ª Alice da Assunção Castanho Amado

Chairwoman of the General Meeting

ATPS - SGPS, S.A.
Azulino – Imobiliária, S.A.
BB Food Service, S.A.
Bertimóvel – Sociedade Imobiliária, S.A.
Bom Momento – Restauração, S.A.
Canasta - Empreendimentos Imobiliários, S.A.
Chão Verde - Sociedade de Gestão Imobiliária, S.A.
Citorres - Sociedade Imobiliária, S.A.
Contibomba – Comércio e Distribuição de Combustíveis, S.A.
Contimobe - Imobiliária de Castelo de Paiva, S.A.
Continente Hipermercados, S.A.
Cumulativa - Sociedade Imobiliária, S.A.
Discovery Sports, S.A.
Farmácia Selecção, S.A.
Fashion Division, S.A.
Fozimo - Sociedade Imobiliária, S.A.
Ibersol - SGPS, S.A.
Igimo - Sociedade Imobiliária, S.A.
Iginha – Sociedade Imobiliária, S.A.
Imoconti - Sociedade Imobiliária, S.A.
Imoestrutura - Sociedade Imobiliária, S.A.
Imomuro - Sociedade Imobiliária, S.A.
Imoresultado - Sociedade Imobiliária, S.A.
Imosistema - Sociedade Imobiliária, S.A.
Infofield – Informática, S.A.
MJLF - Empreendimentos Imobiliários, S.A.
Modalfa - Comércio e Serviços, S.A.
Modalloop – Vestuário e Calçado, S.A.
Modelo Continente Hipermercados, S.A.
Modelo Hiper Imobiliária, S.A.
Modelo.Com – Vendas Por Correspondência, S.A.
Pharmaconcept - Actividades em Saúde, S.A.
Pharmacontinente - Saúde e Higiene, S.A.
Predicomercial - Promoção Imobiliária, S.A.

Selifa - Sociedade de Empreendimentos Imobiliários, S.A.
Sempre à Mão – Sociedade Imobiliária, S.A.
Sesagest - Projectos e Gestão Imobiliária, S.A.
Socijofra – Sociedade Imobiliária, S.A.
Sociloures - Sociedade Imobiliária, S.A.
Sonae Center Serviços II, S.A.
Sonae MC - Modelo Continente, SGPS, SA
Sonae - Specialized Retail, SGPS, S.A.
Sonaegest - Sociedade gestora de Fundos de Investimento, S.A.
Sonaerp - Retail Properties, S.A.
Sondis Imobiliária, S.A.
SDSR - Sports Division SR, S.A.
Sonaesr - Serviços e Logística, S.A.
Têxtil do Marco, S.A.
Tlantic Portugal - Sistemas de Informação, S.A.
Valor N, S.A.
Worten - Equipamentos Para o Lar, S.A.
Zippy - Comércio e Distribuição, S.A.
Zyevolution - Investigação e Desenvolvimento, S.A.

Vice - Chairwoman of the General Meeting

Insco - Insular de Hipermercados, S.A.
Modelo - Distribuição de Materiais de Construção, S.A.
Sempre a Postos - Produtos Alimentares e Utilidades, Lda.

Company's Secretary

Sonae Investimentos, S.G.P.S., S.A.

Vice-Chairwoman – Dr.ª Anabela Nogueira de Matos

Member of the Board of Directors

- Andar – Sociedade Imobiliária, S.A.
- Bloco Q – Sociedade Imobiliária, S.A.
- Casa da Ribeira – Sociedade Imobiliária, S.A.
- Centro Residencial da Maia – Urbanismo, S.A.
- Cinclus Imobiliária, S.A.
- Country Club da Maia – Imobiliária, S.A.
- Empreendimentos Imobiliários Quinta da Azenha, S.A.
- Imobeauty, SA
- Imobiliária da Cacela, S.A.
- Imoclub – Serviços Imobiliários, S.A.
- Imodivor – Sociedade Imobiliária, S.A.
- Imohotel – Empreendimentos Turísticos Imobiliários, S.A.
- Imoponte - Sociedade Imobiliária, S.A.
- Imosedas – Imobiliária e Serviços, S.A.
- Implantação – Imobiliária, S.A.
- Inparvi – SGPS, S.A.
- Norscut – Concessionária de Auto-Estradas, S.A.
- Porturbe – Edifícios e Urbanizações, S.A.
- Praedium – Serviços, S.A.
- Praedium II – Imobiliária, S.A.
- Praedium – SGPS, S.A.
- Prédios Privados – Imobiliária, S.A.
- Predisedas – Imobiliária das Sedas, S.A.
- Promessa - Sociedade Imobiliária, S.A.
- SC Assets, SGPS, S.A.
- SC – Sociedade de Consultadoria, S.A.
- Sete e Meio Herdades – Investimentos Agrícolas e Turismo, S.A.
- Sociedade Construções do Chile, S.A.
- Soira - Sociedade Imobiliária de Ramalde, S.A.
- Sotáqua – Sociedade de Empreendimentos Turísticos de Quarteira, S.A.
- Spinveste – Gestão Imobiliária, SGII, S.A.

- Spinveste – Promoção Imobiliária, S.A.
- Torre São Gabriel, Imobiliária, S.A.
- Urbisedas – Imobiliária das Sedas, S.A.
- Vastgoed One – Promoção imobiliária, S.A.
- Vastgoed Sun – Promoção Imobiliária, S.A.
- Vistas do Freixo – Empreendimentos Turísticos e Imobiliários, S.A.
- World Trade Center Porto, S.A.

Chairwoman of the General Meeting

- Andar – Sociedade Imobiliária, S.A.
- Contacto Concessões, SGPS, S.A.
- Ecociclo II – Energia, S.A.
- Golf Time - Golfe e Investimentos Turísticos, S.A.
- Imoareia – Investimentos Turísticos, SGPS, S.A.
- Imopeninsula – Sociedade Imobiliária, S.A.
- Imoresort – Sociedade Imobiliária, S.A.
- Integrum A.C.E, S.A.
- Integrum Colombo - Energia, S.A.
- Integrum – Energia, S.A.
- Integrum Martim Longo – Energia, S.A.
- Integrum Vale do Caima – Energia, S.A.
- Integrum Vale do Tejo – Energia, S.A.
- Marina de Tróia, S.A.
- Marmagno – Exploração Hoteleira, S.A.
- Martimope – Empreendimentos Turísticos, S.A.
- Marvero – Exploração Hoteleira e Imobiliária, S.A.
- SC – Central de Distribuição para Refrigeração e Climatização, S.A.
- SC Engenharia e Promoção Imobiliária, SGPS, S.A.
- SC, SGPS, S.A.
- S.I.I. - Soberana – Investimentos Imobiliários, S.A.
- Sistavac, S.A.
- Sistavac – SGPS, S.A.
- Solinca – Investimentos Turísticos, S.A.
- Solinca – Health and Fitness, S.A.
- Soltróia – Sociedade Imobiliária de Urbanização e Turismo de Tróia, S.A.
- Solswim – Gestão e Exploração de Equipamentos Aquáticos, S.A.
- Sonae Turismo, SGPS, S.A.
- Spinarq Angola
- Spred – SGPS, S.A.

- The Artist Porto Hotel & Bistro - Actividades Hoteleiras, S.A.
- Tróia Market - Supermercados, S.A.
- Tróia Natura, S.A.
- Troiaresort - Investimentos Turísticos, S.A.
- Troiaverde - Exploração Hoteleira e Imobiliária, S.A.
- Tulipamar - Exploração Hoteleira e Imobiliária, S.A.
- Vastgoed One - Promoção imobiliária, S.A.
- Vastgoed Sun - Promoção Imobiliária, S.A.

<u>Vice - Chairwoman of the General Meeting</u>

- Ibersol, SGPS, S.A.
- Interlog - SGPS, S.A.
- NET - Novas Empresas e Tecnologias, S.A.

<u>Secretary of The General Meeting</u>

- Norscut - Concessionária de Auto-Estradas, S.A.

<u>Secretary - Dr.ª Maria Leonor Moreira Pires Cabral Campello</u>

Beyond the position held in Ibersol SGPS, S.A. she carries out no duties in other companies.

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

Consolidated Financial Statements

31st December 2013

IBERSOL S.G.P.S., S.A.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION ON 31st DECEMBER 2013 AND 2012
(values in euros)

ASSETS	Notes	31-12-2013	31-12-2012
Non-current			
Tangible fixed assets	2.5 and 8	121.478.006	119.826.752
Goodwill	2.6 and 9	42.677.991	42.498.262
Intangible assets	2.6 and 9	15.309.535	16.532.724
Deferred tax assets	2.14 and 17	951.668	935.834
Financial assets available for sale	2.8 and 10	354.700	926.600
Other non-current assets	2.10 and 11	1.632.344	1.604.632
Total non-current assets		**182.404.244**	**182.324.804**
Current			
Stocks	2.9 and 12	5.031.702	3.519.788
Cash and bank deposits	2.11 and 13	22.166.785	26.748.790
Income tax receivable	14	529.104	1.322.237
Other current assets	2.10 and 14	8.190.906	10.066.894
Total current assets		**35.918.497**	**41.657.709**
Total Assets	6	**218.322.741**	**223.982.513**

EQUITY AND LIABILITIES	Notes	31-12-2013	31-12-2012
EQUITY			
Capital and reserves attributable to shareholders			
Share capital	2.12	20.000.000	20.000.000
Own shares	2.12	-11.179.644	-11.179.644
Goodwill		156.296	156.296
Reserves and retained results		101.929.821	100.428.555
Net profit in the year		3.576.462	2.513.579
		114.482.935	**111.918.786**
Non-controlling interest		4.957.161	4.680.545
Total Equity	15	**119.440.096**	**116.599.331**
LIABILITIES			
Non-current			
Loans	2.13 and 16	23.417.821	36.983.045
Deferred tax liabilities	2.14 and 17	9.847.843	10.287.213
Provisions	2.15 and 18	98.690	33.257
Other non-current liabilities	19	411.298	325.188
Total non-current liabilities		**33.775.652**	**47.628.703**
Current			
Loans	2.13 and 16	23.255.851	17.855.569
Accounts payable to suppl. and accrued costs	20	30.340.540	30.609.428
Income tax payable	21	630.868	449.017
Other current liabilities	21	10.879.734	10.840.465
Total current liabilities		**65.106.993**	**59.754.479**
Total Liabilities	6	**98.882.645**	**107.383.182**
Total Equity and Liabilities		**218.322.741**	**223.982.513**

