IBERSOL – SGPS, SA

Publicly Listed Company

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

Share Capital: €20,000,000

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

2014 ANNUAL REPORT AND CONSOLIDATED ACCOUNTS

(Point 2) proposal for the Annual General Meeting)

MANAGEMENT REPORT

1. Introduction

2014 marks Portugal's return to growth after a period of three years of economic contraction and is the first in which signs of recovery, albeit at a slow pace, begin to be seen. In this regard, the tendency to exit recession via the still relatively unsteady recovery of Portuguese private consumption was confirmed.

The positive signs were especially important as they showed domestic demand growth which enabled the Group's performance to improve. Indeed, during the three preceding years of contraction of the economy, the Group sought to adjust costs to the lower activity levels, resulting in a more flexible cost structure which in 2014 assured significant leveraging of profitability due to higher turnover.

Phenomena that begin to be structural contributed to that change, such as increased attraction of foreign tourists, a trend that continued to gain firmer ground in recent years. Another aspect of 2014 was the fact that private consumption's recovery was positively affected during the summer period by unstable weather conditions very favourable for the increase of shopping centre traffic.

That favourable change of context experienced over the course of 2014 enabled sales to improve in most concepts, were the highest growth was seen in the counter concepts.

But the year continued to be marked by the level of disposable income, still low, and by high unemployment, which affected consumers' behaviour, causing changes to their decision-making process, more complex and selective, with different habits and consumption rhythms. We continued to apply the policy of remodelling our restaurants and consolidating operations in order to guarantee the best consumers experiences.

The restaurant VAT rate remained high in 2014, which put pressure on the sector's profitability. Most of the sector operators could not pass on entirely to consumer prices, and this had negative practical effects on margins. Standing out negatively in this regard is postponement of the necessary lowering of restaurant VAT to improve competitiveness in the sector. But on a positive note it is also important to mention the strong increase in efforts to combat the parallel economy, specifically via the "e-factura" programme, which has been creating fair competition conditions in the sector, bringing some operators into the taxation system.

The Group also increased its focus on three major axes: readjustment and modernization of the Portfolio, enhanced value of human resources and the expansion of markets where it operates, by internationalizing to the Portuguese-speaking countries, especially to the African continent.

In this regard it is important to mention a very ambitious remodelling programme undertaken by brands such as Pizza Hut, Burger King, Pasta Caffé, Pans&Company and also in the Multibrand and Catering concepts.

The Group saw the work and rigour of its whole team recognized in the food safety and quality facets, achieving a record number of certifications, which are basically the confirmation of the overall commitment and dedication the Group instils in everything it does, thereby guaranteeing high standards for its customers, as reflected in its brands' acceptance and the millions of meals served.

The year 2014 enabled cash flow to be generated, allowing investments to be financed entirely. This situation was only possible by the Ibersol Group's continual effort to keep costs adjusted to sales performance, thus guaranteeing an operating rationale.

Our expectation is that growth rates will soon become evident in the Portuguese economy so that a new cycle can begin.

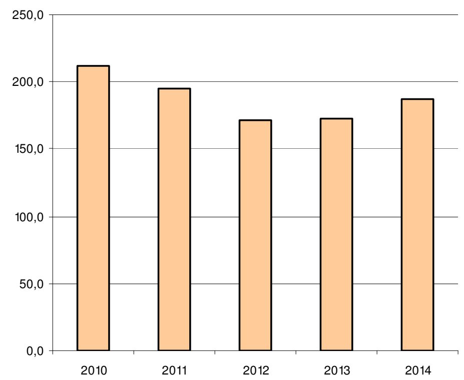
One thing is certain: no matter what the scenario, the Ibersol Group has shown that it is prepared for the challenges to come.

2. Main Indicators

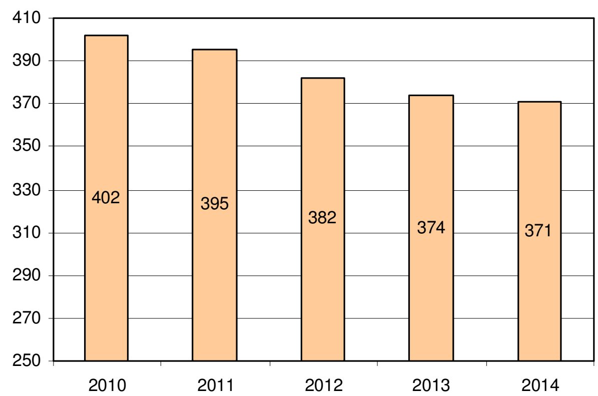
ECONOMIC INDICATORS 2014

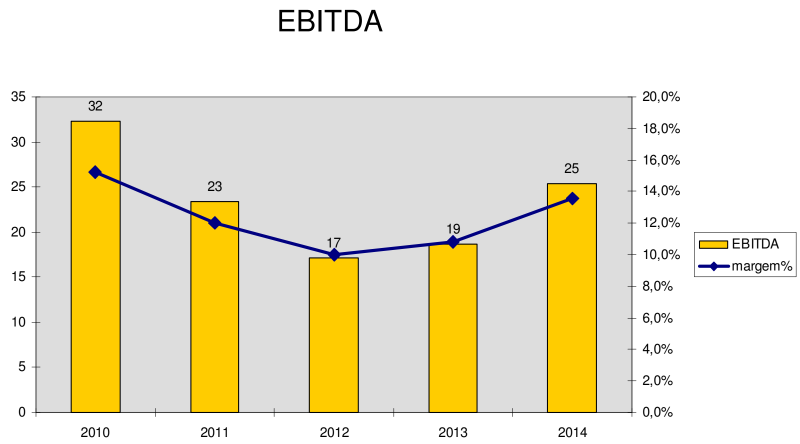
	Turnover	Operating Income	Profit before tax	Net Profit
Mn Euros	187,5	10,9	9,0	7,9
Ch %	8,7%	69,5%	117%	117%

TURNOVER



Nº UNITS

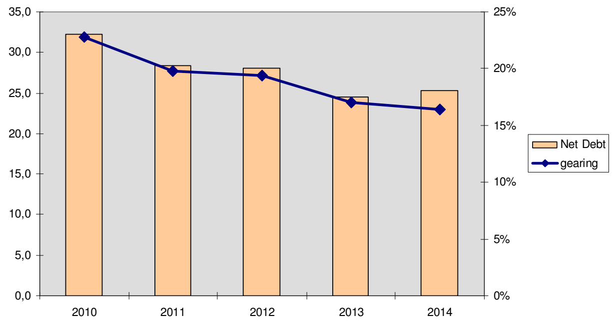


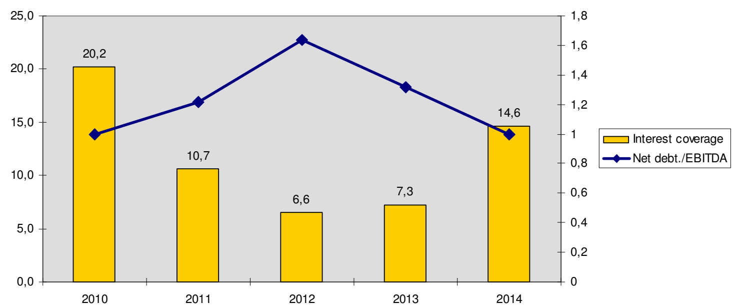


FINANCIAL INDICATORS 2014

	Net Assets	Net Debt	Equity
Mn Euros	222	25	124
Var %	-0,7%	3,1%	10,6%

Net Debt





3. Message from the Chairman of the Board of Directors

In the last three years we anticipated solutions, qualified our personnel and worked with determination. We were thus able to post positive performance and consistently enhance our Group's value in the midst of an especially demanding context.

We responded to the higher tax burden with necessary adjustments that do not compromise our value proposal addressed to consumers. We responded to the new customer profile with innovative and different proposals. To unemployment we responded with an active personnel training policy.

For all those reasons we can that we are making good use of the return to economic growth, through our continual persistence and focus on cost adjustments at both operational and more structural levels.

We believe in Portugal and that is why we have created conditions in our organization and in our personnel so that they don't stop believing as well. But more importantly, we are certain that with our proposals, the customer experiences we provide every day, our activity is also helping the Portuguese believe again. In 2014 it became evident that recovery signs were arriving, essentially through higher domestic consumption, i.e. by the Portuguese and per their strength. As the most important modern restaurant group in Portugal and one of the biggest in the Iberian Peninsula, the Ibersol Group has added responsibilities and therefore works every day, anticipating challenges, studying the market and applying solutions. This is the reality our stakeholders know they can count on, in calmer or more challenging times.

We are going to stay on this course of success and solidity, defending always the work, employment and the relationship with our customers and creation of value, always with the rigor and persistence in action which have guided us every day in Portugal, Spain and Angola.

4. Year 2014

4.1 Main Events

More intense modernization of the Portfolio and launch of new concepts

The Portfolio modernization programme intensified in 2014 in the units of the different brands and businesses in Portugal and Spain, lending continuity to the Group's strategy of emphasizing a more modern, up-to-date, innovative and interactive restaurant experience.

Standing out among Portfolio modernizations are investments made in the Pizza Hut units, with an ambitious plan to renovate the image. A total of 23 stores were remodelled, mainly involving new design, layout and new technology services in the stores.

At Burger King we renovate some stores and focused on implementation of the new digital menuboards. The Group continued the brand's expansion plan by opening five new units situated in Matosinhos, Braga, the Azores (Ponta Delgada), Viseu (Fórum Viseu) and Loures (Flamenga).

In the Pasta Caffé brand implementation of the new restaurant concept continued with a stronger emphasis on Italian designer cooking; the restaurant now has a modern image and decoration, permanent pizza chef and singular spaces with distinct ambiences. A new restaurant also opened in the central plaza of Centro Colombo, in the premium restaurant area with table service. This new concept was also implemented in the restaurant at Parque Atlântico in the Azores.

The Pans & Company brand also implemented a new shop concept, inspired by Mediterranean environments and tastes, in units at the Vasco da Gama, Gaiashopping and Dolce Vita Antas shopping centres.

The Miit concept also continued its strategy to consolidate as a growing national brand, opening of a new unit at Centro Colombo.

In the Multibrand segment the dynamics of international brand renovations, specifically regarding Pizza Hut, continued at a good pace. A highlight was also the very successful launch of Specially, a new concept at Lisbon Airport.

The year also witnessed the rebranding of Palace Catering and in November the Group's presented his most recent concept, ROULOTTE, a traditional Portuguese food concept inspired by Portuguese culinary tradition at its most informal, with a set of delicious recipes inspired by the snack vans and eateries that characterize street food throughout much of the country.

Enhancing Teams' Value and New Training Methodologies

The year 2014 was definitively marked by a new direction in training methodologies. Following on work begun in 2013, the Ibersol Group consolidated its effort to enhance its human resources' value by implementing new training programmes in the Pizza Hut and KFC businesses.

Based on three pillars – a learning platform in e-Learning, coaching and on-the-job training – these programmes helped ensure more consistent learning about standards and their continual accompaniment, applied to both training and recertification of current teams as well as future training and development of leaders at different career stages, specifically shift managers and restaurant managers.

The e-Learning platform (Learning Zone) comprises several functions that can store, manage and export content, as well as online courses and tests to evaluate knowledge and know-how. The platform gave the training more objectivity and interaction, along with more autonomy for trainees and more focus on results and on the customer.

The implementation of these new methodologies is in line with the Group's growing concern to accompany not just the new profiles and behaviour of its customers, but also its teams, thereby responding to the expectations and needs of its workers.

The Angolan market

During the year we opened a new restaurant at Morro Bento, so at the end of the financial year we were operating four units in Luanda. In early 2015 we opened a restaurant in Benguela province to test the brand's acceptance in a different situation.

The five restaurants will provide us with information about the market's maturity and the concept's acceptance by Angolan consumers, so that future development lines can be determined.

During the financial year the restaurants obtained ISO 22000 certification; the Quality Certifications of its logistics operator at the Viana Industrial Pole were also maintained.

4.2 Economic Context

Global situation

The latest European Commission estimates indicate 3.3% global GDP growth in 2014, below the initial projection of 3.7%.

The major international economic institutions nevertheless envisage that the global economy will grow by 3.6% in 2015 and 4.0% in 2016, with improved forecasts for the large developed economies – the EU, USA and Japan – and more sombre prospects for those of emerging countries.

The economy of the United States of America grew by 2.4% in 2014 and should stay on the expansion course, with GDP expected to rise by 3.5% in 2015 and 3.2% in 2016. The main driving force will be private consumption, buoyed by lower oil prices and supported by job market recovery (the unemployment rate is estimated to have fallen from 6.2% in 2014 to 4.9% in 2016).

The European Union (EU) and the Eurozone finished 2014 with economic growth indicators that were still modest (1.3% and 0.8% respectively) though with a rising tendency that should consolidate in 2015 and 2016 (1.3% and 1.9% in the Eurozone, 1.7% and 2.1% for the whole EU). GDP growth will primarily be based on higher domestic demand, which should benefit from less restrictive monetary and fiscal policies and declining oil prices. But investment prospects remain unfavourable in 2015 (positive effects of the Investment Plan will hopefully be felt in 2016).

Despite the recovery signs, the EU will have to find a way to overcome the inherent problems of the situation occurring in Greece and the effects of deflation.

The emerging markets' performance was otherwise below what was expected in 2014, a tendency that should continue in 2015.

The main emerging economy was able to recover from a negative beginning of the year, ending 2014 with average growth of 7.7%, despite lower external demand directed to its industries. It is estimated that Chinese GDP growth rates will continue their downturn, with an increase of 7.4% in 2015 and then 7.0% in 2016.

Russia is facing a serious economic/financial situation: economy in decline, high inflation and high interest rates. Besides the effect of lower oil prices on international markets, the country is also facing tough economic sanctions as a consequence of the conflict in Ukraine.

Situation in Portugal

Recent Bank of Portugal projections estimate that the Portuguese economy grew by 0.9% in 2014 and will grow by 1.5% and 1.6% in 2015 and 2016 respectively.

In the first half of 2014 economic activity grew moderately, maintaining the gradual upturn of activity begun in 2013.

Strong export growth is expected to continue in 2015 and 2016, along with acceleration of gross fixed capital formation (GFCF) and some slowing of private consumption.

With the end of the Economic and Financial Assistance Programme, and despite progress on various fronts, there are evident problems achieving more robust economic growth that can create qualified employment, stimulate the goods and services export sector even more and allow a sustained path toward public debt reduction to begin.

As a consequence of unfavourable demographic trends, inadequate training, low factor productivity and mainly the lack of investment by companies (which have limited credit access due to excess indebtedness), the IMF anticipates that the pace of GDP expansion will stabilize in the middle term at around 1.5% per year, manifestly not enough to enable an approach to the standard of living in the most developed European economies.

In this context, investment must be increased and structural reforms continued in all sectors of society, in order to increase the ability to generate wealth by stimulating economic activity: not just in traditional sectors but also in areas with more added value, fostering innovation and competitiveness.

Without active economic development policies and more and better education, young people and the best personnel will continue being forced to emigrate in search of work and self-realization.

Situation in Spain

The Spanish economy performed well in 2014, with GDP up 1.4%. The pace of expansion of economic activity sped up in the last quarter of 2014, with a stronger contribution from private consumption; the rebound is likely to consolidate in upcoming quarters.

This improvement is based on higher disposable family income resulting from the creation of employment, the moderate rise in prices and the recovery of economic players' confidence, which has led to two-digit growth in retail and automobile sales and, on the supply side, in the installed capacity usage rate rising to its highest level in the last six years.

The Spanish labour market has considerably improved, with the jobless rate standing at 24.4% (2.3 percentage points less than in 2013 or 326,000 fewer unemployed) due to the recovery of productive activity, wage moderation and favourable effects of the Labour Reform.

The economy should continue to grow at a pace above the European average, with estimated growth of 1.8% and 1.9% in 2015 and 2016, respectively, supported by higher employment and better financing conditions.

Private consumption should rise by 2.5% in 2015 and 2.0% in 2016, driven by sustained improvement of the labour market.

Investment is forecast to grow by 3.0% in 2015 and 3.5% in 2016, boosted by higher internal demand and expected growth of exports (5.8% in 2015 and 5.5% in 2016).

Situation in Angola

IMF forecasts indicate a deceleration of economic growth in 2014, with GDP rising by 3.9% due to the slowdown in the non-oil sector and lower revenue from oil activity.

The year 2015 will be marked by important challenges for the Angolan economy resulting from the oil price downturn on international markets.

In the 2015 state budget the Angolan government set out an expansionist policy with a deficit of 7.6% of GDP, assuming that the price of a barrel of oil would be USD 81.

But the lower price of that raw material forced budget assumptions to be modified and a Rectified Budget for 2015 to be drawn up. It revises the forecast oil price downward, setting it at USD 40. According to the Angolan Finance Ministry, a loss of USD 14 billion in fiscal revenues is estimated.

To deal with this decline in revenue, the Angolan government made it a priority to lower public spending and increase non-oil revenue, besides creating a new tax on foreign exchange operations, measures which will greatly affect the activity of companies operating directly or indirectly in Angola.

The IMF forecasts 5.9% GDP growth in 2015 and stronger growth in following years. But given the fall-off in oil revenues, the forecasted growth may be less, due to the Angolan state’s limited capacity for indebtedness.

Note that the Angolan Stock Exchange (BODIVA) began activity in 2014, issuing public debt.

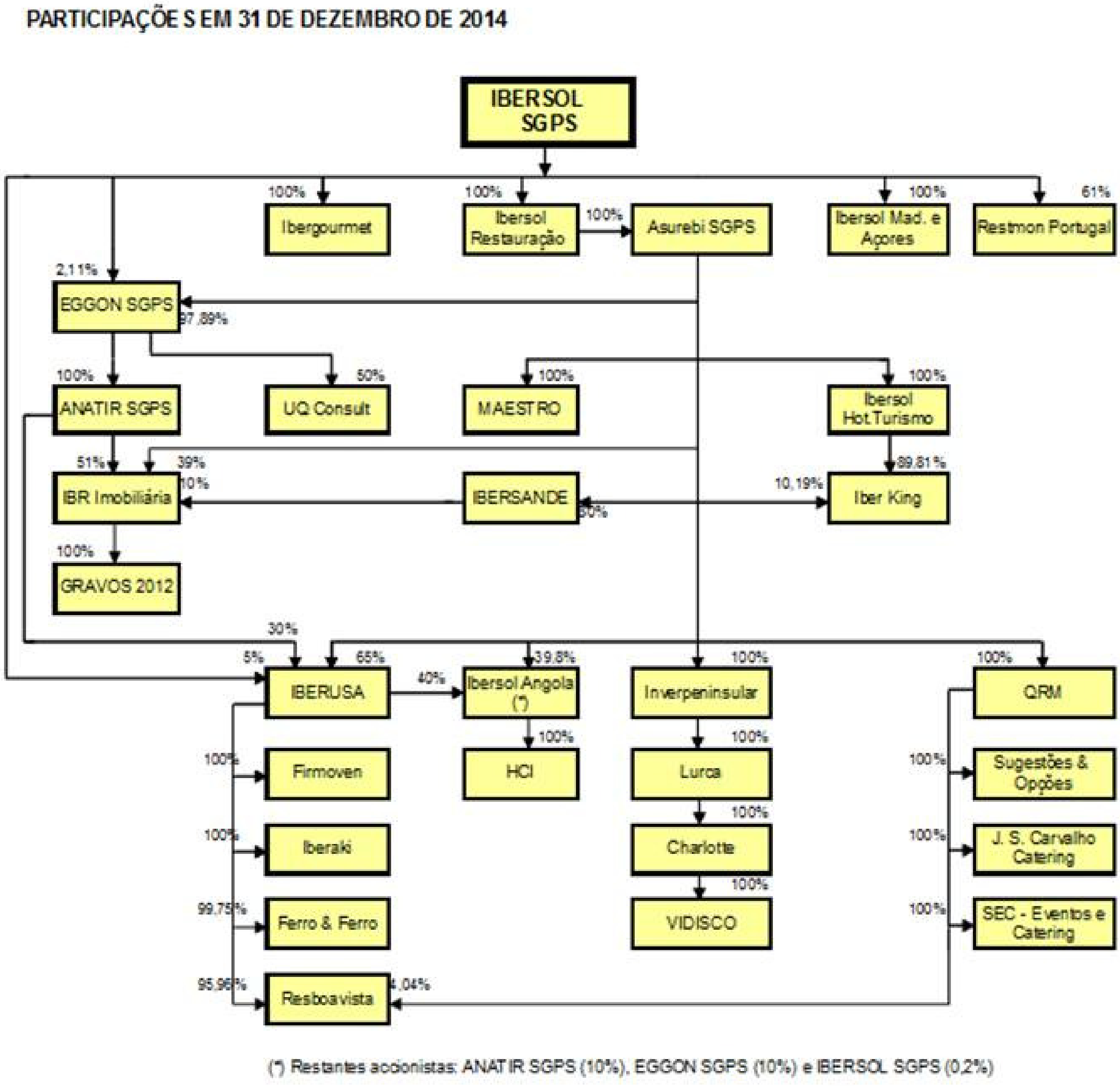
Final Note

Except for the economy of the USA, which according to all signs should continue to grow vigorously, the EU, Japan and emerging markets will continue to grow below their potential. But factors of political nature may play an important role, with war situations in the Middle East, the Ukraine conflict and the situation of Greece standing out.

The lower price of oil will doubtless be one of the decisive factors affecting economic and political developments in 2015.

5. THE IBERSOL GROUP

5.1 Business structure 31/12/2014



5.2 Strategic profile of the Group

GUARANTEEING GOOD EXPERIENCES AND QUALITY OF LIFE

Customers demand increasingly good experiences that enhance their quality of life. Our brands are an integral part of the daily life of millions of people who are therefore at the centre of our attention. The Group offers diversified products that provide customers with a broad range of taste and quality experiences. From breakfast to lunch, snack-time or dinner, during the week or on weekends, at a stop on a car trip, before leaving by train or on an all-night flight, we are present at every moment. The Ibersol Group aims to provide consumers with enjoyable moments accompanied by balanced and carefully prepared meals suited to their lifestyles.

An example of that concern is Pizza Hut's new digital menu, an innovation offering the brand's customers a special experience. Also, the remodelling of several units on several brands such as Pasta Caffé, Pizza Hut, Burger King and Pans&Company, are proof of this constant concern. Standing out in this area are two renovations of Pasta Caffé, at Centro Colombo and Parque Atlântico, which created a more Italian ambience that distinguishes the brand's new identity. These innovations, along with new products in each brand, the emphasis on taste and a healthy diet, ensure experiences worth sharing and create conditions for an improved quality of life.

FOCUSING ENERGIES ON THE CUSTOMER RELATIONSHIP

Given that our customers have made the Ibersol Group what it is today, an outstanding presence on Portugal's restaurant scene, customers are also the Group's reason for being. That's why Ibersol always aims to meet customer expectations, anticipating trends, satisfying needs and presenting increasingly solid value proposals.

To meet these new demands, we continuously strive to optimize our units' organization, information systems and the systemic approach which ensures the identification of major consumer clusters and restaurant segments in line with different environments and habits.

For this reason the Burger King online satisfaction survey ("minhaexperiencia.com") was launched in 2014. This platform gathers customers' opinions about the service provided and aims to assure constant improvement of the brand's service.

Because focusing energy on the relationship with customers is crucial, the Ibersol Group will expand this platform to other brands in 2015.

A SOCIAL NETWORK WITH ADDED VALUE FOR CONSUMERS

The Ibersol Group challenges its employees to experience the customer relationship every day as the very basis of a social network.
The Ibersol Group possesses a network of emotional bonds and trusting relationships built up by employees and customers during every minute on the job.
We strive to continuously create conditions enabling the Ibersol team to transmit that added-value relationship with customers – relating to them, communicating in a familiar way, with care and dedication. It is a principle the Group aims to see included in its DNA. To achieve that goal it constantly invests in the skills of the teams and especially of the unit managers and shift managers, making them responsible for interaction with customers.
Those managers are our front line enabling faster identification of consumption profile changes. They are the managers who try to ‘read’ changing realities and expectations, transmitting them so they can be included in new value proposals. The Group also decentralized aspects associated to quality certification, thereby consolidating managers’ expertise with respect to knowledge and verification of quality standards.

OVERALL MANAGEMENT AND LOGISTICAL PLANNING PROCESSES

The Ibersol Group has organized a supply chain which guarantees the quality of the products it sells, from provision through logistics to sales.
It is a unified, homogenous body which is streamlined every day by means of an active approach to ensuring quality and certification.
The supply chain centralization that supports the operation in Portugal and Spain has been extended to the operation in Angola, enabling efficiency and productivity gains in the process per se as well as in relations with business partners.
The concern not to compromise quality versus price is a guiding principle which knows no exceptions. By continually improving the processes of managing resources and goods, Ibersol aims to ensure lasting and consistent relationships with the supplier partners.
In a particularly difficult situation for economic players, especially national suppliers, the Ibersol Group has undertaken an active follow-through policy, promoting development of its capacities, especially those involving the supply of specific tailor-made products for some brands’ operations.

Overall, the aim is to achieve efficiency improvements, with more rigorous and exacting standards and higher competitiveness, playing an active role in the development of partners' and suppliers' policies and practices, especially the smaller ones, offering them the possibility of expanding to markets where the Group operates.

EXCELLENCE IN QUALITY AND SAFETY

Through an active quality and certification policy, the Ibersol Group strengthens its position as a major restaurant player. Its rigour and demanding requirements enable it to stay on the path of excellence.

The Group thus continues to be recognized in the areas of operational quality, customer service and food safety, earning a record number of certifications in both Portugal and Angola.

In 2014 the Group saw renewal of standard ISO 22000 in Food Safety Management Systems, which certifies management of the Ibersol Group's restaurant operations food chain in Portugal.

That standard was also awarded to the Ibersol Group in Angola, certifying its logistics operator at the Viana Industrial Pole and its KFC units, which assures the Group a market leadership position in the Angolan restaurant field.

The Portuguese Certification Association (APCER) also granted the Ibersol Group three new and important certifications: ISO 9001, a standard that certifies quality management systems; ISO 14001, a standard that certifies environmental management systems; and standard ISO 18001, which certifies occupational health and safety management systems.

For the Ibersol Group, the certifications confirm and award all the commitment and dedication that its teams devote to everything they do to ensure their customers' satisfaction, as well as the high quality standards, which are reflected by the recognition and acceptance of its brands.

The "Viva Bem" (Live Well) programme has continued with a view to ensuring excellent quality and a balanced diet. Its website was redone and the Viva Bem blog launched with the aim of creating platforms that promote more involvement between customers and the brands.

The Allergens programme was introduced in December 2014. Via the "Viva Bem" website and instruments available at Group stores, customers are provided with information about specific characteristics of the brands' products (specifically the 14 allergens about which it is mandatory to supply information), so that informed decisions can be made.

The first initiative under the protocol agreement with the National Confederation of Parents' Associations (CONFAP), aiming to implement a programme to teach principles of healthy eating habits and food safety at schools and among the respective students, was held on 16 October, World Food Day. On that day, the 8^{th} year class from a school visited four Dolce Vita Porto restaurants.

IBERSOL TRAINING AS A SCHOOL FOR LIFE

The Ibersol Group believes in its employees' potential and aims to develop their skills, creating opportunities based on specific training plans meant to promote new knowledge acquisition and career progress. Enhancing the value of people who invest in their career and evaluating their potential and performance is a way to ensure that opportunities are given to the best and to those who make the most effort to achieve goals.

For each career stage a training programme is determined, in which employees deemed to have potential can develop skills to carry out new duties. This structure is meant to ensure that each and every employee knows what is expected of them and the challenges they will face at all times, thereby fostering development with confidence!

The Ibersol Group emphasizes training of its management. It ensures they have coach and trainer skills so they can effectively transmit knowledge about best practices and are prepared to support their teams' development. Managers and directors are therefore certified in programmes corresponding to their duties.

The training plans for management teams comprise a classroom training component and on-the-job training, given them an opportunity to apply the knowledge obtained while at the same time gaining real skills through practice in a working context, thereby instilling both knowledge and know-how.

Parallel to this, Ibersol seeks certified training, so that the training programmes have value recognized on the market, meaning the careers it helps build can effectively enhance the value of its employees. For that reason, we can state that Ibersol is a school for life.

AN ACTIVE RESOURCE MANAGEMENT POLICY AND RESPECT FOR THE ENVIRONMENT

Respecting and improving the world we live in is an Ibersol Group maxim, implying an active sustainability policy that is reflected in everything we do, from the start. This policy of good resource management practices has had very positive results; that's why it is so important.

There is a need to rethink teams, the energy consumed, consumables, products and waste, and above all to instil a strong drive to reconsider processes and ways of doing things. This approach has led the Group to redefine the employee profile, streamlining management of time, processes and resources.

Ibersol Group employees and teams are trained in rational water and electricity management, as well as in recycling used food oils and materials, in the former case through the Used Food Oil Recycling Programme. Also noteworthy is that all Group companies have a Green Point Certificate, which contributes toward progress of the national waste management system coordinated by the Green Point Society.

5.3 Governing Bodies

Board of Directors:

Chairman – António Alberto Guerra Leal Teixeira

Vice-Chairman – António Carlos Vaz Pinto de Sousa

Member – Juan Carlos Vázquez-Dodero

Audit Committee:

Chairman – Joaquim Alexandre de Oliveira e Silva

Vice-Chairman – António Maria de Borda Cardoso

Member – Eduardo Moutinho dos Santos

Alternate – Maria Helena Moreira de Araújo

Board of the General Assembly:

Chairwoman – Alice de Assunção Castanho Amado

Vice-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 Accountant:

PRICEWATERHOUSECOOPERS & ASSOCIADOS, Sociedade de Revisores Oficiais de Contas, represented by Hermínio António Paulos Afonso or 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 2014 the recovery in the full service restaurant and delivery segments was tenuous compared to the positive inversion of growth in the counter service market segment. The contraction of liquidity, low confidence levels and the high jobless rate meant the profile of shrinking consumption continued, felt above all in the higher average revenue segments.

Despite these constraints, this segment totalled a turnover of 67 million euros.

Pizza Hut

Pizza Hut Portugal consolidated the brand's international strategy of separating management of its assets in two businesses: restaurant and delivery.

Pizza Hut Portugal is the market's brand leader in the pizzas segment and has been present in Portugal for 25 years, maintaining its identity as young, fun, up-to-date, modern, innovative and irreverent. It has 94 units providing nationwide coverage, where customer attendance from experience and ambience to the products' top quality is a constant concern with a view to meeting customers' needs and expectations.

Pizza Hut Restaurant

Continuing the policy of investments to reorganize the outlets as a whole, an ambitious plan to remodel the restaurants' image began, with 14 interventions carried out and more than 1 million euros invested in 2014. The new design, layout and new technological functions are the driving force of this programme and were meant to accompany current consumers, given that social networks and digital are increasingly present in the consumption experience and in their relationship with the brand.

Along with renewal of the restaurants' image, the new internationally aligned Pizza Hut logo was also introduced, with a stronger image and graphics that restore the brand's original colours and lettering.

In this ambit and to strengthen its programme of innovation and different customer experiences, the launch of the new PH@Menu function stands out. This digital menu allows customers to order comfortably from their table, to choose meals or even ask for the bill. By using the restaurant's free Wi-Fi system, customers can access the internet and also play games, thereby enjoying a memorable experience at Pizza Hut restaurants.

Regarding its Fun and Friendly positioning, in 2014 the brand began offering new specialties: in April Creamy Crunchy Crust pizza and in November Hot Dog Cheesy Bites.

Pizza Hut carried out strong campaigns to mark a presence on TV, in various outside communication supports and online, in April promoting Creamy Crunchy Crust, in July and August "Rodízio de Pizzas" and in November and December Hot Dog Cheesy Bites. All those campaigns achieved high levels of customer recognition.

With a mind to its position as a family restaurant and given the difficult economic situation, in January the brand launched the Pan Lovers menu at €4.95 with coverage from outside media outlets. This campaign was re-launched in September due to the high level of customer recognition. Two new menus were also introduced during the year: "Creamy Crunchy Caça aos Ovos (Egg Hunt)" and "Hot Dog Casa de Natal (Christmas Home)". They allowed customers to access Creamy Crunchy Crust and Hot Dog Cheesy Bites specials at unbeatable prices and also to receive a gift box of chocolates for children.

The commitment to enhancing the value of Pizza Hut teams is of vital importance for the business. In 2014 a new digital training platform was therefore launched, a pioneer in Portugal's restaurant market which provides employees with training and certification in an eLearning environment. This digital tool involves employees more, making the training process more responsive, interactive and effective.