The Board of Directors,

IBERSOL S.G.P.S., S.A.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEARS ENDING ON DECEMBER 31st, 2013 AND 2012
(values in euros)

	Notes	31-12-2013	31-12-2012
Operating Income			
Sales	2.16 and 6	171.845.441	170.667.531
Rendered services	2.16 and 6	642.721	643.357
Other operating income	24	1.819.443	2.789.343
Total operating income		174.307.605	174.100.231
Operating Costs			
Cost of sales		40.630.031	40.061.284
External supplies and services	22	57.831.554	58.470.520
Personnel costs	23	55.422.964	56.729.057
Amortisation, depreciation and impairment losses	6, 8 and 9	12.172.584	11.566.182
Other operating costs	24	1.798.690	1.697.686
Total operating costs		167.855.823	168.524.729
Operating Income		6.451.782	5.575.502
Net financing cost	6 and 25	-2.282.891	-2.140.322
Profit before tax		**4.168.891**	**3.435.180**
Income tax expense	26	471.952	691.047
Net profit	6	**3.696.939**	**2.744.133**
TOTAL COMPREHENSIVE INCOME		**3.696.939**	**2.744.133**
Net profit attributable to:			
Owners of the parent		3.576.462	2.513.579
Non-controlling interest	15	120.477	230.554
		3.696.939	2.744.133
Total comprehensive income attributable to:			
Owners of the parent		3.576.462	2.513.579
Non-controlling interest	15	120.477	230.554
		3.696.939	2.744.133
Earnings per share:	27		
Basic		**0,20**	**0,14**
Diluted		**0,20**	**0,14**

The Board of Directors,

IBERSOL S.G.P.S., S.A.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FOURTH TRIMESTER OF 2013 AND 2012
(values in euros)

	Notes	4th TRIMESTER (unaudited) 2013	2012
Operating Income			
Sales		45.679.932	44.064.954
Rendered services		185.524	159.170
Other operating income	24	606.392	837.774
Total operating income		46.471.848	45.061.898
Operating Costs			
Cost of sales		10.408.155	10.511.757
External supplies and services	22	15.180.396	15.338.696
Personnel costs	23	14.528.601	14.109.642
Amortisation, depreciation and impairment losses	6, 8 and 9	4.807.930	4.202.046
Other operating costs	24	627.653	621.256
Total operating costs		45.552.735	44.783.397
Operating Income		919.113	278.501
Net financing cost	6 and 25	-836.391	-546.380
Profit before tax		**82.722**	**-267.879**
Income tax expense	26	-655.834	-291.645
Net profit	6	**738.556**	**23.766**
TOTAL COMPREHENSIVE INCOME		**738.556**	**23.766**
Net profit attributable to:			
Owners of the parent		622.282	-158.011
Non-controlling interest		116.274	181.777
		738.556	23.766
Total comprehensive income attributable to:			
Owners of the parent		622.282	-158.011
Non-controlling interest		116.274	181.777
		738.556	23.766
Earnings per share:	27		
Basic		**0,03**	**-0,01**
Diluted		**0,03**	**-0,01**

The Board of Directors,

IBERSOL S.G.P.S., S.A.
Statement of Alterations to the Consolidated Equity
for the years ending 31st December, 2013 and 2012
(value in euros)

	Note	Share Capital	Own Shares	Conversion Reserves	Legal Reserves	Other Reserves & Retained Results	Net Profit	Total parent equity	Non-controlling interest	Total Equity
		Assigned to shareholders								
Balance on 1 January 2012		20.000.000	-11.179.644	9.581	4.000.001	91.440.139	6.125.138	110.395.215	4.449.991	114.845.206
Changes in the period:										
Application of the consolidated profit from 2011:										
Transfer to reserves and retained results						5.135.138	-5.135.138	-		-
Input of Parque Central Maia						-3.309		-3.309		-3.309
Conversion reserves - Angola				3.301				3.301		3.301
Net consolidated income in the year ending on 31 December 2012							2.513.579	2.513.579	230.554	2.744.133
Total changes in the period		-	-	3.301	-	5.131.829	-2.621.559	2.513.571	230.554	2.744.125
Other comprehensive income							**2.513.579**	**2.513.579**	**230.554**	**2.744.133**
Transactions with capital owners in the period										
Application of the consolidated profit from 2011:										
Paid dividends	29						-990.000	-990.000		-990.000
		-	-	-	-	-	-990.000	-990.000	-	-990.000
Balance on 31 December 2012		**20.000.000**	**-11.179.644**	**12.882**	**4.000.001**	**96.571.968**	**2.513.579**	**111.918.786**	**4.680.545**	**116.599.331**
Balance on 1 January 2013		20.000.000	-11.179.644	3.268	4.000.001	96.581.582	2.513.579	111.918.786	4.680.545	116.599.331
Changes in the period:										
Application of the consolidated profit from 2012:										
Transfer to reserves and retained results						1.523.579	-1.523.579	-		-
Input of Gravos 2012									156139	156.139
Conversion reserves - Angola				-22.313				-22.313		-22.313
Net consolidated income in the year ending on 31 December 2013							3.576.462	3.576.462	120.477	3.696.939
Total changes in the period		-	-	-22.313	-	1.523.579	2.052.883	3.554.149	276.616	3.830.765
Other comprehensive income							**3.576.462**	**3.576.462**	**120.477**	**3.696.939**
Transactions with capital owners in the period										
Application of the consolidated profit from 2012:										
Paid dividends	29						-990.000	-990.000		-990.000
		-	-	-	-	-	-990.000	-990.000	-	-990.000
Balance on 31 December 2013		**20.000.000**	**-11.179.644**	**-19.045**	**4.000.001**	**98.105.161**	**3.576.462**	**114.482.935**	**4.957.161**	**119.440.096**

The Board of Directors,

IBERSOL S.G.P.S., S.A.
Consolidated Cash Flow Statements
for the years ending on 31st December 2013 and 2012
(value in euros)

	Note	Years ending on December 31	
		2013	**2012**
Cash Flows from Operating Activities			
Flows from operating activities (1)	30	**17.464.541**	**14.761.960**
Cash Flows from Investment Activities			
Receipts from:			
Financial investments		15.800	0
Tangible fixed assets		68.337	103.726
Interest received		877.901	1.031.755
Payments for:			
Financial Investments		259.937	765.000
Tangible fixed assets		9.866.816	9.290.231
Intangible assests		1.024.197	1.501.991
Flows from investment activities (2)		-10.188.912	-10.421.741
Cash flows from financing activities			
Receipts from:			
Loans obtained		2.432.737	6.841.300
Payments for:			
Loans obtained		10.211.673	8.858.569
Amortisation of financial leasing contracts		205.659	755.793
Interest and similar costs		2.881.287	3.144.576
Dividends paid	29	990.000	990.000
Flows from financing activities (3)		-11.855.882	-6.907.638
Change in cash & cash equivalents (4)=(1)+(2)+(3)		**-4.580.253**	**-2.567.419**
Perimeter changes effect			5
Exchange rate differences effect			
Cash & cash equivalents at the start of the period		25.914.024	28.481.438
Cash & cash equivalents at end of the period	13	**21.333.771**	**25.914.024**

The Board of Directors,

IBERSOL SGPS, S.A.

ANNEX TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDING ON 31st DECEMBER 2013

(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 394 units in the restaurant segment through the brands Pizza Hut, Pasta Caffé, Pans & Company, Kentucky Fried Chicken, Burguer King, O' Kilo, Bocatta, Café Sô, Quiosques, Pizza Móvil, Flor d'Oliveira, Miit, Sol, Sugestões e Opções, José Silva Carvalho, Catering and SEC Eventos e Catering. The group has 374 units which it operates and 20 units under a franchise contract. Of this universe, 89 are headquartered in Spain and 3 in Angola, of which 73 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 01 January 2013.

The accounting policies applied on 31 December 2013 are identical to those applied for preparing the financial statements of 31 December 2012.

2.2 Consolidation

(a) Subsidiaries

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

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

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

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

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

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

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

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

(b) Jointly controlled companies

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

Jointly controlled companies are listed in Note 5.

2.3 Report per segment

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

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

The Group operates in three main geographic areas (Portugal, Spain and Angola) managed on a national level. However in this financial report we consider only two segments, given the small size of investment in Angola, in the year ended December 31, 2013.

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

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

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

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

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

2.4 Currency exchange rate

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

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

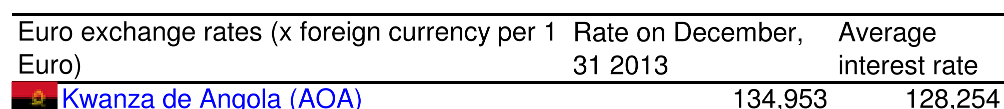
b) Financial statements

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

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

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

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



Euro exchange rates (x foreign currency per 1 Euro)	Rate on December, 31 2013	Average interest rate
Kwanza de Angola (AOA)	134,953	128,254

2.5 Tangible Fixed Assets

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

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

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

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

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

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

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

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

2.6 Intangible Assets

a) Goodwill
Goodwill represents the acquisition cost exceeding the fair value of the subsidiary's/associated/jointly controlled company's assets and liabilities identifiable on the acquisition date. Goodwill resulting from the acquisition of subsidiaries is included in intangible assets. Goodwill is subject to annual impairment tests and is shown at cost, minus accumulated impairment losses. Impairment losses are not reverted. Gains or losses from the sale of an entity include the value of the goodwill in reference to the said entity.

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

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

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

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

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

d) Concessions and territorial rights

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

2.7 Impairment of assets

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

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

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

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

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

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

2.8 Financial assets

2.8.1 Classification

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

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

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

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

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

2.8.2 Recognition and measurement

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

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

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

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

2.8.3 Impairment

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

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

2.9 Stocks

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

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

2.10 Accounts receivable from clients and other debtors

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

2.11 Cash and cash equivalents

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

2.12 Share capital

Ordinary shares are classified in equity.