Also with respect to internal processes, noteworthy was renewed certification per the demanding ISO 22000 standard of the units at Foz, Norteshopping, Dolce Vita Porto and Colombo. This is an example of the brand team's care and demands vis-à-vis food safety for its consumers.

Pizza Hut consistently targets the youth market and was recently present with its mobile unit at the "Nós Alive" and "Marés Vivas" summer festivals, besides being the main sponsor of the SkyforAll event organized by the Portuguese Winter Sports Federation, which enabled more than a thousand children to experience skiing in snow for the first time.

This year Pizza hut was also distinguished as the most reputed brand in the fast food category in Portugal, according to the fourth edition of the MRI – Marktest Reputation Index.

Pizza Hut Delivery

Pizza Hut's delivery service serves more than 1,600,000 homes, guaranteeing full coverage in the markets of major population centres.

As part of its unit overhaul policy, Pizza Hut Delivery invested more than 400,000 euros to reorganize nine outlets.

In a highly competitive market, Pizza Hut Delivery also presented very strong campaigns. Standing out are the buffet of pizzas for €6.95, the 2x1 promotion, individual menus and pizzas for €4.95 and €1.99 respectively and the Special5 promotion (medium sized pizzas) for €5.

Pizza Hut Delivery is market-positioned as a brand for leisure moments in sharing situations. Consumers seek innovative and quality products, and Pizza Hut pizzas use fresh ingredients, 100% mozzarella cheese and dough produced daily. In 2014 the brand continued to stress innovation, launching various initiatives during the year: Creamy Crunchy Crust in March; All in One Box in June for the football World Cup; and Ultimate Rolling in September.

Pizza Hut customers can order in the outlets, via the call centre or on the Pizza Hut website. The call centre channels the highest volume of orders, though the use of new ways of ordering (internet and free call) is increasingly significant.

Noteworthy in the area of internal processes are the changes in employee training, which now includes a digital component following introduction of the @expert programme, based on blended training (digital environment and on-the-job training).

Besides training, maintenance of ISO 22000 standard certification at the Matosinhos unit (as a specialist outlet dedicated to home delivery) is also worth mentioning as an example of the delivery business's care and exacting standards with respect to food safety for its consumers.

Pizza Móvil

The year 2014 was marked by a strategic approach to rejuvenation and modernization of the brand, given that the consumption decline and economic crisis affecting Spain for the last seven years have apparently given way to a better macroeconomic environment.

Pizza Móvil thus ended the financial year with 53 units and 505 employees. Per the brand's rejuvenation and modernization policy, we remodelled 11 units (20% of the total number of outlets) and closed three.

Bearing in mind new consumption habits, last year a new responsive and e-business website was launched, updating the previous 2.0 version. Market and brand positioning studies were also conducted in the markets of Galicia and Asturias, which enabled the brand's strategy to focus on consumer interests.

The brand continued to innovate by introducing new products such as the new BBQ Supreme, "Bolonhesa and Cabrese pizza", "Tabla de Quesos" and the "Pops de Pollo" complement.

Also standing out were efforts to publicize Pizza Móvil among youth through support for sports in training categories, sponsoring the football federations of Galicia and Asturias.

The installation of 19 free buffet spaces improved the brand's value proposal; awareness about the brand also grew on social networks, where it counts more than 125,000 Facebook fans.

Pasta Caffé

Pasta Caffé finished 2014 with 160 employees and 12 units in Portugal. It closed 2 units (Dolce Vita Tejo and Via Catarina) due to a portfolio adjustment.

The year 2014 showed signs of some recovery in private consumption compared to the last few years, in which the adverse situation faced by family budgets left little room for extra spending. The brand was thus able to make several innovations, with examples including new launches, new recipes and even a new identity.

The Pasta Caffé restaurant at Centro Colombo was relocated during the third quarter of the year and opened to the public in August with table service in the premium restaurant area (central plaza) on the second floor. The atmosphere is more Italian, distinguishing the brand's new identity and the increasingly Italian culinary proposition. The new restaurant also has spaces with different atmospheres that provide different experiences: "CUCINA", with emphasis on stone ovens and the permanent presence of a pizza chef, where thin and crispy pizzas are made; LIVING, an ideal space to dine and have a good two-person conversation; and "ESPAÇO BAMBINI", where kids give free rein to the imagination while parents finish their meals.

This atmosphere was also implemented at the Parque Atlântico restaurant in the Azores, which since November has presented new decoration, maintaining the personal and welcoming service that characterize it so well.

Service was also conceived to adjust to the city pace, with a lunchtime buffet for people with little time to spare. They can nevertheless enjoy a good Italian meal with many options at a very affordable price.

The buffet's large variety of appetizers, cold and hot simple or mixed salads, thin crust pizzas, al dente pastas and desserts, all self-service, make this offering the most popular ever, enabling the creation of more value for customers and brand during the week's lunchtime consumption period.

The restaurants situated in major shopping centres (NorteShopping, Colombo, Vasco da Gama, ArrábidaShopping, Almada Fórum and Parque Nascente) provide this different offering. In restaurants where this proposal is not implemented the Menu della Casa has nevertheless been revised to offer new dishes and a new image with a view to maintaining appeal in an increasingly competitive food court.

The new menu was presented in May in all the brand's restaurants, a highlight being the pizza family, with a selection of 17 crispy thin crust pizzas made traditionally using authentic and tasty ingredients. This menu includes some of the specialties created to mark the seasons, especially those well accepted by customers. Highlights here include "Tagliatelle Pomodoro e Gamberi, Risotto ai Gamberetti e Asparagi Verdi, Bruschetta Pomodoro e Mozzarella and Cheesecake". Group menus also gained their own publicity space and are shown on the menu's last page. The seasons were maintained in 2014, with new launches and new recipes that were well received by consumers.

Winter Specialties designed by Chef Luís Américo, along with Pizza Season, *Risotto* Season and Cod Specialties comprised the four seasons of the year, transmitting memorable moments and good social experiences, thereby strengthening the position of this Italian restaurant.

Special Days were intensely marked in Pasta Caffé restaurants, especially Valentine's Day, which posted the year's record sales and the record for the amount of sangria jars and red fruit sold. Father's Day, Mother's Day and Children's Day (marked for the whole month of June with the Menu Bambino offer) were likewise celebrated.

At the street restaurants St John's Festival (Cais de Gaia) and New Year's Eve (Docas and Cais de Gaia) were celebrated with a great deal of joy and good feeling.

On 18 September the brand celebrated its 18th anniversary, reaching adulthood. A five-week promotional action was therefore launched in all restaurants, under the slogan 'on the day we reach maturity, we lose our head: any Thursday dinner - pizza for €5.

Besides the above the line investments, communication in digital supports was maintained, with promotional offers in newsletters, collective buying platforms and promotions on the specific websites. The brand's Facebook page counts more than

15,000 fans.

At high visibility restaurants an investment was made to ensure hospitable and comfortable service, with a hostess attracting and greeting customers at the door, welcoming everyone into this Casa di Famiglia.

Recertification in the brand's training processes was maintained in 2014 (developing managers, hygiene and food safety, and occupational health and safety) for all employees holding shift manager or unit director positions. The Dolce Vita Porto and NorteShopping units were also recertified per the APCER ISO 22000 quality standard.

Regarding social responsibility, Pasta Caffé took part in several projects to liaise with the community, taking on 13 interns from restaurant technique courses at five different institutions: Escola ENSINUS, Projecto Porto Futuro, Escola GTI – Gestão, Tecnologia e Inovação, S.A., Escola Metamorphose and Escola do Cerco, for a total of 2,700 hours.

On World Food Day the Dolce Vita Porto restaurant was visited by five CONFAP students under the Little Great Chefs programme, which aims to transmit the principles of healthy eating habits, promoting a singular experience when preparing and making food. Each student received a diploma at the end.

Also, via the Group's campaign Thanks to Many, in partnership with the Food Bank, Pasta Caffé instilled in its teams a readiness to always do better and collected a significant amount of donations.

6.2.Counters

The Ibersol Group brands operating in the Counters segment together finished financial year 2014 with turnover of 97 million euros.

KFC Portugal

KFC now counts 19 years of history in Portugal, with features that make it very particular, among them the mythic Colonel Sanders and his impressive culinary legacy, the endless search for quality and the unique flavour of the brand's famous original recipe.

This is the secret of KFC's chicken: whole pieces of chicken from national producers, cooked when ordered at each restaurant.

In line with international orientations, 2014 witnessed appropriation of the So Good slogan, a position targeting everyone which highlights the brand's heritage and originality and is associated to the product, the restaurants' image and the respective communication.

The brand also continued strengthening investment in outside communication, along with the projects Music is So Good (presence at major national music events) and "Vencer é Sogood" (promotion of partnership with the driver Fernando Peres).

The product range also reached new dimensions last year, with expansion of the sharing and takeaway (buckets) business. Regarding menus, brand recognition of the Tower, B.O.S.S. and BoxMaster products was enhanced.

The year also marked the debut of the new free drink refill service, mainly at the Fórum Algarve restaurant and later at the main restaurants, an excellent innovation which was very much welcomed by the brand's fans.

Regarding team training and certification, 2014 was also the year training via the Learning Zone platform was introduced. It enables access at one single place to all activities associated to the training process.

All restaurants uphold strong concern about the environment and sustainability. This is evident in their adhesion to the power consumption control programme, which aims to cut back on energy use by applying the sector's best practices.

This project is now five years old and continues to encourage improvement of internal processes and procedures. All lessons learned will be applied throughout the KFC restaurant network, always with a view to improving product quality and service.

Also noteworthy is the fact that the Dolce Vita Porto, NorteShopping, Colombo, Vasco da Gama, Fórum Almada and CascaiShopping restaurants were again certified per the ISO 22000 standard.

KFC Angola

The year 2014 marked the second full year of KFC operations in the Angolan market.

The financial year witnessed the opening of a fourth unit in Morro Bento by the entrance of Talatona.

The restaurants continue to operate in the some way seen in previous years. The fourth unit's opening affected the performance of the units already operating, a symptom that the market's scale is still limited.

We maintained a regular presence in external media outlets to heighten the brand's awareness and capture the attention of our customers.

The youth of our operation determines the major effort to train Angolan personnel to ensure that they gain knowledge so that they can carry out their respective tasks with more autonomy and rise to higher positions.

During the financial year the restaurants and the logistics operator obtained certification per the ISO 22000 standard. This certification showcases the strong commitment (a KFC characteristic) to complying with the most demanding food safety standards, guaranteeing the highest standard of quality for consumers.

As stated above, Ibersol decided that after opening the fifth restaurant it would undertake an evaluation of the operation, with respect to sales performance and consumers' reaction, and would then determine the major lines of future progress.

Ò Kilo

Ò Kilo ended the financial year with four units after closing two in 2014. One of the closures, at Centro Colombo, gave way to the opening of a new MiiT unit.

Ò Kilo specializes in grilled meats and targets consumers seeking varied and healthy food with fast service at conveniently located sites.

Customers can choose among various offers and fixed price combinations based on grilled vegetables and meat which offer varied, appetizing and healthy choices in accordance with their taste.

Since product quality is a critical success factor for Ò Kilo, the selection of raw materials and suppliers is extremely important.

In 2014 the brand sought to adjust its price offering to customer wishes and the aggressive positioning of its most direct competitors.

Aware of the growing relevance of food safety, the brand strengthened the continuous training of its employees in the HACCP system, mainly with respect to product control, premises hygiene and food handling. It also renewed certification of the outlet at Dolce Vita Antas.

MiiT

In 2014 the brand closed the year with four units, having opened a restaurant at Colombo, and counted 64 employees. It is present at Norteshopping, Centro Vasco da Gama, Cascaishopping and Centro Colombo.

This brand has a place amid the broad range of restaurant offerings in the competitive shopping centre counter segment. Its value proposal focuses on strong differentiation factors, positioning it as 'a healthy and balanced alternative'.

As a grilled meat specialist the MiiT chain aims to be a reference option for taste and quality and this is reflected in the authenticity of its meats. To complement this offering MiiT provides unique side dishes such as grilled vegetables and fruit, country potatoes or seasoned rice.

The sauces are also a specialty. They are made with the best ingredients, from wild mushrooms to red pepper, honey and garlic, with a view to letting consumers choose what they prefer. The desserts are also innovative and presented in the form of shots.

Standing out among the drinks are natural fruit juice, fresh lemonade and currant juice (*groselha*), along with iced tea. Additionally, the brand also presents a selection of *Alentejo* wine sold by the glass.

Creating a menu is very simple: pick a meat to grill, two side dishes and a sauce. For example, a customer can choose a fruit or grilled vegetable side dish, which preserve and enhance the taste and qualities of the grilled food when it is cooked.

MiiT is a concept that responds to a trend among Portuguese consumers who are increasingly aware of the need and importance of a healthy and balanced diet.

Burger King Portugal

The year 2014 was characterized by strong sales growth. The Burger King restaurants operated by the Ibersol Group finished the year with 634 active employees, corresponding to growth of 32%. The brand created 154 more jobs and opened five new restaurants to count a total of 44 units. The five new units are situated in Matosinhos, Braga, the Azores (Ponta Delgada), Viseu (Fórum Viseu) and Loures (Flamenga). Except for the Viseu unit, which only has a drink refill system, the other units offer drive-thru and Virtual Play King as well as the drink refill system. That system is installed in 48%.

The brand also invested in installing Virtual Play King in new units. In that space the littlest customers can enjoy 25 interactive games, which are renewed on a quarterly basis.

By means of the BK Foundations international training programme, the teams consolidated good operational performance in 2014; the teaching outlets were fundamental for growth.

The minhaexperiencia.com online satisfaction survey was a vital and innovative platform for interaction with the market, to the point that some players now follow Burger King's example. This platform has been beneficial, enabling Burger King to constantly improve its service. The brand also offered survey respondents a Whopper or Long Chicken to accompany drink or potatoes purchases.

As usual, the brand maintained a strong commitment to innovation, with the launch of new products in the gourmet hamburger segment, where it was a pioneer and remains a specialist.

Standing out is the thematic and distinctive BEANBURGER offered only by Burger King, which already counts unconditional fans. This product once again highlights the brand's attention to the vegetarian product segment.

In 2014 Burger King also reinforced two product platforms: the range of desserts, through the introduction of Smoothies & Frappés and new flavours, of which OREO cake is an example, along with the new Satisfries potatoes, with 30% less fat.

In 2014 Burger King upped the amount of investment in exterior communication, specifically in the general TV channels, on billboards (Coimbra, Covilhã, Vila Real, Aveiro, Cascais, Braga, Viseu, the Azores, Matosinhos and Loures) and by local store marketing. These were the means applied to publicize the brand on the market, advertising value, product and price, with the €3.95 and €1 platforms. The €1 products were also continuously publicized in the outlet environment.

Whenever they want, Burger King customers can ask to visit the kitchens of any unit, to learn about the brand's quality policies and the care that goes into making your meal. This is shown by the fact that the brand's units are certified per the most demanding APCER quality standard, ISO 22 000.

Bearing in mind the brand's environmental policy, which aims to lessen impacts on the environment, sandwiches are wrapped in recycled paper, the stores' frying oil is destined for recycling and conversion into biodiesel, and we separate waste in the units.

Also noteworthy is that Burger King is part of the Ibersol Group's Viva Bem (Live Well) institutional programme, which offers information about nutrition and healthy and balanced eating habits.

The year 2014 also stands out because the Iberking company, which manages Burger King, was distinguished among a field of nearly 300,000 companies as northern Portugal's best SME in the 2013 Excellence Prizes, awarded to the best companies in northern Portugal. The prizes recognize turnover growth, capital profitability, real productivity and the creation of jobs and financial autonomy.

Burger King Spain

The Burger King Spain operations conducted by the Ibersol Group via Lurca finished the year 2014 with 644 employees and 33 units (one of the units was relocated in Palencia).

The brand's strategy in 2014 focused on value campaigns and platforms developed previously, which were consolidated over the course of 2014: King Ahorro (King Savings), Euroking (products that cost €1), coupons and offers in mobile applications (the Burger King Spain app was downloaded more than a million times) were the brand's major ventures. Local market actions were conducted in this regard, focusing on the sale of big menus; also, the variety of the product range increased, with six major launches.