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

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

2.13 Loans obtained

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

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

2.14 Deferred taxes

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

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

2.15 Provisions

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

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

2.16 Recognising revenue

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

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

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

c) Interest
Interest is recognised taking into account the proportion of the time elapsed and the asset's effective income. When an account receivable is under impairment, the group reduces its accounting value to the recoverable value, which

is equal to the current value of estimated future cash flows discounted at the asset's original effective interest rate. The discount remains recognised as financial income.

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

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

2.17 Leasing

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

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

2.18 Dividend payment

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

2.19 Profit per share

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

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

2.20 Derivatives financial instruments

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

Fair value hedge

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

Cash flow hedge

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

Net investment hedge

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

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

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

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

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

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

a) Market risk

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

Although the Group holds investments outside the euro-zone in external operations, in Angola, due to the reduced size of the investment, there is no significant exposure to currency exchange risk. Angolan branch loans in the amount of 3.750.000 USD does not provide material exposure to currency exchange rate due to its reduced amount and to the strong correlation between USA dollar and local currency. The remaining loans are in local currency, the same as the revenues.

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

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

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

The unpaid debt bears variable interest rate, part of which has been the object of an interest rate swap. The interest rate swap to hedge the risk of a 20 million euros (commercial paper programmes) loan has the maturity of the

underlying interest and the repayment plan identical to the terms of the loan. Moreover, the Group has cash and cash equivalents covering about 40% of the loans in which the remuneration covers interest rate changes on the debt.

Based on simulations performed on 31 December 2013, an increase of 100 basis points in the interest rate, maintaining other factors constant, would have a negative impact in the net profit of 118.000 euros.

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

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

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

At the end of the year, current liabilities reached 65 million euros, compared with 36 million euros in current assets. This disequilibrium is, on one hand, a financial characteristic of this business and, on the other hand, due to the use of commercial paper programmes in witch the Group considers the maturity date as the renewal date, regardless of its initial stated periods. In order to ensure liquidity of the short term debt it is expected in the year 2014 the renewal of the commercial paper programmes (7.000.000 euros). However, in case of need, cash and cash equivalents and cash flows from operations are sufficient to settle current loans.

In the current situation, to lower bank loans the company opted to increase financial debt maturity and to maintain a significant share of the short term debt. On December 31, 2013, the use of short term liquidity cash flow support was of 7%. Investments in term deposits of 17 million match 36% of liabilities paid.

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

	2014	from 2015 to 2024
Bank loans and overdrafts	9.056.173	6.417.821
Commercial paper	7.000.000	17.000.000
Financial leasing	61.483	-
Suppliers of fixed assets c/ a	4.912.144	-
Suppliers c/ a	18.527.041	-
Other creditors	8.317.435	411.298
Total	47.874.276	23.829.119

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

On 31st December 2013 the gearing ratio was of 17% and on 31st December 2012 of 19%, as follows:

	Dec-13	Dec-12
Bank loans	46.673.672	54.838.614
Cash and bank deposits	-22.166.785	-26.748.790
Net indebtedness	24.506.887	28.089.824
Equity	119.440.096	116.599.331
Total capital	143.946.983	144.689.155
Gearing ratio	17%	19%

Given the current constraints of the financial markets and despite the goal of placing the gearing ratio in the range 35% -70%, prudently, in 2013 we have a 17% ratio.

3.2 Estimated fair value

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

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

4. IMPORTANT ACCOUNTING ESTIMATES AND JUDGMENTS

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

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

a) Estimated impairment of goodwill

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

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

b) Income Tax

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

c) Provisions

The group on a periodic basis examines possible obligations arising from past events that should be recognized or disclosed.

The subjectivity inherent in determining the probability and amount of internal resources required to settle these obligations may result in significant adjustments due to changes in the assumptions used or the future recognition of provisions previously disclosed as contingent liabilities.

d) Fixed tangible and intangible assets

The determination of lifetime period of the assets and the depreciation method to be applied, is essential to determine the amount of depreciation to be recognized in the income statement for each year.

According to the best judgment of the Board of Directors and considering the practices adopted by companies in the sector internationally these two parameters are set for the assets and business in question.

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

5.1. The following group companies were included in the consolidation on 31st December 2013 and 2012:

Company	Head Office	% Shareholding	
		Dec-13	Dec-12
Parent company			
Ibersol SGPS, S.A.	Porto	parent	parent
Subsidiary companies			
Iberusa Hotelaria e Restauração, S.A.	Porto	100%	100%
Ibersol Restauração, S.A.	Porto	100%	100%
Ibersande Restauração, S.A.	Porto	80%	80%
Ibersol Madeira e Açores Restauração, S.A.	Funchal	100%	100%
Ibersol - Hotelaria e Turismo, S.A.	Porto	100%	100%
Iberking Restauração, S.A.	Porto	100%	100%
Iberaki Restauração, S.A.	Porto	100%	100%
Restmon Portugal, Lda	Porto	61%	61%
Vidisco, S.L.	Vigo - Espanha	100%	100%
Inverpeninsular, S.L.	Vigo - Espanha	100%	100%
Ibergourmet Produtos Alimentares, S.A.	Porto	100%	100%
Ferro & Ferro, Lda.	Porto	100%	100%
Asurebi SGPS, S.A.	Porto	100%	100%
Charlotte Develops, SL	Madrid-Espanha	100%	100%
Firmoven Restauração, S.A.	Porto	100%	100%
IBR - Sociedade Imobiliária, S.A.	Porto	98%	98%
Eggon SGPS, S.A.	Porto	100%	100%
Anatir SGPS, S.A.	Porto	100%	100%
Lurca, SA	Madrid-Espanha	100%	100%
Q.R.M.- Projectos Turísticos, S.A	Porto	100%	100%
Sugestões e Opções-Actividades Turísticas, S.A	Porto	100%	100%
RESTOH- Restauração e Catering, S.A	Porto	100%	100%
Resboavista- Restauração Internacional, Lda	Porto	100%	100%
José Silva Carvalho Catering, S.A	Porto	100%	100%
(a) Iberusa Central de Compras para Restauração ACE	Porto	100%	100%
(b) Vidisco, Pasta Café Union Temporal de Empresas	Vigo - Espanha	100%	100%
Maestro - Serviços de Gestão Hoteleira, S.A.	Porto	100%	100%
SEC - Eventos e Catering, S.A.	Porto	100%	100%
IBERSOL - Angola, S.A.	Luanda - Angola	100%	100%
HCI - Imobiliária, S.A.	Luanda - Angola	100%	100%
Parque Central Maia - Activ.Hoteleiras, Lda	Porto	100%	100%
Gravos 2012, S.A.	Porto	80%	-
Companies controlled jointly			
UQ Consult - Serviços de Apoio à Gestão, S.A.	Porto	50%	50%

(a) Company consortium agreement that acts as the Purchasing and Logistics Centre and provides the respective restaurants with raw materials and maintenance services.
(b) Union Temporal de Empresas which was founded in 2005 and that during the year functioned as the Purchasing Centre in Spain by providing raw materials to the respective restaurants.

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

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

5.2. Alterations to the consolidation perimeter

5.2.1. Acquisition of new companies

In December 2013, the Group acquired 80% of the subsidiary Gravos 2012, S.A. by the amount of 819.000 EUR.

The addition in 2013 had the following impact on the consolidated financial statements of 31 December 2013:

	Acquisition date	Dec-13
Acquired net assets		
Tangible and intangible assets (Notes 8 and 9)	777.825	777.825
Other assets	15.650	15.650
Cash & bank deposits	4.063	4.063
Other liabilities	-2.128	-2.128
	795.410	795.410
Goodwill (Note 9)	179.729	
Non-controlling interest	-156.139	
Acquisition price	819.000	
Advanced payments in 2012 (Note 10)	555.000	
Payments made in 2013	264.000	
	819.000	
Net cash-flows from acquisition		
Payments made	555.000	
Acquired cash & bank deposits	-4.063	
	550.937	

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

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

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

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

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

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

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

5.2.2. Disposals

During the years ended December 31, 2013 and 2012 there were no disposals of subsidiaries.

6. INFORMATION PER SEGMENT

In the years ended December 31, 2013 and 2012, given the small size of the operational activity and asset values, the contribution of Angola is reflected in the segment of Portugal, according to Note 2.3.

The results per segment for the period ended 31 December 2013 were as follows:

31 December 2013	Portugal	Spain	Group
Restaurants	127.568.068	41.115.676	168.683.744
Merchandise	1.526.377	1.635.320	3.161.697
Rendered services	256.171	386.550	642.721
Turnover per Segment	**129.350.616**	**43.137.546**	**172.488.162**
Operating income	5.461.609	990.173	6.451.782
Net financing cost	-1.679.589	-603.302	-2.282.891
Share in the profit by associated companies	-	-	-
Pre-tax income	**3.782.020**	**386.871**	**4.168.891**
Income tax	605.207	-133.255	471.952
Net profit in the period	**3.176.813**	**520.126**	**3.696.939**

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

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

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

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

	Year ending on 31 December 2013			**Year ending on 31 December 2012**		
	Portugal	**Spain**	**Group**	**Portugal**	**Spain**	**Group**
Depreciation (Note 8)	6.503.984	1.570.258	8.074.242	6.878.981	1.569.600	8.448.581
Amortization (Note 9)	1.453.859	202.465	1.656.324	1.300.652	215.766	1.516.418
Impairment of fixed tangible assets (Note 8)	1.539.785	686.109	2.225.894	958.814	391.419	1.350.232
Impairment of goodwill (Note 9)	-	-	-	-	-	-
Impairment of intangible assets (Note 9)	242.672	75	242.747	245.113	-	245.113
Impairment of accounts receivable (Note 14)	-28.453	156.524	128.071	6.768	4.282	11.050

The following assets, liabilities and investments were applicable to the segments in the year ending on 31 December 2013 and 2012:

	Year ending on 31 December 2013			Year ending on 31 December 2012		
	Portugal	**Spain**	**Total**	**Portugal**	**Spain**	**Total**
Assets (1)	**160.234.516**	**56.252.753**	**216.487.269**	**165.577.871**	**55.219.971**	**220.797.842**
Liabilities	**34.563.384**	**7.166.878**	**41.730.262**	**32.946.093**	**8.862.246**	**41.808.339**
Net investment (Notes 8 and 9) (2)	**8.857.864**	**3.430.589**	**12.288.453**	**5.948.631**	**2.125.070**	**8.073.701**

(1) Portugal segment includes assets of 13,1 million of euros in Angola;
(2) Portugal segment includes an investment of about 3,2 million of euros.