The new BK GURU training platform was implemented in all restaurants, leading to the development of interactive content, with 18 training modules focusing on different jobs. Also, in all units a learning space with a computer was set up, used only to show that content; all employees were certified in that basic training.

By means of Guest Trac, customer opinions are increasingly important for the business and have become a very significant factor when drawing up action plans and assessing each unit's results. Whether good or bad, the indicators studied by using this tool are directly associated to sales and consequently to the business's success.

The complaints area was more significant than in other years. Consumers transmitted their opinions not just via the complaints book (at the restaurant) but also via the customer service page. That way the brand aimed to ensure much more comprehensive and rigorous follow-up of customer complaints, in order to ascertain responsibilities and correct mistakes.

In November we began to test home delivery service at two units: Talavera (in Talavera de la Reina) and Torreón (in Ciudad Real). The good results and acceptance by customers led to the decision to implement this in more restaurants in Spain.

Pans&Company

Pans&Company finished 2014 with 51 units and 406 employees. During the year it continued the new asset renewal cycle and implemented the new restaurant concept inspired by Mediterranean tastes and ambiences in the units at the Vasco da Gama, Gaiashopping and Dolce Vita Antas shopping centres.

To continue affirming its status as a reference in its sector, Pans&Company consolidated during the year its commitment to innovation through the creation of new product families. Highlights include introduction of the Rustiks and Mitiks families. They add new kinds of bread and surprising ingredient combinations to the Pans&Company's proposal and soon became the favourite choice of a large number of customers. Also noteworthy was the launch of the Pans&Moments family, with a wide range of breakfast and snack products, which significantly raised the brand's offering for those consumption periods.

The year 2014 was also marked by intense promotional activity. Highlights include the "Toma 4" and "Revolution Week" campaigns, with very competitive offerings and innovative formats. The respective publicity was enhanced by investment in above-the-line media, which helped consolidate the brand's recognition levels.

6.3 Other businesses

The other Ibersol Group businesses present proposals for consumers at different consumption moments: on trips (different concepts and offerings at airports, on trains and at travel service stations), during short breaks at cafés and, with different concessions, through offerings at different leisure points in major cities or at catered events. The Ibersol Group thus accomplishes its multi-brand concept strategy.

In 2014 this business group's sales volume amounted to 23 million euros.

Service areas

Motorway service areas are an important activity segment for the Ibersol Group, comprising at financial year's end 33 units, 23 pertaining to the SOL brand and the other 10 spread among A5, A8, Lusoponte, Carvalhos and Modivas.

This business segment continues to be severely affected by the introduction of tolls on previously toll-free roads and the consequently lower traffic.

The SOL brand specializes in urban and long-distance motorway stops with modern-looking and functional restaurant units. Their food proposals are designed to meet consumer needs and offer services that go well beyond the café/restaurants typically found in service areas. Despite the diverse profiles of SOL unit visitors, the brand is prepared to offer a good experience to all of them.

SOL units also offer fast meals and varied menus at affordable prices, prepared at the moment and always with personal and attentive service. In some places the units include well known international brands such as Pans&Company, Burger King and KFC, all covered by the plan for comprehensive certification per the demanding ISO 22000 international food safety standard.

SOL units also provide services that include special areas for smokers, independent diaper-changing space, lounge area, free Wi-Fi, sockets for computer or mobile phone charging, daily newspapers for perusal, sales point for newspapers, magazines and last-minute gifts, as well as drive-in service.

Portuguese Airports

The Ibersol Group is a reference player at Portuguese airports. It is present at the Lisbon, Ponta Delgada and Funchal airports with 15 sales points, with its own concepts (Spoon, Clocks, Go To Café, Oregano, Cockpit Drinks&Tapas, Specially Good to Go, Connetion, SkyPlaza) and international brands such as Pizza Hut and Pans&Company.

Catering

The catering business is carried out by the Silva Carvalho Catering and Palace Catering brands and has two production centres and two warehouses, in Albarraque and Maia. This two centres were used to prepare more than 800 events that served more than 382,000 customers, in compliance with all hygiene and food safety standards.

Catering is particularly demanding because compliance with hygiene and food safety standards at a large number of events, along with the commitment to produce top quality meals using innovative and creative techniques, implies mobilization of a large team that does not relax until sure that the client is completely satisfied with the service rendered.

The fact that our kitchens are certified by ISO 22000, the most demanding food safety standard applicable to the restaurant sector, is proof of our commitment and dedication.

The Ibersol Group is the sector's only business group with truly nationwide coverage. Turnover performance is primarily due to the Lisbon market and operations carried out at Dragão Stadium. Also noteworthy is the concession at the Lisbon Congress Centre.

The slight recovery was due to the holding of some major events and improved performance in the market for weddings and private events. There was also a slight upturn in the business events market segment.

The reorganization begun in 2011 and tight cost controls led to significant improvements in the 2014 results.

Because middle and large size catering events are planned some time beforehand, slight growth in 2015 is predicted, specifically in the congresses and conferences market segment.

The year 2015 will therefore be demanding but with good prospects, as we have noted an interest in catering events by some companies. Parallel to this, the congress and conference agenda in the country's major centres enables anticipation of a reasonable upswing, which means we must ensure capacity to meet client needs.

We look forward to the new year of 2015 with the same caution with which we entered 2014, paying attention to market signs and seeking always to adjust our operational structure in order to consolidate and increase our market share.

Coffee Kiosks

The coffee stands operated autonomously or included in other group units have over the years strengthened their position as coffee specialists.

Situated in high traffic shopping centres and operating with Delta brand coffee, the kiosks network finished the year with nine autonomous units, corresponding to 17 customer contact points. Both the decline in coffee sales in recent years, brought on by the general ban on smoking in closed areas, and increased competition were countered by diversifying the sale range and introducing small menus that successfully complement the response to customer needs.

In 2014 we renovate the image of the Norteshopping unit where was given a makeover with the addition of a seating area, which had a major impact on attracting new customers.

The year focused a great deal on consolidating sales team training, specifically in attendance techniques, food safety and occupational health. This team, which at year's end counted 88 workers, is certified in the knowledge areas most important for ensuring good performance of its respective tasks.

Concessions – Portugal

The Group operates the following units under concession contract: Serralves Museum, Casa da Música, Almeida Garrett Library, VOG Tecmaia, Exponor and Campanhã Railway Station.

The team counted 41 employees at the end of the financial year. In 2014 we particularly emphasized team training in attendance, quality and control of operations. Parallel to this, we introduced more competitive menus that enabled gains in new market fringes in segments where we operate, thereby enhancing the value proposal.

Because all the units comprising this business have very different features, not just owing to their respective public but also to the needs they aim to fulfil, it is vital to identify the user public and what they are seeking at every consumption moment. Following that identification, a suitable offering to meet those expectations must be conceived, aiming to satisfy them whenever possible. For that reason, a skilled and properly trained team is necessary and has been a priority.

At the end of the year, the Blue Café (Campanhã) and VOG units remained certified per the ISO 22000 quality standard. Additionally, and in a pioneering manner in the Group, the VOG unit was able to obtain certifications per the ISO 9001, ISO 14001 and OHSAS 18001 standards.

7. Consolidated Financial Analysis

OPERATING INCOME

In financial year 2014 consolidated operating revenue was 189.5 million euros, 8.7% more than in 2013. The EBITDA margin for the same period was 25.4 million euros, an increase of 37.7%. Operating income stood at 10.9 million euros, up 69.9% over the previous year.

Sales and other operating revenue

Consolidated turnover totalled 187.5 million euros at year's end, for growth of 8.7% compared to 2013.

Turnover was distributed as follows:

TURNOVER	million €	% Ch. 14/13
Sales of Restaurants	184,6	9,5%
Sales of Merchandise	2,2	-31,3%
Services Rendered	0,7	7,9%
Net Sales & Services	187,5	8,7%

Lower merchandise sales were due to the change in provisioning for the Angola operation in the last quarter of 2014. The group became the holder of inventory stock, with no merchandise transaction with an external entity.

Food service sales were 184.6 million euros, for year-on-year growth of 9.5%, and are broken down as follows:

FOOD SERVICE SALES	Millions of euros	Var 14/13
Restaurants	65,1	0,1%
Counters	97,0	14,0%
Other	22,6	21,3%
SALESr	184,6	9,5%

Sales recovered in all segments, with higher ticket concepts experiencing more difficulties.

The need for constant evaluation of the sales point portfolio led to the decision to close 11 company-owned units. With the market showing signs of recovery from the crisis a selective expansion plan was continued. We opened 9 units, whereby at year's end we operated 300 own units in Portugal, 67 in Spain and 4 in Angola.

At the end of the year the total number of units (own and franchised) was 391, distributed as follows:

No. units	2013 31-Dec	2014 Openings	2014 Tranfers	2014 Closures	2014 31-Dec
PORTUGAL	**302**	**7**		**8**	**301**
Own	**301**	**7**		**8**	**300**
Pizza Hut	93			1	92
Okilo/MMIT	9			1	8
Pans/Roulotte	56	1		3	54
Burger King	39	5			44
KFC	18				18
Pasta Caffé	14			2	12
Quiosques	10			1	9
Flor d`Oliveira	1				1
Cafetarias	35				35
Catering (SeO,JSCCe Solinca)	6				6
Concessions and others	20	1			21
Franchised	**1**				**1**
SPAIN	**89**	**1**	**0**	**4**	**86**
Own	**70**	**1**	**-1**	**3**	**67**
Pizza Móvil	36		-1	1	34
Pasta Caffé	1			1	0
Burger King	33	1		1	33
Franchised	**19**		**1**	**1**	**19**
ANGOLA	**3**	**1**			**4**
KFC	**3**	1			4
Total Own	**374**	**9**	**-1**	**11**	**371**
Total Franchised	**20**	**0**	**1**	**1**	**20**
TOTAL	**394**	**9**		**12**	**391**

Note: transfer of 1 own Pizza Móvil unit to operation on a franchising basis

Other operating revenue amounted to 2.2 million euros, of which the largest part came from supplier co-participations in marketing campaigns. This revenue component has decreased in recent years as supplier co-participations were replaced by purchase price reductions; in 2014 it recorded growth in line with sales performance.

Operating costs

Consolidated operating costs reached 178.5 million euros, up 6.4% over the previous year, accounting for a smaller proportion of sales.

Gross margin

The cost of sales (cost of goods and raw materials sold and consumed) remained at 23.6% of turnover, very stable despite the great pressure on sale prices occurring in the food service market.

Gross margin over turnover was 76.4% in this financial year, the same as the previous year's figure.

Remunerations and other personnel costs

Personnel costs rose by 2.8 million euros to reach 57.9 million euros. The 5.1% increase was appropriate to accompany the rise in activity. In 2013 this item accounted for 32% of turnover; in 2014 the figure is 30,9%.

External supplies and services

The cost of external supplies and services amounted to 60.7 million euros, versus 58.3 million euros in 2013, for growth of 4.2%.

This item's proportion consequently fell from 33.8% to 32.4% of turnover. Higher energy prices and marketing costs were compensated by strict austerity imposed on management of the other general expenses.

Other operating costs

Other operating costs stood at 1.5 million euros and include nearly 330,000 euros corresponding to the closure of some units during the year.

In 2014 stamp duties and other taxes amounted to 562,000 euros and provisions for clients to nearly 421,000 euros.

Amortizations and impairment losses

Amortizations and impairment losses during the financial year were 14.5 million euros, up 2.5 million euros over 2013 and corresponding to 7.7% of turnover. Impairment losses for tangible and intangible assets recognized in this financial year totalled 4.7 million euros, 2.2 million more than recorded in 2013.

EBITDA

EBITDA during the period attained 25.4 million euros, compared to the previous year's figure of 18.4 million euros. The sales recovery occurring in the Iberian Peninsula and the operation of one more restaurant in Angola were decisive for the positive 37.7% rise in consolidated EBITDA.

Higher turnover and instilled cost reduction dynamics led to a recovery of the EBITDA margin, which rose from 10.7% in 2013 to 13.5% in 2014.

FINANCIAL RESULT

The financial year's net financing cost was negative at 1.8 million euros, nearly 420,000 euros lower than in 2013. This net financing cost reduction is primarily due to lower loan repayment rates which compensate the higher financing in Angola, where nominal cost is much higher than the Group's average.

Interest amounted to 1.7 million euros, corresponding to an average debt cost of 4.3%.

CONSOLIDATED NET PROFIT

Consolidated profit before taxes stood at 9.0 million euros, up 4.9 million euros or 117%.

Income tax

The effective tax in 2014 is 2.8 million euros, versus 0.9 million euros in 2013. This accompanied the evolution of results and the use of available tax losses. When calculating tax the deduction of the extraordinary tax credit for investment (Law 49/2013) was not posted, because the application criteria for this financial year are still being evaluated.

Due to the effect of deferred taxes, the total tax amount used to ascertain the Net Profit was 1.1 million euros, corresponding to a rate of 12.5%.

Consolidated profit of the financial year

Net consolidated profit of the financial year was 7.92 million euros, up 114% over the figure of 3.70 million euros recorded in 2013.

Non-controlled interest is basically associated to direct and indirect holdings of minority shareholders in the Ibersande (Pans & Company) subsidiary and amounted to 159,000 euros.

Consolidated net profit attributable to shareholders was 7.76 million euros, up 117% over 2013.

FINANCIAL SITUATION

Balance sheet

Consolidated assets totalled 220 million euros at 31 December 2014, an increase of nearly 2 million euros compared to end 2013.

This net increase can basically be ascribed to the items for fixed assets and reduction of applications, which in more detailed form correspond to the following contributions:

(i) reduction of technical equipment fixed assets corresponding to amortizations and impairment for the financial year (approx. -14 million euros);

(ii) investment in expansion plans, especially Burger King and KFC (approx. +16 million euros);

(iii) remodelling and diverse investments in Portugal and Spain (approx. +7 million euros);

(iv) unit closures (approx. –0.6 million euros);

(v) increase of third party debts (approx. +0.9 million euros);

(vi) increase of inventories (+0.9 million euros) due to the need for more stock in Angola;

(vi) decrease of cash and cash equivalents (approx. -8.5 million euros).

Consolidated liabilities amounted to 93 million euros at 31 December 2014, 5 million euros less than at end 2013.

At 31 December 2014 shareholders' equity stood at 126 million euros, up 7 million euros compared to end 2013. Dividends of nearly 1.0 million euros were distributed during the year.

CAPEX

CAPEX totalled 23.5 million euros in 2013, corresponding to investment in:

- expansion: 9 new restaurants opened and ongoing work on two due to open in 2015 (16.4 million euros);

- remodelling: 18 units in Portugal and Spain (4.5 million euros);

- various current expenses totalling 2.6 million euros.

Divestment occurred due to the closing of 11 units (8 in Portugal and 3 in Spain).

Cash flow generated during the financial year was 22,4 million euros, an amount nearly enough to ensure financial coverage of CAPEX.

Net consolidated debt

At year's end net remunerated debt stood at 25.3 million euros, nearly 1 million euros more than the debt at end 2013 (24.4 million euros). Short term bank debt consists of Commercial Paper Programme issues redeemable in 2014 and medium and long term debt that matures in 2015.

The gearing ratio (net debt/(net debt + equity)), which at end 2013 was 17.0%, fell to 16.7%.

The indicator for net debt over EBITDA at end 2013 was 1.0 times (1.3 in 2013) and the EBITDA interest coverage ratio was 14.7 times (compared to 7.3 in 2013).

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

8. Risks and uncertainties

Risk management is a part of the Group's culture and cuts across the whole organization. It is present in every process and is the responsibility of all managers and employees at the different organizational levels.

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

In the strategic planning context, risks affecting the portfolio of existing businesses as well as the development of new businesses and more significant projects are identified and assessed. Strategies to manage those risks are then determined.

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

The group's main internal control systems are regularly evaluated to ensure conformity of the established procedures.

Internal control and monitoring of internal control systems are conducted by the Executive Committee. Certain risk areas are due to the specific nature of the business, of which the following stand out:

- Quality, food hygiene and occupational safety;
- Diversification of markets;
- Financial;
- Environmental.

Because operations are in the food service sector eventual epidemics or distortions in raw material markets along with consumption pattern changes can significantly impact the financial statements.

9. Own shares

The company made no transactions involving own shares during the financial year.

At 31 December 2014 the company held 2,000,000 shares (10% of the capital) with a nominal value of €1 each, for an overall acquisition value of 11,179,643 euros.

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

The non-executive member of the Ibersol Board of Directors, Juan Carlos Vázquez-Dodero, took part in six meeting of the Board of Directors, i.e. 100% of the meetings held. He was previously supplied with all information and documentation pertinent to matters on the agenda of those meetings.

The non-executive director participated in several meetings of the Executive Committee, especially those dealing with strategy and planning of the Group's businesses.

He often requested detailed information from the Executive Committee regarding decisions affecting development and expansion of the businesses.

At functional level he worked closely with the Department of Management Control and Planning. He met four times with the department's heads to jointly evaluate tools and methodologies and determine ways to improve control of the businesses. He also supplied relevant macroeconomic information to help assess the situation in Spain.

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

The non-executive member was present at all meetings with the Fiscal Council and followed all corporate governance matters that arose during the financial year.

11. Outlook

All prospects indicate an improvement of domestic demand in the Iberian market, though the need to maintain budget consolidation measures continues to affect growth of the food service market.

But given positive signs regarding the economy's performance, sales in 2015 are expected to continue the trend seen last year, with sale price levels staying in place, whereby margins will be maintained or may even contract.

Regarding funding, it is anticipated that the economy may benefit from an additional influx of liquidity with a reduction of spreads associated to financing in Portugal and Spain.

In Angola development of the business is closely linked to oil price trends, which will impact the pace of state spending. The revised budget indicates a major fall in revenue and spending and the envisaged introduction of a new tax on current invisibles, which will certainly affect the evolution of demand.

Regarding expansion, we will remain alert to opportunities to strengthen the competitive position of brands we operate. We expect Ibersol to finalize the opening of 10 restaurants in 2015 and to continue the programme to remodel around ten units. It may have to close some, especially those where the renegotiation of rent contracts makes operations unviable vis-à-vis the level of sales

Now that the business is more consolidated in Angola, we expect to open two more restaurants there.

12. Allocation of results

In financial year 2014 Ibersol SGPS, S.A., posted a consolidated net profit of 7,915,234.00 euros and a net profit in individual accounts of 7.757.420,00 euros.

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

Non-distributable reserves	€7,507,129.00
Free reserves	€250,291.00

We also propose the allocation of reserves amounting to 1,100,000 euros, accordingly assigning each share a gross dividend of €0.055. Should the company hold own shares the same allocation of €0.055 will be kept for each share in circulation, thereby reducing total dividends.

13. Subsequent events and statement of responsibility

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

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

- the management report, annual accounts and other account rendering documents of Ibersol SGPS, SA, required by law or regulation and referring to financial year 2014 were drawn up in compliance with applicable accounting standards and provide a true and fair view of the assets and liabilities, financial situation and results of Ibersol SGPS, S.A. and the companies within the consolidation; and

- the information contained in the management report faithfully shows the evolution of the businesses, performance and position of Ibersol SGPS, S.A. and the companies within the consolidation, providing a description of the main risks and uncertainties they face.

14. Acknowledgments

This Board of Director's first vote of thanks is addressed to all employees of the Group, due to their manifest dedication and enthusiasm when facing the adverse situation of recent years and the commitment they have shown in this year of recovery.

We gratefully acknowledge the collaboration throughout the year of the banking institutions as well as our suppliers and other partners.

We likewise thank all the shareholders for the trust they have placed in Ibersol.

The assiduous collaboration and capacity for dialogue manifested by the Fiscal Council, Auditors and Chartered Accountant when monitoring and examining the company's management must also be acknowledged.

Porto, 7 April 2015

The Board of Directors

____

António Alberto Guerra Leal Teixeira

____

António Carlos Vaz Pinto de Sousa

____

Juan Carlos Vázquez-Dodero

Qualified Holdings

In compliance with article 8 of CMVM Regulation no. 5/2008 we indicate the known holders of qualified holdings at 31 December 2014.

Shareholders		nº Shares	% share capital
ATPSII - SGPS, S.A. (*)			
	ATPS-SGPS, SA	886.359	4,43%
	I.E.S.-Indústria, Engenharia e Serviços, SGPS,S.A.	9.998.000	49,99%
	Mirtal - SGPS, SA	92.892	0,46%
	António Alberto Guerra Leal Teixeira	1.400	0,01%
	António Carlos Vaz Pinto Sousa	5.250	0,03%
	Total attributable	**10.983.901**	**54,92%**
Banco BPI, S.A.			
	Fundo Pensões Banco BPI	400.000	2,00%
	Total attributable	**400.000**	**2,00%**
Santander Asset Management SGFIM, SA			
	Fundo Santander Acções Portugal	646.115	3,23%
	Fundo Santander PPA	25.366	0,13%
	Total attributable	**671.481**	**3,36%**
Bestinver Gestion			
	BESTINVER BOLSA, F.I.	1.081.419	5,41%
	BESTINFOND F.I.M.	941.016	4,71%
	BESTINVER GLOBAL, FP	208.624	1,04%
	BESTVALUE F.I..	173.687	0,87%
	SOIXA SICAV	109.019	0,55%
	BESTINVER MIXTO, F.I.M.	95.699	0,48%
	BESTINVER AHORRO, F.P.	61.966	0,31%
	BESTINVER SICAV-BESTINFUND	39.531	0,20%
	BESTINVER SICAV-IBERIAN	126.400	0,63%
	DIVALSA DE INVERSIONES SICAV, SA	3.814	0,02%
	BESTINVER EMPLEO FP	3.322	0,02%
	BESTINVER FUTURO EPSV	2.210	0,01%
	BESTINVER EMPLEO II, F.P.	1.415	0,01%
	BESTINVER EMPLEO III, F.P.	795	0,00%
	Total attributable	**2.848.917**	**14,24%**
Norges Bank			
	Directly	**743.147**	**3,72%**
FMR LLC			
	Fidelity Managemment & Research Company	**400.000**	**2,00%**

Annex under article 447 of the Portuguese Commercial Companies Code and article 14 paragraph 7 of CMVM Regulation no. 05/2008

Number of shares at 31 December 2014 and transcations during 2014 by the members of statutory bodies:

Board of Directors	Data	Additions	Reductions	Shares at 31.12.2014
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	31-12-2014	3.850		5.250

(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	Additions	Reductions	Shares at 31.12.2014
Ibersol SGPS, SA				886.359
I.E.S.- Indústria Engenharia e Seviços, SA (3)				2.455.000
MIRTAL -SGPS, SA (4)	17-06-2014	178.000		178.000
MIRTAL -SGPS, SA (4)	31-12-2014	1.242.588		1.242.588

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

(4) MIRTAL- SGPS, SA	
Ibersol SGPS, SA	92.892

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 2014, helds 9.998.000 shares of Ibersol SGPS, SA capital. No transactions during 2014.

CORPORATE GOVERNANCE REPORT 2014

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 By-laws, 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 2014 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 2014 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 concluded 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. There are no signed contracts with change of control clauses, either financing agreements or other, in particular in a debt issuance context.

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 2014, 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:

Shareholders		nº Shares	% share capital
ATPSII - SGPS, S.A. (*)			
	ATPS-SGPS, SA	886.359	4,43%
	I.E.S.-Indústria, Engenharia e Serviços, SGPS,S.A.	9.998.000	49,99%
	Mirtal - SGPS, SA	92.892	0,46%
	António Alberto Guerra Leal Teixeira	1.400	0,01%
	António Carlos Vaz Pinto Sousa	5.250	0,03%
	Total attributable	**10.983.901**	**54,92%**
Banco BPI, S.A.			
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	Total attributable	**400.000**	**2,00%**
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	BESTINVER EMPLEO III, F.P.	795	0,00%
	Total attributable	**2.848.917**	**14,24%**
Norges Bank			
	Directly	**743.147**	**3,72%**
FMR LLC			
	Fidelity Managemment & Research Company	**400.000**	**2,00%**

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

8. Number of shares and bonds held by the Governing Bodies members - Board of Directors and Supervisory Board

Number of Shares directly or indirectly held in Ibersol, SGPS, SA:

Board of Directors:

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 31/12/2014 ATPS II, SGPS, SA held 5,680 shares representing 50.04% of the share capital of ATPS, SGPS, SA.
At 31/12/2014, 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., and 1,420,588 shares representing 96,6% of the capital of Mirtal SA.
At 31/12/2014 Mirtal, SA. held 92,892 shares of the capital of Ibersol, SGPS, SA.
At 31/12/2014 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 31/12/2014 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. and 1,420,588 shares representing 96,6% of Mirtal, SA. capital.
At 31/12/2014 Mirtal, SA. held 92,892 shares of the capital of Ibersol, SGPS, SA.
At 31/12/2014 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 2014 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 2013 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. Face to this Recommendation, in it´s point number 13, it is determined, about the independence requirement, that an administrator must be considered independent if he has no business, family, or other relations with the company, either with the control shareholders, as well with the directive bodies of any of them – that can create a conflict of interest that undermine his judgment. These independence requirements are complete fulfilled by the non-executive member of Board of Directors, Prof. Juan Carlos Vazquez-Dodero, and so this is an independent member.

The above mentioned 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 collaborate or interferes with the management of the company, neither provides 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

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.

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

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.

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.

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 54.92%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.

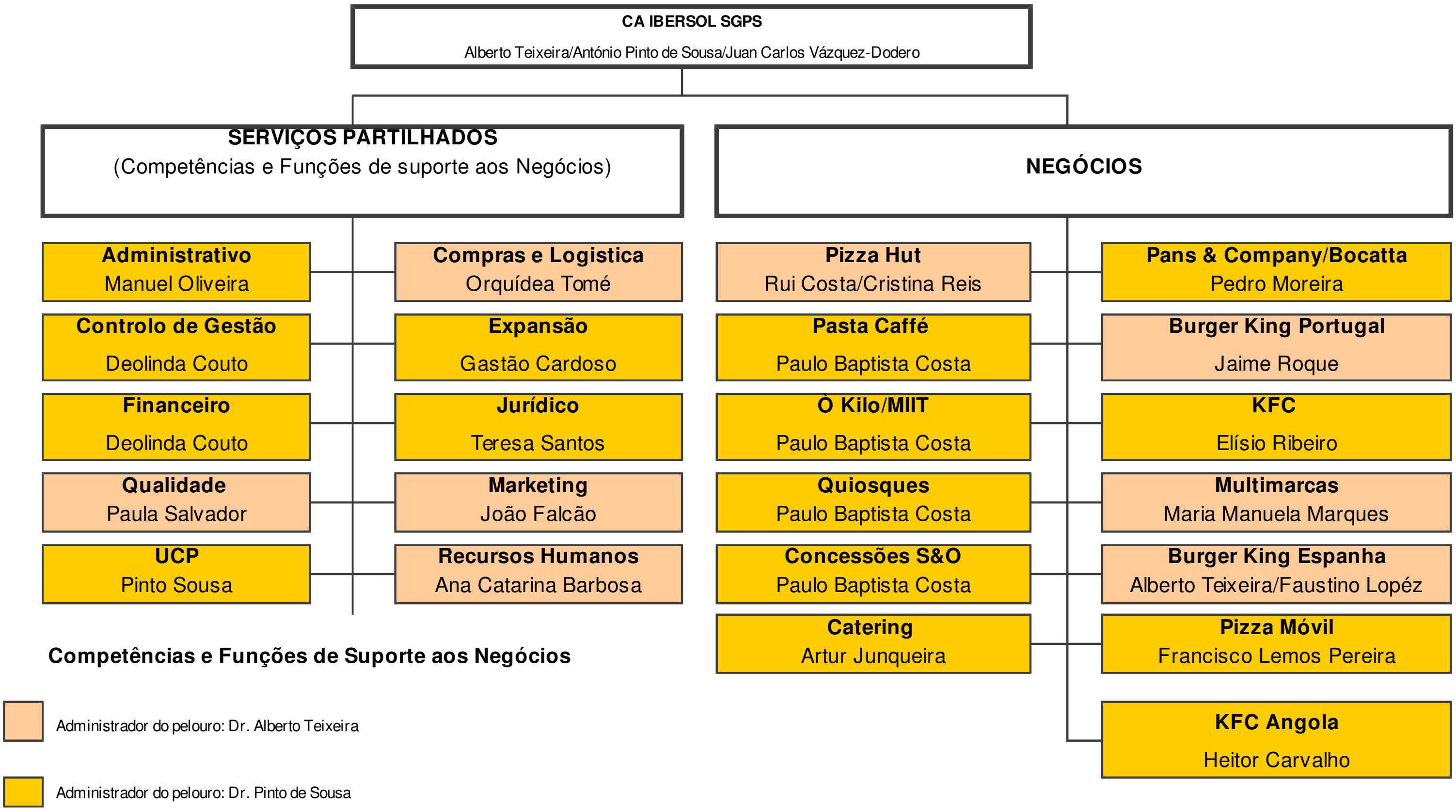
Two of the members of the Board of Directors perform executive functions and form an Executive Committee, which was elected and has powers delegated to it by the Board of Directors under the terms of art. 8.4 of the Bylaws of the Company. The third director performs non-executive functions.

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.

The organization chart and distribution of tasks is as follows



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.

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 by-laws 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 2014 the Board met ten times and the rate of attendance was 100% for the executive director António Alberto Guerra Leal Teixeira, and 90% for the executive director António Carlos Vaz Pinto Sousa, and 100% 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 the 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.

The board of directors and the executive committee that integrates the board ensure that the company develops its activity in order to comply with the statutory purposes, not delegating the competence for the definition of the strategy and company management policies, centralizing the definition of the structure business of the group, taking charge and in it’s exclusive competence of all relevant strategic decisions, either by it’s value, it’s potential degree of risk involved, either by it’s specific characterization.

28. Executive Committee.

Dr. António Alberto Guerra Leal Teixeira;

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 24 meetings were held during 2014.

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.

Under the adopted model, 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. The Audit Committee and the Statutory Auditor are 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.

<u>Chairman – Joaquim Alexandre de Oliveira e Silva</u>;

Academic qualifications

- BA in Economics (1970) from the Faculty of Economics of the University 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.

<u>Vice-Chairman – Dr. António Maria de Borda Cardoso</u>;

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.

<u>Director – Dr. Eduardo Moutinho dos Santos;</u>

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:

President of the Audit Board of the company Ibersande Restauração, SA.

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 2014 there were six 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 continuously the effectiveness of the risk management system and internal control system;
- examine continuously 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 represents it in this role are in their second consecutive 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.
The Supervisory Board adopted the recommended principle only not to make the rotation of the external auditor at the end of two terms of four years continuously functions, if, after making a careful assessment, has concluded that the maintenance functions, in addition to that period, does not interfere or prejudice the necessary independence of the external auditor, or the level of quality that the functions should be exercised, ensuring instead monitor the company by that supervisory body, with the level of knowledge and depth already acquired – v.d. proposal of the Supervisory Board 5/4/2013 on the appointment of ROC attached to the proposal presented on point 7 of the General Meeting Call for May 6, 2013 – in www.ibersol.pt.

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 2014 represented 18,9% 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 193,338 euros, as follows:

	2014	%	2013	%
Ibersol SGPS, SA				
Audit Services	49917	26%	44425	25%
Other				
Group Subsidiaries				
Audit	106838	55%	114327	65%
Fiscal consulting	33250	17%	17610	9%
Other	3333			
Total	193338	100%	176362	100%

C. INTERNAL ORGANIZATION

I. Articles of Association

48. Rules about changes in Statutes.

The rules applicable to amendment of the By-laws 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 2014 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.

Risk management is undertaken with the goal of creating value by managing and controlling uncertainties and threats that may affect the Group companies, with a view to the continuity of operations, to take advantage of business opportunities. As part of strategic planning are identified and evaluated the risks of the existing businesses portfolio and the development of new businesses and relevant projects and defined those risks management strategies.
At the operational level, are identified and evaluated the risks management objectives of each business and planned actions to manage those risks that are included and monitored in the plans of business and functional units. With regard to security risks of tangible assets and people are defined policies and standards, and the self-control of its application is made, being conducted external audits to all units and implemented preventive and corrective actions for the identified risks. In order to ensure compliance of the established procedures is performed regularly assessing of the main internal control systems of the group. For specific business aspects there are risk areas whose management has been assigned to functional departments. The internal control and monitoring of internal control systems are conducted 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.

Strategic and operational risks

The business is exposed to changes in macroeconomic factors and trends in consumer preferences. The management of strategic risks involves the monitoring of macroeconomic indicators, consumer trend studies, market studies of restaurants business, consumers consultation and monitoring competition activity in the different markets where the Group operates.