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

	YEAR 2013		YEAR 2012	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Deferred taxes	951.668	9.847.843	935.834	10.287.213
Current taxes	529.104	630.868	1.322.237	449.017
Current bank loans	-	23.255.851	-	17.855.569
Non current bank loans	-	23.417.821	-	36.983.045
Assets available for sale	354.700	-	926.600	-
Total	1.835.472	57.152.383	3.184.671	65.574.844

7. UNUSUAL AND NON-RECURRING FACTS

No unusual and non-recurring facts took place during the years 2013 and 2012.

8. TANGIBLE FIXED ASSETS

In the years ending on 31 December 2013 and 2012, the following movements took place in the value of tangible fixed assets, depreciation and accumulated impairment losses:

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

	Land and buildings	Equipment	Other tangible fixed Assets	Tangible Assets in progress (1)	Total
31 December 2013					
Initial net amount	99.667.532	17.636.440	2.165.312	357.468	119.826.752
Changes in consolidat perimeter	777.825	-	-	-	777.825
Currency conversion	-307.853	-58.140	-11.242	-114	-377.349
Additions	5.634.407	3.145.697	1.416.810	2.082.655	12.279.569
Decreases	407.090	214.952	6.472	98.700	727.214
Transfers	95.168	-1.438	-	-95.168	-1.438
Depreciation in the year	3.099.556	4.153.487	821.199	-	8.074.242
Deprec. by changes in the perim.	-	-	-	-	-
Impairment in the year	2.172.715	53.179	-	-	2.225.894
Impairment reversion	-	-	-	-	-
Final net amount	**100.187.718**	**16.300.941**	**2.743.209**	**2.246.141**	**121.478.010**
31 December 2013					
Cost	137.677.640	71.325.768	15.723.199	2.246.141	226.972.749
Accumulated depreciation	31.643.325	54.409.015	12.917.476	-	98.969.815
Accumulated impairment	5.846.597	615.812	62.515	-	6.524.924
Net amount	**100.187.718**	**16.300.941**	**2.743.209**	**2.246.141**	**121.478.010**

(1) changes in period are due to KFC restaurants in Luanda, Angola.

Investments for the year 2013 on fixed assets in the amount of 10 million are related to the opening of new units and renovation of the existing ones, in Portugal and Spain.

We also carried out a sensitivity analysis of the impairment tests for fixed assets of "Sol" restaurants, with the premises used, those evaluation values were on the edge of generating impairment losses.

A variation of the discount rate in perpetuity of 1% and 2% would result in a further loss of 425.000 euros and 1.420.000 euros, respectively.

In the years ended on 31 December 2013 and 2012, the following assets were used under a financial lease:

	2013		2012	
	Gross Amount	Accumulated depreciation	Gross Amount	Accumulated depreciation
Land and buildings	1.789	-1.730	2.240	-420
Equipment	393.926	-203.513	2.141.367	-879.670
Other tangible fixed assets	23.481	-10.674	78.218	-51.276
	419.197	-215.917	2.221.825	-931.365

In the years 2013 and 2012 there were no new lease agreements.

About 63 thousand euros were capitalized in the year 2013 related to bank loans expense in Angola, the accumulated value at December 31, 2013 was of about 375 thousand euros.

9. INTANGIBLE ASSETS

Goodwill and intangible assets are broken down as follows:

	Dec-13	**Dec-12**
Goodwill	42.677.991	42.498.262
Intangible assets	15.309.535	16.532.724
	57.987.526	**59.030.986**

In the years ending on 31 December 2013 and 2012, the movement in the value of intangible assets, amortization and accumulated impairment losses were as follows:

	Goodwill	**Industrial property**	**Other intangible Assets**	**Intangible Assets in progress (1)**	**Total**
1 January 2012					
Cost	44.895.940	19.567.107	4.703.952	2.284.169	71.451.168
Accumulated amortization	-	5.572.828	3.985.780	-	9.558.608
Accumulated impairment	1.861.678	720.969	70.110	-	2.652.757
Net amount	**43.034.262**	**13.273.310**	**648.062**	**2.284.169**	**59.239.803**
31 December 2012					
Initial net amount	43.034.262	13.273.310	648.062	2.284.169	59.239.803
Changes in consolidat. perimeter	-	-	-	-	-
Additions	-	1.198.198	900.107	-	2.098.305
Decreases	536.000	8.258	394.333	-349	938.242
Transfers	-	18.077	213.291	161.283	392.651
Amortization in the year	-	987.836	528.582	-	1.516.418
Amortiz. by changes in the perimeter	-	-	-	-	-
Impairment in the year	-	245.113	-	-	245.113
Impairment reversion	-	-	-	-	-
Final net amount	**42.498.262**	**13.248.378**	**838.545**	**2.445.801**	**59.030.987**
31 December 2012					
Cost	44.359.940	20.788.413	5.394.349	2.445.801	72.988.503
Accumulated amortization	-	6.572.385	4.485.694	-	11.058.079
Accumulated impairment	1.861.678	967.650	70.110	-	2.899.438
Net amount	**42.498.262**	**13.248.378**	**838.545**	**2.445.801**	**59.030.987**

	Goodwill	Industrial property	Other intangible Assets	Intangible Assets in progress (1)	Total
31 December 2013					
Initial net amount	42.498.262	13.248.378	838.545	2.445.801	59.030.987
Changes in consolidat. Perimeter	-	-	-	-	-
Currency conversion	-	-47.390	-114	-14.151	-61.655
Additions	179.729	818.821	19.952	5.900	1.024.402
Decreases	-	96.679	11.896	-	108.575
Transfers	-	1.438	-	-	1.438
Amortization in the year	-	1.111.648	544.676	-	1.656.324
Amortiz. by changes in the perimeter	-	-	-	-	-
Impairment in the year	-	242.747	-	-	242.747
Impairment reversion	-	-	-	-	-
Final net amount	**42.677.991**	**12.570.173**	**301.811**	**2.437.550**	**57.987.526**
31 December 2013					
Cost	44.539.669	21.425.978	5.386.885	2.437.550	73.790.082
Accumulated amortization	-	7.645.408	5.014.964	-	12.660.372
Accumulated impairment	1.861.678	1.210.397	70.110	-	3.142.185
Net amount	**42.677.991**	**12.570.173**	**301.811**	**2.437.550**	**57.987.526**

(1) intangible assets in progress balance refers mainly to the 3 new concessions yet to be open, in service areas of the following motorways: Guimarães, Fafe and Paredes. These service areas are still in the design stage and waiting for platforms delivery. It is expected that the platforms will not be delivered and their contracts cancel with the consequent repayment of principal invested.

With the same assumptions of the sensitivity analysis set out in the previous note (Note 8) it was concluded the absence of additional impairment charges for intangible assets.

On 31 December 2013, the group's concessions, territorial rights and related lifetime are shown below:

Territorial Rights	No of years	Termination Date
Pans & Company	10	2016
Burger King	20	2021

Concession Rights	No of years	Termination Date
Lusoponte Service Areas	33	2032
Expo Marina	28	2026
Repsol Service Area - 2ª Circular	18	2017
Fogueteiro Service Area	16	2015
Portimão Marina	60	2061
A8 Torres Vedras (motorway) Service Ar	20	2021
Airport Service Area	20	2021
Pizza Hut Setúbal	14	2017
Pizza Hut Foz	10	2020
Pizza Hut and Pasta Caffé Cais Gaia	20	2024
A5 Oeiras (motorway) Service Area	12	2015
Modivas Service Area	28	2031
Barcelos Service Area	30	2036
Guimarães Service Area	30	2036
Fafe Service Area	30	2036
Alvão Service Area	30	2036
Lousada (Felgueiras) Service Area	24	2030
Vagos Service Area	24	2030
Aveiro Service Area	24	2030
Ovar Service Area	24	2030
Gulpilhares Service Area	24	2030
Talhada (Vouzela) Service Area	25	2031
Viseu Service Area	25	2031
Paredes Service Area	26	2032
Matosinhos Service Area	24	2030
Carvalhos Service Area	20	2015
Maia Service Area	26	2032

Goodwill is broken down into segments, as shown bellow:

	Dec-13	Dec-12
Portugal	9.643.750	9.464.021
Spain	32.903.527	32.903.527
Angola	130.714	130.714
	42.677.991	**42.498.262**

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

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

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

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

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

10. FINANCIAL INVESTMENTS

The details on financial investments on 31 December 2013 and 2012 are as follows:

	Dec-13	Dec-12
Financial investments		
Advances for financial investments (1)	-	555.000
Other financial investments	354.700	371.600
	354.700	**926.600**
Accumulated impairment losses	-	-
	354.700	**926.600**

(1) change in the year 2013 are due to the inclusion on the consolidation perimeter of the subsidiary Gravos 2012, as described in Note 5.

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

11. OTHER NON-CURRENT ASSETS

The details on other non-current assets on 31 December 2013 and 2012 are as follows:

	Dec-13	Dec-12
Clients and other debtors (1)	1.632.344	1.604.632
Other non-current assets	**1.632.344**	**1.604.632**
Accumulated impairment losses	-	-
	1.632.344	**1.604.632**

(1) mainly Spain subsidiaries long term deposits and bails and also franchising debts concerning fixed assets lent in subsidiary Vidisco, with a payment agreement. At the end of the year 2013 the amount in debt is of 128 monthly fees of 5.942 euros each, which bear interest of 6.25%, the last payment is on 31st August, 2024.