Operational risks are focused on the group's value chain processes and operational risks of the units, relating to the supply management (supply chain and logistics) inventory management, fund management and efficiency and security in the use of resources and assets. The suitability and scope of control procedures are monitored and revised when necessary.

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 Group's policy regarding financial risk management is conservative and cautious when using derivative instruments for hedging does not take positions that are not strictly related to the activity or positions that have speculative purposes.

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. However, the subsidiary companies located in Angola contracted financing in dollars, that do not have significant expression at the level of consolidated accounts.
As regards future borrowings outside the eurozone, the Group will pursue a policy of natural coverage, using preferably 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.

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) control 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. 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. The Group, in detriment of the cost, chose to contract underused credit lines.

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 2014, 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, in order to preventively protect the Group's interests, while ensuring strict compliance with the Group's legal duties.

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

Sector-specific

The recovery of private consumption, after the severe 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, in order to mitigate the impact of the consumption reduction.

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.

In the context of strategic planning, the risks of the business portfolio, as well the risks of 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 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 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 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 current and past 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.

In 2014 were received 11 requests for information, and there are not pending any inquires from previous years.

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: Dr. 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 to perform their functions rigorously and effectively. All the members are empowered with the necessary academic, professional and technical training required for their function, and authorized with proper functional experience necessary for its proper performance, namelly:

- Dr. Amândio da Fonseca: - Degree in Psychology, holding the position of *Executive Coach*, certified by ICF (International Coach Federation).

- Dr. Vítor Pratas Sevilhano: - Degree in Finance by the Instituto Superior de Economia, Degree in Hospital Administration by ENSP - Escola Nacional de Saúde Pública de Lisboa, Certified by Manchester Business School - ITP - International Teachers Program. Certified by SBDC – Small Business Development Center de

Wisconsin, EUA, Certified by INSEAD (Fontainebleau) – Advanced Management Program and Finantial Management Program. Certified by Henley College - Stragic Planning in Practice. Certified by Linkage International – GILD e Executive Coaching Master Class. PCC – Professional Certified Coach by ICF – International Coach Federation. Professional qualifications: - Managing Partner of the European School of Coaching and Partner of the Company My Change;

- D. Alfonso Munk Pacin: - Degree in Economics by London Scholl of Economics, International Consulter in the areas of Hotels and Tourism, and Vice-President of the Melia´s Group

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 30 April 2014 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 remuneration 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 2014 was as follows: Chairman: 8,785.92 euros; Vice-Chairman: 8,785.92 euros; Member: 8,785.92 euros; and SROC: 47,916.68 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 2015 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.

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 involving the allocation of share options is envisaged.

75. Main parameters and reasoning 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 2014 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 2014, 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 – Dr. Joaquim Alexandre de Oliveira e Silva: 8,785.92 euros;

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

Member – Dr. Eduardo Moutinho do Santos: 8,785,92 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 criteria for a previous evaluation of the 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 criteria 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 2014, given no liability transactions were entered into that required its opinion.

The procedures for intervention by the Audit Committee in the preliminary assessment of any business to be held between the company and holders of qualifying holdings follows the rules of the respective Regulation of the Supervisory Board, published in www.ibersol.pt ;

II. Elements related to transactions

92. Location where the financial 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 disclosed 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 CMVM'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 shareholders to attend and vote at general meetings and shall not set an overly 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 Number 12 of this Corporate Governance Report
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 of this Corporate Governance Report
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 By-laws.
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 whether 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.	Not Applicable	The Company's articles of association set no limit to the number of votes to be issued by a shareholder.
I.5. Measures that required payment or assumption of fees by 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 powers shall be identified in the Annual Report on Corporate Governance.	Adopted	Parte I Numbers 15. 16. 17 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 responsibilities 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 21 to 29 of this Corporate Governance Report
II.1.3. The General and Audit Committee, in addition to its supervisory duties supervision, shall take full responsibility 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 structure of the group and the decisions that shall be considered strategic due to the amount of risk involved. This body shall also assess compliance with the strategic plan and the implementation of key policies of the company.	Not applicable	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 assessment of the performance of the executive directors and its own overall performance, as well as of others committees; 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.	Not applicable	There are no specialised committees of the Board of Directors. Part I , Numbers 25 and 27 of this Corporate Governance Report
II.1.5. The Board of Directors or the General and Audit Committee, 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 Number 50 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 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 law in force states. 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 company holding a control 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	Adopted	Part I Number 18 of this Corporate Governance Report

representative of a qualifying shareholder..		
II.1.8 When board members that carry out executive duties are requested by other board members, shall provide the information requested, in a timely and appropriate manner to the request.	Adopted	The Executive Committee makes all the requested information available at all time to the members of the other corporate bodies.
II.1.9 The Chairman of the Executive Board of the Executive Committee shall submit, as applicable, to the Chairman of the Board of Directors, the Chairman 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 independent 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 Number 18 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 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 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 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 38, 49, 50, 54 and 55 of this Corporate Governance Report.

II.2.5 The Audit Committee, the General and the Supervisory Board and the Audit Committee decide on the work plans and resources 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 conflicts of interests and detection of potential illegalities.	Adopted	Part I Numbers 38, 49, 50, 54 and 55. of this Corporate Governance Report
II.3 REMUNERATION SETTINGS		
II.3.1 All members of Remuneration Committee or equivalent 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 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 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 this Corporate Governance Report.
II.3.4. Approval of plans for the allotment of shares and/or options to acquire 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.	Not applicable	Part I Numbers 70. and 73. and 85. 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.	Not applicable	There are no approved or submitted for approval by the General Assembly any systems 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 69 to 79 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 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.	Not applicable	Part I Numbers 69. to 76. of this Corporate Governance Report.
III.4 A significant part of the variable remuneration should be deferred for a period not less than three years, and the right of the payment shall depend on the continued positive performance of the company during that period.	Not applicable	Part I Numbers 69. to 76. 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..	Not applicable	No such contracts exist. Part I Numbers 69. to 76. of this Corporate Governance Report.
III.6 Executive board members shall maintain 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..	Not applicable	No variable remuneration is paid to executive directors. Part I Numbers 69. to 76. 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.	Not applicable	No variable remuneration is paid to executive directors. Part I Numbers 69. to 76. 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 witch is legally due,	Adopted	In such situations the legal rules are applied.

is unenforceable.		
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. Part I, numbers 37 and 38 of this Corporate Governance Report.
IV.2. The company or any entity with which 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 - which must be approved by the Audit Committee and explained 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 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 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 which they are in any type of relationship pursuant to article 20 of the Portuguese Securities Code, shall be conducted during normal market conditions.	Adopted	Part I Numbers 10, 90, 91 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 which 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 to 92 of this Corporate Governance Report.
V.I. INFORMATION		

V.I.1. Companies shall provide, via their websites both the Portuguese and English languages, access to information on their progress as regards the economic, financial and governance state of play.	Adopted	Part I Numbers 56 to 65 of this Corporate Governance Report.
VI.2. Companies shall ensure the existence of an investor support and market liaison office, which 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 to 65 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 2015

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 By-laws 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 By-laws, 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 2014 was set at a fixed annual amount, payable twelve times a year, having its members earned the following annual remuneration:

- Chairman – Dr.ª Alice de Assunção Castanho Amado: € 1.333,44;
- Vice-Chairman – Dr.ª Anabela Nogueira de Matos : € 667,92;
- Secretary – Dr.ª Maria Leonor Moreira Pires Cabral Campello: € 333,36;

b) The shareholder ATPS-SGPS, SA. provided administrative and management services to the Group and in 2014 received from the investee Ibersol, Restauração, SA. a total of 756,034.00 euros 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 having to incur 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 2014, each director received the amount of 378.017,00 euros. The non-executive member receives annual remuneration of 6.000,00 euros.

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 article 2.3 of Law 28/2009.

c) The remuneration of the members of the Audit Committee for 2014 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: €8.785,92;

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 were considered 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 2015.

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 following position outside the Ibersol Group:

Managing Partner

Alexandra 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 holds the following position in other Ibersol Group Company:

President of Statutory Audit Committee

Ibersande Restauração, S.A.

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

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

President of the General Meeting

Volare - Equipamentos, S.A.

Volare – Gestão de Projectos, S.A.

Mirtal - SGPS, S.A.

Gravos 2012, S.A.

Regulsucesso – Imobiliária, S.A.

Secretary of the General Meeting

Daytime – Serviços e Gestão Imobiliária, S.A

Tenancy – Gestão de Projectos e Imobiliária, S.A.

GENERAL MEETING BOARD:

Chairwoman – Dr.ª Alice da Assunção Castanho Amado

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

Chairwoman of the General Meeting

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.

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.

Ponto de Chegada – Sociedade Imobiliária, S.A.

Predicomercial - Promoção Imobiliária, S.A.

Predilugar – Sociedade 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.

Secretary of the society

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

Vice-Chairwoman – Dr.ª Anabela Nogueira de Matos

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

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

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.

Sonae Turismo, SGPS, S.A. (anteriormente denominada 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.

Sopair, S.A.

Spinveste – Gestão Imobiliária, SGII, S.A.

Spinveste – Promoção 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.

Member of the Management

SC For – Serviços de Formação e Desenvolvimento de Recursos Humanos, Unipessoal, Lda

Chairwoman of the General Meeting

Andar – Sociedade Imobiliária, S.A.

Atlantic Ferries – Tráfego Local, Fluvial e Marítimo, S.A.

Capwatt, SGPS, S.A.

Capwatt Brainpower, S.A. (anteriormente denominada Integrum – Energia, S.A.)

Capwatt, A.C.E, S.A. (anteriormente denominada Integrum ACE, S.A.)

Capwatt Colombo – Heat Power, S.A. (anteriormente denominada Integrum Colombo - Energia, S.A.)

Capwatt Engenho Novo – Heat Power, S.A. (anteriormente denominada Integrum Engenho Novo –Energia, S.A.)

Capwatt Martim Longo – Solar Power, S.A. (anteriormente denominada Integrum Martim Longo – Energia, S.A.)

Capwatt Vale do Caima – Heat Power, S.A. (anteriormente denominada

Integrum Vale do Caima – Energia, S.A.)

Capwatt Vale do Tejo – Heat Power, S.A. (anteriormente denominada Integrum Vale do Tejo – Energia, S.A.)

Capwatt II – Heat Power, S.A. (anteriormente denominada Integrum II– Energia, S.A.)

Capwatt III – Heat Power, S.A (anteriormente denominada Integrum III – Energia, S.A.)

Contacto Concessões, SGPS, S.A.

Capwatt Maia – Heat Power, S.A. (anteriormente denominada 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..

Marina de Tróia, S.A.

Marmagno – Exploração Hoteleira, S.A.

Marvero – Exploração Hoteleira e Imobiliária, S.A.

Powercer – Sociedade de Cogeração da Vialonga, S.A.

SC, SGPS, S.A.

SC Engenharia e Promoção Imobiliária, SGPS, S.A.

SC Hospitality, SGPS, S.A. (anteriormente denominada Sonae Turismo, SGPS, S.A.)

S.I.I. – Soberana – Investimentos Imobiliários, S.A.

Sistavac, S.A.

Sistavac – SGPS, S.A.

Sociedade Construções do Chile, S.A.

Solinca – Health and Fitness, S.A.

Solinca – Investimentos Turísticos, S.A.

Soltróia – Sociedade Imobiliária de Urbanização e Turismo de Tróia, S.A.

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.

Vice-Chairwoman of the General Meeting

Interlog - SGPS, S.A.

NET – Novas Empresas e Tecnologias, S.A.

Secretary of the General Meeting

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

Secretary – Dr.ª Maria Leonor Moreira Pires Cabral Campello

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 2014

IBERSOL S.G.P.S., S.A.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION ON 31st DECEMBER 2014 AND 2013
(values in euros)

ASSETS	Notes	31-12-2014	31-12-2013 restated
Non-current			
Tangible fixed assets	2.5 and 8	132.109.999	121.119.638
Goodwill	2.6 and 9	40.594.588	40.509.009
Intangible assets	2.6 and 9	13.493.705	15.253.659
Deferred tax assets	2.14 and 17	531.418	951.668
Financial assets - joint controlled subsidiaries	2.2 and 10	2.448.856	2.497.788
Other financial assets	2.8 and 10	370.058	354.700
Other non-current assets	2.10 and 11	1.487.814	1.632.344
Total non-current assets		**191.036.438**	**182.318.806**
Current			
Stocks	2.9 and 12	5.937.327	5.031.702
Cash and bank deposits	2.11 and 13	13.566.782	22.138.608
Income tax receivable	14	9.859	528.104
Other current assets	2.10 and 14	8.955.678	8.088.260
Total current assets		**28.469.646**	**35.786.674**
Total Assets	6	**219.506.084**	**218.105.480**

EQUITY AND LIABILITIES	Notes	31-12-2014	31-12-2013 restated
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		104.603.959	101.929.821
Net profit in the year		7.756.088	3.576.462
		121.336.699	**114.482.935**
Non-controlling interest		4.976.886	4.957.161
Total Equity	15	**126.313.585**	**119.440.096**
LIABILITIES			
Non-current			
Loans	2.13 and 16	24.028.060	23.417.821
Deferred tax liabilities	2.14 and 17	7.702.843	9.763.656
Provisions	2.15 and 18	32.118	98.690
Other non-current liabilities	19	268.561	413.298
Total non-current liabilities		**32.031.582**	**33.693.465**
Current			
Loans	2.13 and 16	14.803.757	23.108.351
Accounts payable to suppl. and accrued costs	20	36.534.100	30.399.313
Income tax payable	21	1.257.399	620.492
Other current liabilities	21	8.565.661	10.843.763
Total current liabilities		**61.160.917**	**64.971.919**
Total Liabilities	6	**93.192.499**	**98.665.384**
Total Equity and Liabilities		**219.506.084**	**218.105.480**

The Board of Directors,

IBERSOL S.G.P.S., S.A.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEARS ENDING ON DECEMBER 31st, 2014 AND 2013
(values in euros)

	Notes	31-12-2014	31-12-2013 restated
Operating Income			
Sales	2.16 and 6	186.804.236	171.845.441
Rendered services	2.16 and 6	662.658	613.879
Other operating income	24	2.172.911	1.810.083
Total operating income		189.639.805	174.269.403
Operating Costs			
Cost of sales		44.031.371	40.630.601
External supplies and services	22	60.748.902	58.299.512
Personnel costs	23	57.924.129	55.110.291
Amortisation, depreciation and impairment losses	6, 8 and 9	14.451.847	11.996.529
Other operating costs	24	1.548.479	1.796.904
Total operating costs		178.704.728	167.833.837
Operating Income	6	10.935.077	6.435.566
Net financing cost	25	-1.840.453	-2.262.818
Gaisn (losses) in joint controlled subsidiaries - Equity method		-48.935	-10.825
Profit before tax		**9.045.689**	**4.161.923**
Income tax expense	26	1.130.455	464.984
Net profit		**7.915.234**	**3.696.939**
Other comprehensive income		87.676	-22.313
TOTAL COMPREHENSIVE INCOME		**8.002.910**	**3.674.626**
Net profit attributable to:			
Owners of the parent		7.756.088	3.576.462
Non-controlling interest	15	159.146	120.477
		7.915.234	3.696.939
Total comprehensive income attributable to:			
Owners of the parent		7.843.764	3.554.149
Non-controlling interest	15	159.146	120.477
		8.002.910	3.674.626
Earnings per share:	27		
Basic		**0,43**	**0,20**
Diluted		**0,44**	**0,20**

The Board of Directors,

IBERSOL S.G.P.S., S.A.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FOURTH TRIMESTER OF 2014 AND 2013
(values in euros)

		4th TRIMESTER (unaudited)	
	Notes	2014	2013 restated
Operating Income			
Sales		50.186.314	45.679.932
Rendered services		226.232	174.172
Other operating income	24	817.881	597.032
Total operating income		51.230.427	46.451.136
Operating Costs			
Cost of sales		12.266.336	10.408.345
External supplies and services	22	15.676.578	15.281.899
Personnel costs	23	15.495.767	14.434.573
Amortisation, depreciation and impairment losses	6, 8 e 9	7.065.795	4.763.481
Other operating costs	24	442.830	626.272
Total operating costs		50.947.306	45.514.570
Operating Income		283.121	936.566
Net financing cost	25	-621.007	-834.056
Gaisn (losses) in joint controlled subsidiaries - Equity method		-21.803	-22.522
Profit before tax		**-359.689**	**79.988**
Income tax expense	26	-1.351.660	-658.568
Net profit		**991.971**	**738.556**
Other comprehensive income		22.082	-19.202
TOTAL COMPREHENSIVE INCOME		**1.014.053**	**719.354**
Net profit attributable to:			
Owners of the parent		787.560	622.282
Non-controlling interest		204.411	116.274
		991.971	738.556
Total comprehensive income attributable to:			
Owners of the parent		809.642	603.080
Non-controlling interest		204.411	116.274
		1.014.053	719.354
Earnings per share:	27		
Basic		**0,04**	**0,03**
Diluted		**0,04**	**0,03**