12. STOCKS

On 31 December 2013 and 2012, stocks were broken down as follows:

	Dec-13	Dec-12
Raw material and consumables	4.991.027	3.500.520
Merchandise	115.656	94.249
	5.106.683	**3.594.769**
Accumulated impairment losses	74.981	74.981
Net stocks	**5.031.702**	**3.519.788**

The increase in the value of stocks is essentially the result of the need to supply restaurants in Angola.

13. CASH AND CASH EQUIVALENTS

On 31st December 2013 and 2012, cash and cash equivalents are broken as follows:

	Dec-13	Dec-12
Cash	587.098	614.184
Bank deposits	21.578.781	17.583.881
Treasury applications	906	8.550.725
Cash and bank deposits in the balance sheet	22.166.785	26.748.790
Bank overdrafts	-833.014	-834.765
Cash and cash equivalents in the cash flow statement	21.333.771	25.914.025

Bank overdrafts include the creditor balances of current accounts with financial institutions, included in the consolidated statement of financial position in the "bank loans" item (Note 16).

14. OTHER CURRENT ASSETS AND INCOME TAX RECEIVABLE

Other current assets on 31st December 2013 and 2012 are broken down as follows:

	Dec-13	Dec-12
Clients (1)	3.930.770	4.906.579
State and other public entities (2)	332.902	488.432
Other debtors	2.477.662	2.062.052
Advances to suplliers	12.483	53.063
Accruals and income (3)	895.242	2.215.534
Deferred costs (4)	1.725.907	1.415.071
Other current assets	**9.374.966**	**11.140.731**
Accumulated impairment losses	1.184.060	1.073.837
	8.190.906	**10.066.894**

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

(2) Current balance of recoverable VAT amounts (332.879 euros).

(3) Accruals and income item is broken down into the following items:

	Dec-13	Dec-12
Interest	94.737	53.110
Suppliers contracts	519.950	1.664.858
Other	280.555	497.566
	895.242	**2.215.534**

(4) Deferred costs are broken down as follows:

	Dec-13	Dec-12
Rents and condominium fees	1.082.516	902.074
External supplies and services	240.431	177.457
Other	402.960	335.540
	1.725.907	**1.415.071**

Financial assets impairment is broken down as follows:

	Dec-13		**Dec-12**	
	With Impairment	**Without Impairment**	**With Impairment**	**Without Impairment**
Clients c/a	879.953	3.050.817	877.350	4.029.229
Other debtors	304.105	2.173.557	196.486	1.865.566
	1.184.058	**5.224.374**	**1.073.837**	**5.894.794**

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

	Dec-13	Dec-12
Debt not due	1.095.812	1.589.417
Debt due:		
For less than 1 month	818.056	659.859
From one to three months	1.272.305	674.263
Over three months	2.038.201	2.971.256
	5.224.374	5.894.794

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

	Starting balance	**Cancellation**	**Losses in the Year**	**Impairment reversion**	**Closing balance**
Clients c/ a	877.350	-	58.571	-55.968	879.953
Other debtors	196.486	-17.850	125.469	-	304.105
	1.073.837 -	17.850	184.039	-55.968	1.184.058

On 31st December 2013, income tax receivable amounts to 529.104 euros (1.322.237 euros in 2012).

15. SHARE CAPITAL

On 31st December 2013 and 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.

In the years 2013 and 2012 the group did not acquired nor sold any own shares. This shares are subordinated to the policy stipulated for own shares which specifies that the respective voting rights are suspended whilst the shares are held by the group, although the group may sell these shares.

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

The group's non-available reserves reached 15.179.645 euros and refer to legal reserves (4.00.001 euros) and other reserves referring to own shares held by the group (11.179.644 euros).

The amounts distributed to shareholders are determined based on the individual company accounts, which show the available amount of 59.623.831 euros.

In the years ending on 31 December 2013 and 2012, the non-controlling interests were as follows:

	Dec-13	Dec-12
Ibersande	4.575.823	4.452.449
IBR Imobiliária, S.A.	236.206	228.096
Gravos 2012	156.139	-
Restmon	-11.007	-
	4.957.161	**4.680.545**

Movements in the year in 2013 and 2012 in non-controlling interests were as follows:

	2013	2012
1st January	4.680.545	4.449.991
Increases (1)	276.616	230.554
Decreases	-	-
31st December	4.957.161	4.680.545

(1) changes in the non-controlling interests in 2013 are relate to the income of the year (120.477 euros) and the incorporation of the subsidiary Gravos 2012 (156.139 euros) and in 2012 the non-controlling interest income of the year.

On 31st December 2013, the Balance Sheet, the Profit and Loss Account and Cash Flows statement of the of the non-controlling interest Ibersande, was as follows:

	Dec-13	Dec-12
Non-current assets	16.607.787	7.622.294
Current assets	6.039.519	14.544.336
Total assets	22.647.306	22.166.630
Equity	19.988.969	19.364.419
Non-current liabilities	-	-
Current liabilities	2.658.337	2.802.211
Total liabilities	2.658.337	2.802.211
Total equity and liabilities	22.647.306	22.166.630

	Dec-13	Dec-12
Operating income	13.587.424	14.760.085
Operating costs	-13.201.317	-13.635.442
Net financing cost	393.684	382.223
Pre-tax income	779.791	1.506.866
Income tax	-155.242	-361.138
Net profit	624.550	1.145.728

	2013	2012
Flows from operating activities	607.069	2.827.184
Flows from investment activities	28.091	376.139
Flows from financing activities	-9.712.366	-307.468
Change in cash & cash equivalents	-9.077.206	2.895.855

16. LOANS

On 31 December 2013 and 2012, current and non-current loans were broken down as follows:

Non-current	**Dec-13**	**Dec-12**
Bank loans	6.417.821	12.921.531
Commercial paper programmes	17.000.000	24.000.000
Financial leasing	-	61.514
	23.417.821	**36.983.045**

Current	**Dec-13**	**Dec-12**
Bank overdrafts	833.014	834.765
Bank loans	15.223.159	8.526.365
Commercial paper programmes	7.000.000	8.000.000
Derivative financial instrument	138.195	278.234
Financial Leasing	61.483	216.205
	23.255.851	**17.855.569**
Total loans	**46.673.672**	**54.838.614**
Average interest rate	**5,0%**	**4,7%**

There are no significant differences between the balance sheet amounts and fair value of current and non-current loans.

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

	Dec-13	**Dec-12**
From 1 to 2 years	9.193.824	17.084.428
From 2 to 5 years	13.664.193	19.792.653
> 5 years	559.804	44.453
	23.417.821	**36.921.533**

Regardless of its ending stated period, for the subscribed commercial paper programmes the Group considers the full repayment on its maturity date (the renewal date).

Using the functional currency in which they were subscribed, total loans on 31st December 2013 and 2012 were as follows:

	Dec-13	**Dec-12**
EUR	40.872.340	50.963.668
USD	3.750.000	1.875.000
AOA	295.208.333	170.000.000

At the end of the year the Group had 16,6 million euros of unissued commercial paper programmes and available but not disposable credit lines.

In 2012, subsidiary Asurebi subscribed a derivative financial instrument for cash-flows hedging with an interest rate Swap, as follows:
- initial date: June, 15 2012;
- expiration date: January, 15 2017;
- fixed interest rate: 0,78%;
- variable interest rate: Euribor 1M;
- total amount: 20 million euros, reduces with debt repayment plan.

As the derivative financial instrument was not registered under hedge accounting, its changes in fair value are reflected in the income of the year (140.040 euros).

The liabilities from financial leasing may be broken down as follows:

	Dec-13	Dec-12
Up to 1 year	61.483	216.205
Over 1 year and until 5 years	-	61.514
	61.483	**277.719**

The future (contractual) Cash Flows concerning the above stated financial liabilities on 31 December 2013 are broken down as follows:

	FC 2014	FC 2015	FC 2016	FC 2017	FC 2018	FC 2019/20
Bank loans	15.223.159	2.193.824	1.647.935	1.232.273	783.985	545.077
Commercial paper programmes	7.000.000	7.000.000	5.000.000	5.000.000	-	-
Financial Leasing	61.483	-	-	-	-	-
Interest	1.198.536	719.533	377.496	140.589	36.104	8.468

17. DEFERRED TAXES

17.1. Deferred tax liabilities

Deferred tax liabilities on 31st December 2013 and 2012, according to the temporary differences that generated them, are broken down as follows:

Deferred tax liabilities	Dec-13	Dec-12
Amortization and depreciation standardization	11.333.349	11.640.973
Asset impairment losses not fiscally accepted	-2.219.660	-1.926.698
Temporary differences by Vidisco, Lurca and Vidisco UTE	670.151	539.079
Other temporary differences	64.003	33.859
	9.847.843	**10.287.213**

17.2. Deferred tax assets

Deferred tax assets on 31st December 2013 and 2012, according to the temporary differences that generate them, are broken down as follows:

Deferred tax assets	Dec-13	Dec-12
Reported fiscal losses	951.668	935.834
	951.668	**935.834**

Prudently the group did not recognise deferred tax assets in the amount of 580.246 euros referring to fiscal losses of 2.235.339 euros which may be deducted from future taxable income.

BALANCE OF FISCAL REPORTS PER YEAR AND UTILISATION LIMIT (after use on 31-12-2013) (*)								
2014 (from year 2008)	2015 (from year 2009)	2014 (2) (from year 2010)	2015 (2) (from year 2011)	2017 (from year 2012)	2018 (from year 2013)	2019	2021	TOTAL
279.206	287.892	644.996	2.699.042	84.121	66.878	30.209	438.894	4.531.238

(*) Portuguese subsidiaries:

untill 2009 - 6 years

years 2010 and 2011 - 4 years

years 2012 and 2013 - 5 years

Angolan subsidiaries: 3 years

Spanish subsidiaries: 18 years

For use in subsequent years there are 429 819 euros of tax benefits (CFEI) on December, 31st 2013. By prudence these tax benefits are not reflected in the accounts for the year.

In the year 2013 changes in deferred tax were as follows:

	Assets	Liabilities	Income and loss account (Note 26)
Starting balance	935.834	10.287.213	
Temporary differences in the year	15.834	-439.370	
Closing balance	951.668	9.847.843	455.204

18. PROVISIONS

On 31 December 2013 and 2012, provisions were broken down as follows:

	Dec-13	Dec-12
Legal processes	5.257	5.257
Other	93.433	28.000
Provisions	**98.690**	**33.257**

In the year 2013, subsidiary Lurca recorded a provision of 65.433 eur concerning the amount payable for the sale of Pasta Caffe restaurant in Vitoria, Spain, according to an agreement signed with the purchasing company, Multiface, SL..

19. OTHER NON-CURRENT LIABILITIES

On 31st December 2013 and 2012, the item “Other non-current liabilities” may be broken down as follows:

	Dec-13	Dec-12
Other creditors (1)	294.584	325.188
Financial investments debt (2)	116.714	-
Other non-current liabilities	411.298	325.188

(1) includes 283.672 euros referring to the debt for the purchase of Vidisco;
(2) includes 312.520 euros referring to the debt for the purchase of Vidisco.

On 31 December 2013 the future (contractual) Cash Flows associated to these liabilities are broken down as follows:

	FC 2015	FC 2016	FC 2017	FC 2018	FC 2019	FC 2020/2023
Other creditors	39.760	28.848	28.848	28.848	28.848	139.432
Financial investments debt		114.714				

20. ACCOUNTS PAYABLE TO SUPPLIERS AND ACCRUED COSTS

On 31st December 2013 and 2012, accounts payable to suppliers and accrued costs were broken down as follows:

	Dec-13	Dec-12
Suppliers c/ a	17.045.074	17.282.350
Suppliers - invoices pending approval	1.481.967	1.617.984
Suppliers of fixed assets c/ a	4.912.144	3.082.746
Total accounts payable to suppliers	23.439.185	21.983.080

	Dec-13	Dec-12
Accrued costs - Payable insurance	10.894	8.596
Accrued costs - Payable remunerations	4.484.939	4.533.941
Accrued costs - Performance bonus	-	39.949
Accrued costs - Payable interest	103.923	85.765
Accrued costs - External services	952.913	1.977.179
Accrued costs - Other	1.348.686	1.980.918
Total acrrued costs	6.901.355	8.626.348
total accounts payable to suppl.and accrued costs	30.340.540	30.609.428

21. OTHER CURRENT LIABILITIES AND INCOME TAX PAYABLE

On 31st December 2013 and 2012, the item “Other current liabilities” may be broken down as follows:

	Dec-13	Dec-12
Other creditors (1)	3.339.146	1.639.489
State and other public entities (2)	4.978.289	5.389.181
Clients advance payments	-	7.690
Deferred income (3)	2.562.299	3.804.105
	10.879.734	10.840.465

(1) unlike 2012, on 2013 wages of the month of December, were paid in early January (1.989.905 euros), due to the change of procedures in the payroll period (from the 26 of n-1 month to the 25 of n month changed to 01-30 of month n), thereby fulfilling with all legal requirements of the Social Security services.

(2) balance due mainly to payable VAT amounts (2.706.623 euros) and Social Security (1.685.941 euros).

(3) the Deferred Income item includes the following amounts:

	Dec-13	Dec-12
Contracts with suppliers (1)	2.372.115	3.640.231
Franchising rights	74.701	114.235
Investment subvention	108.014	42.170
Other	7.469	7.469
	2.562.299	3.804.105

(1) the value of contracts with suppliers corresponds to revenue obtained from suppliers in 2013 and referring to subsequent years.

Income tax payable in the years ending on 31 December 2013 and 2012 are broken down as follows:

	Dec-13	Dec-12
RETGS	367.487	44.229
Ibersande (1)	189.507	354.164
Other	73.874	50.624
	630.868	449.017

(1) subsidiary excluded from the special taxation of corporate groups (RETGS), by the percentage held by the group be below 90%.

22. EXTERNAL SERVICES AND SUPPLIES

External services and supplies in the years ending on 31 December 2013 and 2012 are broken down as follows:

	2013	2012
Subcontracts	227.426	161.244
Electricity, water, fuel and other fluids	8.469.544	8.930.636
Rents and rentals	17.866.856	18.732.983
Condominium	3.968.482	3.966.959
Communications	537.534	638.787
Insurance	425.504	436.487
Short-lasting toolsandutensils and office materials	995.680	915.302
Royalties	6.264.784	5.987.075
Travel and accommodations and merchandise transport	1.269.668	1.228.824
Services fees	1.119.913	873.765
Conservation and repairs	4.228.610	3.710.503
Advertising and propaganda	6.013.613	6.472.745
Cleaning, hygiene and comfort	1.674.046	1.596.216
Specialised works	3.202.419	3.487.548
Other ESS'	1.567.475	1.331.446
	57.831.554	58.470.520

23. PERSONNEL COSTS

Employee expense in the years ending on 31st December 2013 and 2012 are broken down as follows:

	2013	2012
Salaries and wages	42.339.014	43.181.624
Social security contributions	10.037.762	10.366.382
Work accident insurance	447.922	529.514
Social action costs	9.287	8.667
Personnel meals	1.936.231	1.859.483
Other personnel costs (1)	652.748	783.387
	55.422.964	56.729.057
Average number of employees	4.697	4.772

(1) Other personnel costs include, compensation, employee recruitment and training and labor medicine.

24. OTHER OPERATING INCOME AND COSTS

Other operating costs in the years ending on 31st December 2013 and 2012 are broken down as follows:

	2013	2012
Direct/indirect taxes not assigned to operating activities	557.781	446.159
Losses in fixed assets	733.157	1.045.144
Membership fees	36.474	50.594
Impairment adjustments	184.039	47.295
Donations	60.136	25.611
Samples and inventory offers	25.123	26.915
Stock losses	69.068	5.940
Bad debts	32.530	45
Provisions	65.433	-
Other operating costs	34.948	49.981
	1.798.690	1.697.686

Other operating income in the years ending on 31 December 2013 and 2012 are broken down as follows:

	2013	2012
Supplementary income (1)	1.622.487	2.528.199
Operation benefits	115.029	103.718
Operating grants	3.135	-
Impairment adjustments reversion	55.968	36.246
Investment grants	15.657	-
Gains in stock	1.947	-
Gains in fixed assets	2.260	12.490
Other operating gains	2.960	108.690
	1.819.443	2.789.343

(1) mainly revenues related to contracts with suppliers. Changes in supplementary income derive mainly from the replacement of supplier contribution for reduction in purchase prices.

25. NET FINANCING COST

Net financing cost in the years ending on 31st December 2013 and 2012 are broken down as follows:

	2013	2012
Interest paid	2.148.382	2.157.199
Interest earned	-453.412	-838.479
Currency exchange differences	333.417	50.618
Payment discounts obtained	-5.782	-11.592
Other financial costs and income	260.286	782.576
	2.282.891	2.140.322

26. INCOME TAX

Income tax recognised in the years 2013 and 2012 are broken down as follows:

	Dec-13	Dec-12
Current taxes	927.156	1.105.513
Deferred taxes (Note 17)	-455.204	-414.466
	471.952	691.047

The group's income tax prior to taxes is not the same as the theoretical amount that would result from applying the mean weighted income tax rate to the consolidated profit, as follows:

	2013	2012
Pre-tax profit	**4.168.891**	**3.435.180**
Tax calculated at the appliacble tax rate in Portugal (26,5%)	**1.104.756**	**910.323**
Fiscal effect caused by:		
Tax rate difference in other countries	55.354	48.450
Deferred taxes not recognised due to prudence	15.382	60.306
Insufficient/(excess) estimate in the previous year	-1.979	-3.868
Correction deferred tax	57.843	-
Unaccounted deferred tax assets (in previous years)	-132.833	-83.288
Credit tax investment (CFEI) effects	-650.077	-
Alter.of taxable income due to fiscal adj. consol. and other effects	23.506	-240.875
Income Tax Expenses	471.952	691.047

The income tax rate was of 11% (2012: 20%). Reduction in the year was due mainly to the tax benefit (CFEI) of the year 2013.

27. INCOME PER SHARE

Income per share in the years ending on 31st December 2013 and 2012 was calculated as follows:

	Dec-13	Dec-12
Profit payable to shareholders	3.576.462	2.513.579
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)	0,20	0,14
Earnings diluted per share (€ per share)	0,20	0,14
Number of own shares at the end of the year	2.000.000	2.000.000

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

28. FINANCIAL ASSETS AND LIABILITIES

At the end of the year, financial assets and liabilities were broken down as follows:

Financial Assets	**Category**	**Accounting Value**		**Valuation Method**
		2013	**2012**	
Other non-current assets	Accounts receivable	1.632.344	1.604.632	Amortized cost
Financial assets available for sale	Available for sale	354.700	926.600	Cost
Cash and cash equivalents	Accounts receivable	22.166.785	26.748.790	Amortized cost
Clients	Accounts receivable	3.930.770	4.906.579	Amortized cost
State and other public entities	Accounts receivable	862.006	1.810.669	Amortized cost
Other debtors	Accounts receivable	2.477.662	2.062.052	Amortized cost
Advances to suppliers	Accounts receivable	12.483	53.063	Amortized cost
		31.436.750	38.112.385	

Financial Liabilites	**Category**	**Accounting Value**		**Valuation Method**
		2013	**2012**	
Loans	Other liabilities	46.612.189	54.560.895	Amortized cost
Financial leasing	Other liabilities	61.483	277.719	Amortized cost
Suppliers	Other liabilities	23.439.185	21.983.080	Amortized cost
State and other public entities	Other liabilities	5.609.157	5.838.198	Amortized cost
Other creditors	Other liabilities	3.750.444	1.964.677	Amortized cost
		79.472.458	84.624.569	

Only Financial Assets (such as Clients and Other Debtors) presents impairment losses, as Note 14. On 31st December 2013 and 2012, gains or losses related with these financial assets and liabilities were as follows:

	Profit/ (Loss)	
	Dec-13	**Dec-12**
Accounts receivable	-128.071	-11.050
Assets available for sale	-	-
Assets at amortised cost	-	-
	-128.071	**-11.050**

The interest of financial assets and liabilities were as follows:

	Interest	
	Dec-13	Dec-12
Accounts receivable	-	-
Assets available for sale	-	-
Liabilities at amortised cost	2.148.382	2.157.199
	2.148.382	**2.157.199**

29. DIVIDENDS

At the General Meeting of 6th May 2013, the company decided to pay a gross dividend of 0,055 euros per share (0,055 euros in 2012), which was paid on 5th June 2013 corresponding to a total value of 990.000 euros (990.000 euros in 2012).