The Board of Directors,

IBERSOL S.G.P.S., S.A.
Statement of Alterations to the Consolidated Equity
for the years ending 31st December, 2014 and 2013
(value in euros)

	Note	Assigned to shareholders								
		Share Capital	**Own Shares**	**Conversion Reserves**	**Legal Reserves**	**Other Reserves & Retained Results**	**Net Profit**	**Total parent equity**	**Non-controlling interest**	**Total Equity**
Balance on 1 January 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	-		-
Acquisition of Gravos 2012, S.A.								-	156.139	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**
Balance on 1 January 2014		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
Changes in the period:										
Application of the consolidated profit from 2013:										
Transfer to reserves and retained results						2.586.462	-2.586.462	-		-
Increased investment on Gravos 2012, S.A.									-139.421	-139.421
Conversion reserves - Angola				87.676				87.676		87.676
Net consolidated income in the year ending on 31 December 2014							7.756.088	7.756.088	159.146	7.915.234
Total changes in the period		-	-	87.676	-	2.586.462	5.169.626	7.843.764	19.725	7.863.489
Other comprehensive income							**7.756.088**	**7.756.088**	**159.146**	**7.915.234**
Transactions with capital owners in the period										
Application of the consolidated profit from 2013:										
Paid dividends	29						-990.000	-990.000		-990.000
		-	-	-	-	-	-990.000	-990.000	-	-990.000
Balance on 31 December 2014		**20.000.000**	**-11.179.644**	**68.631**	**4.000.001**	**100.691.623**	**7.756.088**	**121.336.699**	**4.976.886**	**126.313.585**

The Board of Directors,

IBERSOL S.G.P.S., S.A.
Consolidated Cash Flow Statements
for the years ending on 31st December 2014 and 2013
(value in euros)

	Note	Years ending on December 31 2014	2013 restated
Cash Flows from Operating Activities			
Flows from operating activities (1)	30	**24.378.917**	**17.344.858**
Cash Flows from Investment Activities			
Receipts from:			
Financial investments		5.640	15.800
Tangible fixed assets		194.888	68.337
Interest received		110.829	877.901
Payments for:			
Financial Investments		245.998	259.937
Tangible fixed assets		21.196.136	9.843.528
Intangible assests		921.569	1.014.177
Flows from investment activities (2)		-21.954.392	-10.155.604
Cash flows from financing activities			
Receipts from:			
Loans obtained		1.843.440	2.432.737
Payments for:			
Loans obtained		9.277.323	10.211.673
Amortisation of financial leasing contracts		61.483	205.659
Interest and similar costs		2.080.039	2.860.879
Dividends paid	29	990.000	990.000
Flows from financing activities (3)		-10.565.405	-11.835.474
Change in cash & cash equivalents (4)=(1)+(2)+(3)		**-8.140.880**	**-4.646.220**
Perimeter changes effect			
Exchange rate differences effect		-159.400	
Cash & cash equivalents at the start of the period		21.453.094	26.099.314
Cash & cash equivalents at end of the period	13	**13.471.613**	**21.453.094**

The Board of Directors,

IBERSOL SGPS, S.A.

ANNEX TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDING ON 31st DECEMBER 2014

(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 391 units in the restaurant segment through the brands Pizza Hut, Pasta Caffé, Pans & Company, Kentucky Fried Chicken, Burger King, O' Kilo, Roulotte, Café Sô, Quiosques, Pizza Móvil, Flor d'Oliveira, Miit, Sol, Sugestões e Opções, Silva Carvalho Catering e Palace Catering, coffe counters and other concessions. The group has 371 units which it operates and 20 units under a franchise contract. Of this universe, 86 are headquartered in Spain, of which 67 are own establishments and 19 are franchised establishments, and 4 in Angola.

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 2014.

The accounting policies applied on 31 December 2014 are identical to those applied for preparing the financial statements of 31 December 2013, except under the adoption of IFRS 11. Jointly controlled entity UQ Consult S.A. ceases to be included by the proportional consolidation method, and the interest on that entity to be accounted for by the equity method. Because of this change the comparative figures have been restated in the consolidated statement of financial position, of comprehensive income and of cash-flows and in and related Notes in remission.

The main impacts can be summarized as follows:

Balance sheet

	31-12-2013	31-12-2013 restated
Financial assets - joint controlled entities	-	2.497.788
Goodwill	42.677.991	40.509.009
Other assets	175.644.750	175.098.683
Equity	119.440.096	119.440.096
Liabilities	98.882.645	98.665.384

Income statement

	31-12-2013	31-12-2013 restated
Operating income	174.307.605	174.269.403
Operating costs	-167.855.823	-167.833.837
Net financing cost	-2.282.891	-2.262.818
Gaisn (losses) in joint controlled subsidiaries	-	-10.825
Income tax expense	-471.952	-464.984
Net profit	3.696.939	3.696.939

In the consolidated statements of financial position, of comprehensive income and of cash-flows Ibersol chose not to put a third column with the values of 2013 not restated due to the small size of the jointly controlled entity UQ Consult S.A. statements of accounts.

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 equity method, under the adoption of IFRS 11 on 01 January 2014, 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 in one line in the consolidated statement of financial position and in one line in the consolidated statements of comprehensive income. Transactions, balances and dividends paid among group companies and jointly controlled companies are not eliminated in the proportion of the control assigned to the group. The excess acquisition cost compared with the fair value of the identifiable assets and liabilities on the acquisition date of a jointly controlled company is recognised as a financial investment.

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 separate 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 business segments:

- Restaurants, which includes the units with table service available offer and home delivery;
- Counters, with sales over the counter;
- Concessions and catering, which includes all other businesses, including the catering activity and the units located in concession areas.

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 according to this business distribution.

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 2014	Average interest rate
Kwanza de Angola (AOA)	124,984	131,044

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 3.125.000 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 10 million euros (commercial paper programmes) loan has the maturity of the underlying interest and the repayment plan identical to the terms of the loan.

Based on simulations performed on 31 December 2014, an increase of 100 basis points in the interest rate, maintaining other factors constant, would have a negative impact in the net profit of 160.000 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 61 million euros, compared with 28 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 2015 the renewal of the commercial paper programmes (7.500.000 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, 2014, the use of short term liquidity cash flow support was of 1%. Investments in term deposits of 6 million match 15% of liabilities paid.

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

	to December 2015	from December 2015 to 2024
Bank loans and overdrafts	3.836.737	15.278.060
Commercial paper	10.750.000	8.750.000
Suppliers of fixed assets c/ a	6.303.369	-
Suppliers c/ a	20.842.779	-
Other creditors	8.448.253	268.561
Accrued costs	9.387.952	-
Total	59.569.090	24.296.621

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 2014 and 2013 the gearing ratio was of 17%, as follows:

	Dec-14	Dec-13
Bank loans	38.831.817	46.526.172
Cash and bank deposits	-13.566.782	-22.138.608
Net indebtedness	25.265.035	24.387.564
Equity	126.313.585	119.440.096
Total capital	151.578.620	143.827.660
Gearing ratio	17%	17%

Given the current constraints of the financial markets and despite the goal of placing the gearing ratio in the range 35% -70%, prudently, in 2014 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. <u>IMPORTANT ACCOUNTING ESTIMATES AND JUDGMENTS</u>

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 2014 and 2013:

	Company	Head Office	% Shareholding Dec-14	Dec-13
arent company				
	Ibersol SGPS, S.A.	Porto	parent	parent
ubsidiary 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%
(c)	RESTOH- Restauração e Catering, S.A	Porto	-	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%
(c)	Parque Central Maia - Activ.Hoteleiras, Lda	Porto	-	100%
	Gravos 2012, S.A.	Porto	98%	80%
ompanies controlled jointly				
	UQ Consult - Serviços de Apoio à Gestão, S.A.	Porto	50%	50%

(a) Company consortium agreement that acts as the Purchasing and Logistics Centre and provides the respective restaurants with raw materials and maintenance services.
(b) Union Temporal de Empresas which was founded in 2005 and that during the year functioned as the Purchasing Centre in Spain by providing raw materials to the respective restaurants.
(c) subsidiaries incorporated by merger in Iberusa subsidiary in September (Parque Central Maia) and in October (Restoh) 2014, effective January 1, 2014.

The subsidiary companies were included in the consolidation by the full consolidation method. UQ Consult, the Jointly controlled entity, was subject to the equity 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 2014, the Group acquired 20% of the subsidiary Gravos 2012, S.A. by the amount of 225.000 EUR.

The acquisition of non-controlling interests of the subsidiary Gravos had the following impact on the consolidated financial statements of 31 December 2014:

	% Non-controlling interest	Dec-14
Acquired net assets		
Tangible and intangible assets (Notes 8 and 9)	137.131	777.825
Other assets	2.976	16.880
Cash & bank deposits	140	796
Other liabilities	-826	-4.683
	139.421	790.818
Goodwill (Note 9)	85.579	
Non-controlling interest	-	
Acquisition price	225.000	
Advanced payments in 2012 (Note 10)	-	
Payments made in 2014	225.000	
	225.000	
Net cash-flows from acquisition		
Payments made	225.000	
Acquired cash & bank deposits	-140	
	224.860	

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	264.000	
Acquired cash & bank deposits	-4.063	
	259.937	

5.2.2. Disposals

During the years ended December 31, 2014 and 2013 there were no disposals of subsidiaries.

6. INFORMATION PER SEGMENT

In 2014, the Administration of IBERSOL began to monitor the business based on following segmentation:

SEGMENT	BRANDS					
Restaurants	Pizza Hut	Pasta Caffe	Flor d'Oliveira	Pizza Movil		
Counters	KFC	O'Kilo	Miit	Burguer King	Pans/Bocatta	Coffee Counter
Other business	Sol (SA)	Concessões	Catering	Convenience stores		

Until 2013, the Administration managed the business according to geographic segmentation:

- Portugal
- Spain
- Angola (included in segment Portugal, due to the small size of its operations)

As a result, the segment information for the period ended December 31, 2013 is restated.

The results per segment for the year ended December 31, 2014 and 2013 were as follows:

31 DECEMBER 2014	Restaurants	Counters	Concessions and Catering	Other, write off and adjustments	Total Group
Total sales and services	66.951.519	97.323.530	22.809.607	382.239	187.466.894
Operating cash-flow (EBITDA)	**7.002.300**	**15.296.892**	**3.418.524**	**-330.792**	**25.386.924**
Amortisation, depreciation and impairment losses	3.773.884	4.838.952	5.545.306	293.705	14.451.847
Operating income (EBIT)	**3.228.416**	**10.457.940**	**-2.126.782**	**-624.497**	**10.935.077**

31 DECEMBER 2013	Restaurants	Counters	Concessions and Catering	Other, write off and adjustments	Total Group
Total sales and services	66.161.399	84.697.912	20.274.173	1.325.836	172.459.320
Operating cash-flow (EBITDA)	**5.811.512**	**11.670.597**	**1.144.982**	**-194.996**	**18.432.095**
Amortisation, depreciation and impairment losses	4.438.608	4.561.460	2.724.765	271.697	11.996.529
Operating income (EBIT)	**1.372.904**	**7.109.137**	**-1.579.783**	**-466.693**	**6.435.566**

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 2014				
	Restaurants	Counters	Concessions and Catering	Other, write off and adjustments	Group
Depreciation (Note 8)	2.451.409	4.054.146	1.450.901	274.280	8.230.736
Amortization (Note 9)	407.593	495.159	618.276	19.425	1.540.454
Impairment of fixed tangible assets (Note 8)	914.881	326.453	2.174.929	-	3.416.263
Impairment of goodwill (Note 9)	-	-	-	-	-
Impairment of intangible assets (Note 9)	-	-	1.301.200	-	1.301.200
Impairment of accounts receivable (Note 14)	305.390	98.050	-25.828	-	377.612

	Year ending on 31 December 2013				
	Restaurants	Counters	Concessions and Catering	Other, write off and adjustments	Group
Depreciation (Note 8)	2.566.337	3.595.900	1.515.751	253.373	7.931.361
Amortization (Note 9)	421.852	529.660	653.247	18.390	1.623.149
Impairment of fixed tangible assets (Note 8)	1.450.343	462.456	313.095	-	2.225.894
Impairment of goodwill (Note 9)	-	-	-	-	-
Impairment of intangible assets (Note 9)	75	-	242.672	-	242.747
Impairment of accounts receivable (Note 14)	156.524	-	-22.453	-6.000	128.071

The following assets, liabilities and investments were applicable to the segments in the year ending on 31 December 2014 and 2013:

	Year ending on 31 December 2014				
	Restaurants	Counters	Concessions and Catering	Other, write off and adjustments	Group
Assets	**64.539.271**	**108.109.088**	**34.890.786**	**8.606.748**	**216.145.893**
Liabilities	**14.523.017**	**23.787.326**	**7.032.682**	**57.416**	**45.400.440**
Net investment (Notes 8 and 9)	**394.582**	**20.837.294**	**1.729.567**	**-**	**22.961.443**

	Year ending on 31 December 2013				
	Restaurants	Counters	Concessions and Catering	Other, write off and adjustments	Group
Assets	**68.962.235**	**94.770.366**	**41.217.187**	**8.823.431**	**213.773.220**
Liabilities	**14.915.015**	**22.172.401**	**4.476.524**	**191.123**	**41.755.064**
Net investment (Notes 8 and 9)	**616.965**	**11.649.647**	**-**	**-**	**12.266.612**

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

	YEAR 2014		YEAR 2013	
	Assets	Liabilities	Assets	Liabilities
Deferred taxes	531.418	7.702.843	951.668	9.763.656
Current taxes	9.859	1.257.399	528.104	620.492
Current bank loans	-	14.803.757	-	23.108.351
Non current bank loans	-	24.028.060	-	23.417.821
Other financial assets	370.058	-	354.700	-
Financial assets - joint controlled subsidiaries	2.448.856	-	2.497.788	-
Total	3.360.191	47.792.059	4.332.260	56.910.320

7. UNUSUAL AND NON-RECURRING FACTS

No unusual and non-recurring facts took place during the years 2014 and 2013.

8. TANGIBLE FIXED ASSETS

In the years ending on 31 December 2014 and 2013, 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 2013					
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**
31 December 2013					
Initial net amount	99.667.532	17.636.440	2.165.312	357.468	119.826.752
Changes in consolidat perimeter	764.241	-487.504	-162	-	276.575
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	3.098.912	4.011.413	821.037	-	7.931.362
Deprec. by changes in the perim.	-	-	-	-	-
Impairment in the year	2.172.715	53.179	-	-	2.225.894
Impairment reversion	-	-	-	-	-
Final net amount	**100.174.778**	**15.955.512**	**2.743.209**	**2.246.141**	**121.119.640**
31 December 2013					
Cost	137.645.431	69.148.910	15.714.983	2.246.141	224.755.467
Accumulated depreciation	31.624.056	52.577.587	12.909.260	-	97.110.902
Accumulated impairment	5.846.597	615.812	62.515	-	6.524.924
Net amount	**100.174.778**	**15.955.512**	**2.743.209**	**2.246.141**	**121.119.640**

	Land and buildings	Equipment	Other tangible fixed Assets	Tangible Assets in progress (1)	Total
31 December 2014					
Initial net amount	100.174.778	15.955.512	2.743.209	2.246.141	121.119.640
Changes in consolidat perimeter	-	-	-	-	-
Currency conversion	420.771	103.958	18.384	148.796	691.909
Additions	8.000.737	3.456.236	1.702.727	9.231.887	22.391.587
Decreases	277.608	160.181	3.745	17	441.551
Transfers	2.056.779	-	574	-2.061.943	-4.590
Depreciation in the year	3.425.120	3.991.117	814.494	-	8.230.731
Deprec. by changes in the perim.	-	-	-	-	-
Impairment in the year	3.416.264	-	-	-	3.416.264
Impairment reversion	-	-	-	-	-
Final net amount	**103.534.073**	**15.364.408**	**3.646.655**	**9.564.864**	**132.110.000**
31 December 2014					
Cost	145.874.413	70.718.503	17.057.427	9.564.864	243.215.209
Accumulated depreciation	34.496.057	54.791.463	13.348.258	-	102.635.777
Accumulated impairment	7.844.284	562.633	62.515	-	8.469.432
Net amount	**103.534.073**	**15.364.408**	**3.646.655**	**9.564.864**	**132.110.000**

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

Investments for the year 2014 and 2013 on fixed assets in the amount of about 13 million and 10 million, respectively, are related to the opening of new units and renovation of the existing ones, in Portugal and in 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 620.000 euros and 1.400.000 euros, respectively.