30. CASH FLOWS FROM OPERATIONS

Cash flows from operations are broken down as follows:

	2013	2012
Receipts from clients	173.273.777	169.654.587
Payments to supliers	-107.167.869	-103.241.372
Staff payments	-41.622.124	-47.620.023
Payments/receipt of income tax	43.092	-1.984.087
Other paym./receipts related with operating activities (1)	-7.062.335	-2.047.145
Cash flow generated by the operations	17.464.541	14.761.960

(1) includes mainly social security payments, VAT and other debtors and creditors debt.

31. CONTINGENT ASSETS AND LIABILITIES

The group has contingent liabilities regarding bank and other guarantees and other contingencies related with its business operations (as licensing, advertising fees, food hygiene and safety and employees, and the rate of success of these processes is historically high in Ibersol). No significant liabilities are expected to arise from the said contingent liabilities.

On 31st December 2013, responsibilities not recorded by the companies and included in the consolidation consist mainly of bank guarantees given on their behalf, as shown below:

	Dec-13	Dec-12
Guarantees given	118.348	119.091
Bank guarantees	1.470.992	2.513.266

On type of coverage, bank guarantees are as follows:

Leases and rents	Fiscal and legal proceedings	Other legal claims	Other supply contracts
1.170.407	141.627	107.230	51.729

On early October 2013, a joint administrative action against the Portuguese State, was brought by the subsidiary Iberusa Hotelaria e Restauração, S.A., whose cause of action falls in extensive property damage caused by the current and future implementation of Iberusa signed contracts under the Public-Private Partnerships, concerning several highway concessions where Iberusa explores, in different service areas, several establishments, under the various sub-conceded contracts.

32. COMMITMENTS

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

33. JOINT UNDERTAKINGS

On 31st December 2013, the Balance Sheet and the Profit and Loss Account of the joint undertaking UQ Consult-Serviços de Apoio à Gestão, S.A, was as follows:

	Dec-13	Dec-12
Tangible and intangible assets (Notes 8 and 9)	198.448	436.206
Receivables from third parties	853.010	826.624
Cash and cash equivalents	56.355	62.548
Accruals and deferrals	132.281	69.346
Total assets	1.240.094	1.394.724
Equity	196.113	164.407
Short term debts to third parties	888.411	1.109.572
Accruals and deferrals	155.570	120.745
Total liabilities	1.043.981	1.230.317
Total equity and liabilities	1.240.094	1.394.724

	Dec-13	Dec-12
Operating income	2.377.836	2.479.454
Operating costs	-2.283.950	-2.422.616
Net financing cost	-30.929	-35.614
Pre-tax income	62.957	21.224
Income tax	-31.251	-25.233
Net profit	31.706	-4.009

On December 31, 2013, the group has 589.244 euros of balances and 2.298.805 euros of transactions with the joint undertaking UQ Consult were.

The cash flows of the joint undertaking were as follows:

	2013	2012
Flows from operating activities	214.997	385.179
Flows from investment activities	-59.591	-419.104
Flows from financing activities	-31.600	-118.378
Change in cash & cash equivalents	123.806	-152.303

34. TRANSACTIONS WITH RELATED PARTIES

The following entities have a qualifying shareholding, with over 10% of voting rights in the group:

- António Carlos Vaz Pinto de Sousa – 1.400 shares
- António Alberto Guerra Leal Teixeira – 1.400 shares
- ATPS, SGPS, SA – 886.359 shares
- IES, SGPS, SA – 9.998.000 shares

After deducting own shares, there are still 36% of shares dispersed among other shareholders.

The balances and transactions with related entities are nor materially relevant, except when related to what is stated below.

Remuneration and benefits assigned to directors

The company shareholder ATPS-S.G.P.S., S.A., which signed a service-rendering contract with the subsidiary Ibersol Restauração, SA, in the amount of 756.034 euros (756.034 euros in 2012), provided services of administration and management to the group. ATPS-S.G.P.S., S.A. under contract with Ibersol Restauração, S.A. has the obligation to ensure that its administrators, António Carlos Vaz Pinto de Sousa and Antonio Alberto Guerra Leal Teixeira, manage the group without incur in any additional charge. The company does not pay directly to its administrators any remuneration.

35. IMPAIRMENT

Movements during the years 2013 and 2012, under the heading of asset impairment losses were as follows:

	Dec-13					
	Starting balance	**Cancellation**	**Impairment assets disposals**	**Losses in the Year**	**Impairment reversion**	**Closing balance**
Tangible fixed assets	5.547.892	-	-1.248.861	2.225.894	-	6.524.924
Consolidation differences	1.861.678	-	-	-	-	1.861.678
Intangible assets	1.037.760	-	-	242.746	-	1.280.506
Stocks	74.981	-	-	-	-	74.981
Other current assets	1.073.837	-17.850	-	184.039	-55.968	1.184.058
	9.596.148	-17.850	-1.248.861	2.652.679	-55.968	10.926.148

	Dec-12					
	Starting balance	**Transfers**	**Impairment assets disposals**	**Losses in the Year**	**Impairment reversion**	**Closing balance**
Tangible fixed assets	5.553.870	-1.568	-1.354.643	1.394.342	- 44.110	5.547.892
Consolidation differences	1.861.678	-	-	-	-	1.861.678
Intangible assets	791.079	1.568	-	245.113	-	1.037.760
Stocks	74.981	-	-	-	-	74.981
Other current assets	1.062.787	-	-	47.296	- 36.246	1.073.837
	9.344.395	-	-1.354.643	1.686.751	- 80.356	9.596.148

36. IFRS STANDARDS ALREADY ISSUED OR REVIEWED AND FOR FUTURE APPLICATION

a) the impacts of the adoption of standards and interpretations that became effective on 1 January 2013, are as follows:

Standards:

IAS 1 (amendment), “Presentation of Financial Statements”. This amendment changes the disclosure of items presented in other comprehensive income (OCI), requiring entities to separate items in OCI on whether or not they

may be recycled to profit and loss in the future and the related tax amount if OCI items presented before tax. The adoption of this amendment had impact in the financial statements.

IAS 12 (amendment), "Income taxes". This amendment requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale, except for the investment properties measured at fair value model. The amendments also incorporate into IAS 12 the guidance previously contained in SIC 21, which is accordingly withdrawn. The adoption of this amendment had no impact in the financial statements.

IAS 19 (amendment), "Employee benefits". This amendment makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits, and to the disclosures for all employee benefits. Actuarial gains and losses are recognised immediately, and only, in OCI (no corridor approach allowed). Finance cost for funded benefit plans are calculated on a net funding basis. Termination benefits qualify for recognition only when the employee has no future-service obligation. The adoption of this amendment had impact in the financial statements.

Improvement of 2009-2011 standards. The 2009-2011 annual improvements affects: IFRS 1 (second adoption of IFRS 1 and exemptions), IAS 1 (presentation of additional financial statements when a change of accounting policy is mandatory or voluntary), IAS16 (classification of spare parts and servicing equipment when the definition of PP&E is met), IAS 32 (tax impact classification when related to transactions involving equity or dividends) and IAS 34 (exemption of total assets and liabilities disclosure by segment). The adoption of these amendments had no impact in the financial statements.

IFRS 1 (amendment), "First-time adoption of IFRS". This amendment creates an additional exemption when an entity that has been subject to severe hyperinflation presents financial statements in accordance with IFRSs for the first time. The other change refers to the replacement of references to a fixed date with "the date of transition to IFRS" for retrospective adoption exemptions. The adoption of this amendment had no impact in the financial statements, since the Entity already applies IFRS.

IFRS 1 (amendment), "First-time adoption of IFRS - Government loans". This amendment clarifies how a first-time-adopter would account for a government loan with a below-market rate of interest when transitioning to IFRS. It also adds an exception to the retrospective application of IFRS, giving the same relief that was granted to existing preparers in 2009. The adoption of this amendment had no impact in the financial statements, since the Entity already applies IFRS.

IFRS 7 (amendment), "Disclosures - Offsetting Financial Assets and Financial Liabilities". This amendment is part of the IASB offsetting project which introduces new disclosure requirements about entity's right to offset (assets and liabilities), the amounts offset, and the effects of these in the credit exposure. The adoption of this amendment had no impact in the financial statements.

IFRS 13 (new), "Fair value measurement and disclosure". IFRS 13 aims to improve consistency by providing a precise definition of fair value and a single source of fair value measurement, and disclosure requirements for use across IFRSs. The adoption of this standard had no impact in the financial statements.

Interpretations:

IFRIC 20 (new), "Stripping costs in the production phase of a surface mine". This interpretation refers to the accounting of overburden waste removal costs in the production phase of a surface mine, as an asset, considering that the waste removal generates two potential benefits: immediate extraction of mineral resources and improved access to further quantities of mineral resources to be extracted in the future. The adoption of this interpretation had no impact in the financial statements.

b) The following standards, amendments to existing standards and interpretations have been published and are mandatory for the Entity's accounting periods beginning on or after 1 January 2014 or later periods, but that the Entity has not early adopted:

IFRS 10 (new), – "Consolidated financial statements" (to be applied in EU at the latest in the annual periods beginning on or after 1 January 2014). IFRS 10 replaces all the guidance on control and consolidation in IAS 27 and SIC 12, changing the definition of control and the criteria applied to determine control. The core principal that a

consolidated entity presents a parent and its subsidiaries as a single entity remain unchanged. The Entity will apply IFRS 10 in the period it becomes effective.

IFRS 11 (new), – "Joint arrangements" (to be applied in EU at the latest in the annual periods beginning on or after 1 January 2014). IFRS 11, focus on the rights and obligations of the joint arrangements rather than its legal form. Joint arrangements can be joint operations (rights to the assets and obligations) or joint ventures (rights to net assets, applying equity method).Proportional consolidation of joint venture is no longer allowed. The Entity will apply IFRS 11 in the period it becomes effective. It is not expected that its application has significant impacts.

IFRS 12 (new), "Disclosure of interest in other entities" (to be applied in EU at the latest in the annual periods beginning on or after 1 January 2014). This standard sets out the required disclosures for all types of interests in other entities, such as: subsidiaries, joint arrangements, associates and structured entities, to allow the evaluation of the nature, risks and financial effects associated with entity's interests. The Entity will apply this standard in the period it becomes effective.

Amendment to IFRS 10, 11 and 12, "Transition guidance" (to be applied in EU at the latest in the annual periods beginning on or after 1 January 2014). This amendment clarifies that, when from the adoption of IFRS 10 results a different accounting treatment from IAS 27/SIC12 application, the comparatives must be adjusted to only the preceding comparative period, being the differences calculated recognised as at the beginning of the comparative period, in equity. The IFRS 11 amendment refers to the obligation of impairment testing over the financial investment, which results from the proportional consolidation elimination. Specific disclosures requirements are included in IFRS 12. The Entity will apply this amendment in the period it becomes effective.

IAS 27 (review 2011), "Separate financial statements" (to be applied in EU at the latest in the annual periods beginning on or after 1 January 2014). IAS 27 was revised after the issuance of IFRS 10 and contains the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when the entity prepares separate financial statements. The Entity will apply the revised standard in the period it becomes effective.

IAS 28 (review 2011), "Investments in associates and joint ventures" (to be applied in EU at the latest in the annual periods beginning on or after 1 January 2014). IAS 28 was revised after the issuance of IFRS 11 and prescribes the accounting for investments in associates and joint ventures, and sets out the requirements for the application of equity method. The Entity will apply the revised standard in the period it becomes effective.

IAS 32 (amendment), "Offsetting Financial Assets and Financial Liabilities" (effective for annual periods beginning on or after 1 January 2014). This amendment is part of the IASB offsetting project which clarifies the meaning of "currently has a legally enforceable right to set-off", and clarifies that some gross settlement systems (clearing houses) may be equivalent to net settlement. The Entity will apply this amendment in the period it becomes effective.

IAS 36 (amendment), "Recoverable amount disclosure for Non-financial assets" (effective for annual periods beginning on or after 1 January 2014). This standard addresses the disclosure of information about the recoverable amount of impaired assets when based on fair value less cost to sell model. This amendment is not expected to have impact on the Entity's financial statements.

IAS 39 (amendment), "Novation of derivatives and continuation of hedge accounting" (effective for annual periods beginning on or after 1 January 2014). This amendment allow hedge accounting to continue in a situation where a derivative designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws and regulation. This amendment is not expected to have impact on the Entity's financial statements.

Amendment to IFRS 10, 11 and IAS 27 "Investment entities" (effective for annual periods beginning on or after 1 January 2014). This amendment defines an investment entity and introduces an exception from consolidation under IFRS 10, for the investment entities that qualify, for which all investments in subsidiaries are required to be measured at fair value through profit and loss under IAS 39. Specific disclosures requirements are included in IFRS 12. The Entity will apply this amendment in the period it becomes effective.

IAS 19 (amendment), "Defined benefit plans – Employee contributions" (effective for annual periods beginning on or after 1 July 2014). This standard is still subject to endorsement by European Union. This amendment apply to contributions from employees or third parties to defined benefit plans and aims to simplify the accounting when

contributions are independent of the number of years of service. This amendment is not expected to have impact on the Entity's financial statements.

Annual Improvement 2010 - 2012, (generally effective for annual periods beginning on or after 1 July 2014). These improvements are still subject to endorsement by European Union. The 2010-2012 annual improvements affects: IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38. The Entity will apply 2010-2012 annual improvements in the period it becomes effective.

Annual Improvement 2011 - 2013, (generally effective for annual periods beginning on or after 1 July 2014). These improvements are still subject to endorsement by European Union. The 2011-2013 annual improvements affects: IFRS 1, IFRS 3, IFRS 13 and IAS 40. The Entity will apply 2011-2013 annual improvements in the period it becomes effective, except for IFRS 1 because the Entity already reports under IFRS.

IFRS 9 (new), "Financial instruments - classification and measurement" (effective date not yet defined). This standard is still subject to endorsement by European Union. IFRS 9 refers to the first part of financial instruments new standard and comprises two measurement categories: amortised cost and fair value. All equity instruments are measured at fair value. Financial instrument are measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise financial instruments are measured at fair value through profit and loss. The Entity will apply IFRS 9 in the period it becomes effective.

IFRS 9 (amendment), "Financial instruments - hedge accounting" (effective date not determined). This amendment is still subject to endorsement by European Union. This amendment is the third phase of IFRS 9 and reflects a substantial overhaul of the hedge accounting rules of IAS 39, removing the quantitative assessment of hedge effectiveness, allowing more items to be eligible as hedged items and permitting the deferral of certain impacts of hedging instruments in Other comprehensive Income. This amendment objective is to better reflect the risk management practices. The Entity will apply IFRS 9 in the period it becomes effective.

Interpretations:

IFRIC 21 (new), "Levies" (effective for annual periods beginning on or after 1 January 2014). This standard is still subject to endorsement by European Union. Interpretation to IAS 37 and the recognition of a liability, clarifying that the obligation event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment. The Entity will apply this standard in the period it becomes effective.
The entity does not anticipate that the above changes have a material impact on the consolidated financial statements of future periods.

37. SUBSEQUENT EVENTS

There were no subsequent events as of 31 December 2013 that may have a material impact on these financial statements.

38. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors and authorised for emission on 7th April 2014.

Audit Report for Statutory and Stock Exchange Regulatory Purposes on the Consolidated Financial Information
(Free translation from the original version in Portuguese)

Introduction

1 As required by law, we present the Audit Report for Statutory and Stock Exchange Regulatory Purposes on the Financial Information included in the consolidated Directors' Report and in the consolidated financial statements of Ibersol, S.G.P.S., S.A., comprising the consolidated balance sheet as at 31 December 2013, (which shows total assets of Euros 218,322,741, a total shareholder's equity of Euros 119,440,096, which includes non-controlling interests of Euros 4,957,161 and a net profit of Euros 3,576,462), the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and the corresponding notes to the accounts.

Responsibilities

2 It is the responsibility of the Company's Board of Directors (i) to prepare the consolidated Directors' Report and consolidated financial statements which present fairly, in all material respects, the financial position of the company and its subsidiaries, the consolidated comprehensive income of their operations, the changes in consolidated equity and the consolidated cash flows; (ii) to prepare historic financial information in accordance with International Financial Reporting Standards as adopted by the European Union and which is complete, true, up-to-date, clear, objective and lawful, as required by the Portuguese Securities Market Code; (iii) to adopt adequate accounting policies and criteria; (iv) to maintain appropriate systems of internal control; and (v) to disclose any significant matters which have influenced the activity, the financial position or results of the company and its subsidiaries.

3 Our responsibility is to verify the financial information included in the financial statements referred to above, namely if it is complete, true, up-to-date, clear, objective and lawful, as required by the Portuguese Securities Market Code, for the purpose of issuing an independent and professional report based on our audit.

Scope

4 We conducted our audit in accordance with the Standards and Technical Recommendations issued by the Institute of Statutory Auditors which require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. Accordingly, our audit included: (i) verification that the Company and subsidiary's financial statements have been properly examined and for the cases where such an audit was not carried out, verification, on a sample basis, of the evidence supporting the amounts and disclosures in the consolidated financial statements, and assessing the reasonableness of the estimates, based on the judgements and criteria of Board of Directors used in the preparation of the consolidated financial statements; (ii) verification of the consolidation operations; (iii) assessing the appropriateness and consistency of the accounting principles used and their disclosure, as applicable; (iv) assessing the applicability of the going concern basis of accounting; (v) assessing the overall presentation of the consolidated financial statements; and (vi) assessing the completeness, truthfulness, accuracy, clarity, objectivity and lawfulness of the consolidated financial information.

PricewaterhouseCoopers & Associados - Sociedade de Revisores Oficiais de Contas, Lda.
o'Porto Bessa Leite Complex, Rua António Bessa Leite, 1430 - 5º, 4150-074 Porto, Portugal
Tel +351 225 433 000 Fax +351 225 433 499, www.pwc.com/pt
Matriculada na Conservatória do Registo Comercial sob o NUPC 506 628 752, Capital Social Euros 314.000

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5 Our audit also covered the verification that the financial information included in the Director's report is in consistent with the financial statements, as well as the verification set forth in paragraph 4 and 5 of article 451º of the companies code.

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

Opinion

7 In our opinion, the consolidated financial statements referred to above, present fairly in all material respects, the consolidated financial position of Ibersol, S.G.P.S., S.A. as at 31 December 2013, the consolidated comprehensive income of its operations, the changes in consolidated equity, and the consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the information included is complete, true, up-to-date, clear, objective and lawful.

Report on other legal requirements

8 It is also our opinion that the information included in the Directors' Report is consistent with the consolidated financial statements for the year and that the Corporate Governance Report includes the information required under Article 245-A of the Portuguese Securities Code.

8 de abril de 2014

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda.
represented by:

Hermínio António Paulos Afonso, R.O.C.

FISCAL BOARD REPORT

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 2013.

1. Supervision

The Fiscal Board accompanied, within the scope of its competencies and mandate, the management of the company and its subsidiaries, 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 2013 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.

2. 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 2013 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.

Porto, 8th April 2014

The Fiscal Board

The President

Joaquim Alexandre de Oliveira Silva

The Vice-President

António Maria de Borda Cardoso

The Effective Member

Eduardo Moutinho Ferreira Santos

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 of 2013 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, 8th April 2014

The Fiscal Board

The President
Joaquim Alexandre de Oliveira Silva

The Vice-President
António Maria de Borda Cardoso

The Effective Member
Eduardo Moutinho Ferreira Santos