Further to the termination of lease contracts in the years ended on 31 December 2014 and 2013, the following assets were used under a financial lease:

	2014		2013	
	Gross Amount	Accumulated depreciation	Gross Amount	Accumulated depreciation
Land and buildings	-	-	1.789	-1.730
Equipment	-	-	393.926	-203.513
Other tangible fixed assets	-	-	23.481	-10.674
	-	-	419.197	-215.917

In the years 2014 and 2013 there were no new lease agreements.

About 163 thousand euros were capitalized in the year 2014 related to bank loans expense in Angola, the accumulated value at December 31, 2014 was of about 567 thousand euros.

9. INTANGIBLE ASSETS

Goodwill and intangible assets are broken down as follows:

	Dec-14	**Dec-13**
Goodwill	40.594.588	40.509.009
Intangible assets	13.493.705	15.253.659
	54.088.293	**55.762.668**

In the years ending on 31 December 2014 and 2013, 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 2013					
Cost	42.190.958	20.788.413	5.394.349	2.445.801	70.819.521
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	**40.329.280**	**13.248.378**	**838.545**	**2.445.801**	**56.862.005**
31 December 2013					
Initial net amount	40.329.280	13.248.378	838.545	2.445.801	56.862.005
Changes in consolidat. perimeter	-	-49.420	-13.000	-26.630	-89.050
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	-	1.082.474	540.676	-	1.623.150
Amortiz. by changes in the perimeter	-	-	-	-	-
Impairment in the year	-	242.747	-	-	242.747
Impairment reversion	-	-	-	-	-
Final net amount	**40.509.009**	**12.549.927**	**292.811**	**2.410.920**	**55.762.668**
31 December 2013					
Cost	42.370.687	21.249.053	5.296.349	2.410.920	71.327.009
Accumulated amortization	-	7.488.729	4.933.428	-	12.422.157
Accumulated impairment	1.861.678	1.210.397	70.110	-	3.142.185
Net amount	**40.509.009**	**12.549.927**	**292.811**	**2.410.920**	**55.762.668**

	Goodwill	Industrial property	Other intangible Assets	Intangible Assets in progress (1)	Total
31 December 2014					
Initial net amount	40.509.009	12.549.927	292.811	2.410.920	55.762.668
Changes in consolidat. Perimeter	-	-	-	-	-
Currency conversion	-	47.787	20	17.895	65.702
Additions	85.579	924.064	39.904	62.763	1.112.310
Decreases	-	5.023	2.103	-	7.126
Transfers	-	-699.941	699.941	-3.608	-3.608
Amortization in the year	-	1.118.603	421.851	-	1.540.454
Amortiz. by changes in the perimeter	-	-	-	-	-
Impairment in the year	-	1.301.200	-	-	1.301.200
Impairment reversion	-	-	-	-	-
Final net amount	**40.594.588**	**10.397.011**	**608.722**	**2.487.970**	**54.088.292**
31 December 2014					
Cost	42.456.266	21.231.044	5.969.250	2.487.970	72.144.530
Accumulated amortization	-	8.322.510	5.290.418	-	13.612.928
Accumulated impairment	1.861.678	2.511.522	70.110	-	4.443.310
Net amount	**40.594.588**	**10.397.012**	**608.722**	**2.487.970**	**54.088.293**

(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 next note (page 26) it was concluded the absence of additional impairment charges for intangible assets.

On 31 December 2014, 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 as shown bellow:

	Dec-14	Dec-13
Portugal	7.560.347	7.474.768
Spain	32.903.527	32.903.527
Angola	130.714	130.714
	40.594.588	**40.509.009**

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:

Growth rate in perpetuity and for the period		
Portugal	3,00%	(1% real + 2% inflação)
Spain	3,00%	(1% real + 2% inflação)
Perpetuity discount rate		
Portugal	6,80%	
Spain	6,40%	
Discount period rate (5 years)		
Portugal	7,70%	
Spain	7,00%	

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 2014 and 2013 are as follows:

	Dec-14	Dec-13
Financial investments:		
Financial investments in subsidiaries and associates - equity method	2.448.856	2.497.788
Other financial investments	370.058	354.700
	2.818.914	**2.852.488**
Accumulated impairment losses	-	-
	2.818.914	**2.852.488**

(1) change in the year 2014 (restated in 2013) are due to the application of the equity method (note 2.1) to the jointly controlled subsidiary UQ Consult, as described in Note 5. Variation of the year, according to the consolidated statement of comprehensive income in the amount of - 48 935 eur. The value of the financial investment has included goodwill of 2.168.982 eur.

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 2014 and 2013 are as follows:

	Dec-14	Dec-13
Clients and other debtors (1)	1.646.326	1.632.344
Other non-current assets	**1.646.326**	**1.632.344**
Accumulated impairment losses	158.512	-
	1.487.814	**1.632.344**

(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 2014 the amount in debt is of 116 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 2014 and 2013, stocks were broken down as follows:

	Dec-14	Dec-13
Raw material and consumables	5.892.549	4.991.027
Merchandise	119.759	115.656
	6.012.308	**5.106.683**
Accumulated impairment losses	74.981	74.981
Net stocks	**5.937.327**	**5.031.702**

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 2014 and 2013, cash and cash equivalents are broken as follows:

	Dec-14	Dec-13
Cash	604.978	587.017
Bank deposits	12.960.898	21.550.685
Treasury applications	906	906
Cash and bank deposits in the balance sheet	13.566.782	22.138.608
Bank overdrafts	-95.169	-685.514
Cash and cash equivalents in the cash flow statement	13.471.613	21.453.094

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 2014 and 2013 are broken down as follows:

	Dec-14	Dec-13
Clients (1)	3.733.279	3.894.539
State and other public entities (2)	219.434	332.885
Other debtors	3.331.421	2.460.813
Advances to suplliers	321.639	12.483
Accruals and income (3)	1.042.710	889.824
Deferred costs (4)	1.693.763	1.665.184
Other current assets	**10.342.246**	**9.255.728**
Accumulated impairment losses	1.386.568	1.167.468
	8.955.678	**8.088.260**

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

(2) Current balance of recoverable VAT amounts (219.326 euros).

(3) Accruals and income item is broken down into the following items:

	Dec-14	Dec-13
Interest	84.548	94.737
Suppliers contracts	566.487	519.950
Other	391.674	275.137
	1.042.710	**889.824**

(4) Deferred costs are broken down as follows:

	Dec-14	Dec-13
Rents and condominium fees	1.034.534	1.080.257
External supplies and services	138.004	181.966
Other	521.225	402.960
	1.693.763	**1.665.184**

Financial assets impairment is broken down as follows:

	Dec-14		**Dec-13**	
	With Impairment	**Without Impairment**	**With Impairment**	**Without Impairment**
Clients c/a	977.285	2.755.994	863.361	3.031.178
Other debtors	409.282	2.922.139	304.107	2.156.706
	1.386.567	**5.678.133**	**1.167.468**	**5.187.884**

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

	Dec-14	Dec-13
Debt not due	1.431.193	1.095.596
Debt due:		
For less than 1 month	789.238	818.056
From one to three months	1.381.945	1.272.305
Over three months	2.075.756	2.001.927
	5.678.133	5.187.884

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	863.361	-	157.368	-43.444	977.285
Other debtors	304.107	-	105.175	-	409.282
Other debtors (Note 11)	-	-	158.512	-	158.512
	1.167.468	-	421.055	-43.444	1.545.080

On 31st December 2014, income tax receivable amounts to 9.859 euros (528.104 euros in 2013).

15. SHARE CAPITAL

On 31st December 2014 and 2013, 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 2014 and 2013 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 (4.000.001 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 59.533.951 euros.

In the years ending on 31 December 2014 and 2013, the non-controlling interests were as follows:

	Dec-14	Dec-13
Ibersande	4.735.649	4.575.823
IBR Imobiliária, S.A.	243.881	236.206
Gravos 2012	16.626	156.139
Restmon	-19.270	-11.007
	4.976.886	**4.957.161**

Movements in the year in 2014 and 2013 in non-controlling interests were as follows:

	2014	2013
1st January	4.957.161	4.680.545
Increases (1)	159.146	276.616
Decreases (2)	-139.421	-
31st December	4.976.886	4.957.161

(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 the year 2014 the non-controlling interest income of the year.
(2) concerning the purchase of 18% of the subsidiary Gravos 2012, S.A. to non-controlling interests, as mentioned in Note 5.2.1.

On 31st December 2014, the Balance Sheet, the Profit and Loss Account and Cash Flows statement of the of the non-controlling interest Ibersande, was as follows:

	Dec-14	Dec-13
Non-current assets	16.579.975	16.607.787
Current assets	6.834.526	6.039.519
Total assets	23.414.501	22.647.306
Equity	20.646.002	19.988.969
Non-current liabilities	-	-
Current liabilities	2.768.499	2.658.337
Total liabilities	2.768.499	2.658.337
Total equity and liabilities	23.414.501	22.647.306

	Dec-14	Dec-13
Operating income	13.752.107	13.587.424
Operating costs	-13.249.926	-13.201.317
Net financing cost	373.286	393.684
Pre-tax income	875.466	779.791
Income tax	-218.434	-155.242
Net profit	657.033	624.550

	2014	2013
Flows from operating activities	769.793	607.069
Flows from investment activities	-70.431	-9.471.909
Flows from financing activities	-1.848	-212.366
Change in cash & cash equivalents	697.514	-9.077.206

16. LOANS

On 31 December 2014 and 2013, current and non-current loans were broken down as follows:

Non-current	**Dec-14**	**Dec-13**
Bank loans	15.278.060	6.417.821
Commercial paper programmes	8.750.000	17.000.000
Financial leasing	-	-
	24.028.060	**23.417.821**

Current	**Dec-14**	**Dec-13**
Bank overdrafts	95.169	685.514
Bank loans	3.741.568	15.223.159
Commercial paper programmes	10.750.000	7.000.000
Derivative financial instrument	217.020	138.195
Financial Leasing	-	61.483
	14.803.757	**23.108.351**
Total loans	**38.831.817**	**46.526.172**
Average interest rate	**4,3%**	**5,0%**

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-14	**Dec-13**
From 1 to 2 years	10.110.558	9.193.824
From 2 to 5 years	13.902.757	13.664.193
> 5 years	14.746	559.804
	24.028.060	**23.417.821**

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 2014 and 2013 were as follows:

	Dec-14	**Dec-13**
EUR	31.280.550	40.872.340
USD	3.125.000	3.750.000
AOA	610.208.343	295.208.333

At the end of the year the Group had 20,8 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. In 2014 due to changes in the related loan swap conditions were adjusted as follows:
- initial date: September, 5 2015;
- expiration date: July, 15 2019;
- fixed interest rate: 0,78%;
- variable interest rate: Euribor 1M;
- total amount: 10 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 (78.826 euros).

The liabilities from financial leasing may be broken down as follows:

	Dec-14	Dec-13
Up to 1 year	-	61.483
Over 1 year and until 5 years	-	-
	-	**61.483**

The future (contractual) Cash Flows concerning the above stated financial liabilities on 31 December 2014 are broken down as follows:

	FC 2015	FC 2016	FC 2017	FC 2018	FC 2019	FC 2020/21
Bank loans	3.741.568	7.610.558	3.169.184	2.661.234	1.822.338	14.746
Commercial paper programmes	10.750.000	2.500.000	2.500.000	2.500.000	1.250.000	-
Interest	1.307.372	883.580	610.453	340.084	91.982	-

17. DEFERRED TAXES

17.1. Deferred tax liabilities

Deferred tax liabilities on 31st December 2014 and 2013, according to the temporary differences that generated them, are broken down as follows:

Deferred tax liabilities	Dec-14	Dec-13
Amortization and depreciation standardization	9.936.832	11.249.162
Asset impairment losses not fiscally accepted	-2.986.362	-2.219.660
Temporary differences by Vidisco, Lurca and Vidisco UTE	645.100	670.151
Other temporary differences	107.273	64.003
	7.702.843	**9.763.656**

17.2. Deferred tax assets

Deferred tax assets on 31st December 2014 and 2013, according to the temporary differences that generate them, are broken down as follows:

Deferred tax assets	**Dec-14**	**Dec-13**
Reportable fiscal losses	259.367	951.668
Other temporary differences	272.051	-
	531.418	**951.668**

Prudently the group did not recognise deferred tax assets in the amount of 110.303 euros referring to fiscal losses of 525.253 euros which may be deducted from future taxable income.

BALANCE OF FISCAL REPORTS PER YEAR AND UTILISATION LIMIT (after use on 31-12-2014) (*)						
2015 (Reporte 2009)	2015 (2) (Reporte 2011)	2017 (Reporte 2012)	2018 (Reporte 2013)	2026 (Reporte 2014)	unlimited (reporte de 2006)	TOTAL
35.768	601.291	84.121	66.878	28.523	438.894	1.255.474

(*) Portuguese subsidiaries:
- untill 2009 - 6 years
- years 2010 and 2011 - 4 years
- years 2012 and 2013 - 5 years
- year 2014 - 12 years

Angolan subsidiaries: 3 years
Spanish subsidiaries: unlimited

For use in subsequent years there are 277.030 euros of tax benefits (CFEI) on December, 31st 2014.

In the year 2014 changes in deferred tax were as follows:

	Assets	**Liabilities**	**Income and loss account (Note 26)**
Starting balance	951.668	9.763.656	
Temporary differences in the year	-390.205	-906.388	
Tax rate change in the year	-30.045	-1.154.425	
Closing balance	531.418	7.702.843	1.640.563

18. PROVISIONS

On 31 December 2014 and 2013, provisions were broken down as follows:

	Dec-14	**Dec-13**
Legal processes	5.257	5.257
Other	26.861	93.433
Provisions	**32.118**	**98.690**

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.. This amount was paid in 16th January 2014.

19. OTHER NON-CURRENT LIABILITIES

On 31st December 2014 and 2013, the item “Other non-current liabilities” may be broken down as follows:

	Dec-14	Dec-13
Other creditors (1)	268.561	294.584
Financial investments debt (2)	-	118.714
Other non-current liabilities	268.561	413.298

(1) includes 254.824 euros referring to the debt for the purchase of Vidisco;
(2) change in the year due to payment of Parque Maia subsidiary acquisition.

On 31 December 2014 the future (contractual) Cash Flows associated to these liabilities are broken down as follows:

	FC 2016	FC 2017	FC 2018	FC 2019	FC 2020	FC 2021/2023
Other creditors	42.585	28.848	28.848	28.848	28.848	110.584
Financial investments debt	-	-	-	-	-	-

20. ACCOUNTS PAYABLE TO SUPPLIERS AND ACCRUED COSTS

On 31st December 2014 and 2013, accounts payable to suppliers and accrued costs were broken down as follows:

	Dec-14	Dec-13
Suppliers c/ a	19.093.772	17.177.227
Suppliers - invoices pending approval	1.749.007	1.481.967
Suppliers of fixed assets c/ a	6.303.369	4.916.549
Total accounts payable to suppliers	27.146.148	23.575.743

	Dec-14	Dec-13
Accrued costs - Payable insurance	40.865	10.894
Accrued costs - Payable remunerations	4.484.987	4.444.699
Accrued costs - Performance bonus	746.991	-
Accrued costs - Payable interest	117.740	103.923
Accrued costs - External services (1)	3.081.901	1.780.993
Accrued costs - Other (1)	915.468	483.061
Total acrrued costs	9.387.952	6.823.570
total accounts payable to suppl.and accrued costs	36.534.100	30.399.313

(1) changes are the result of conservation and repairs and royalties invoices not yet invoiced by suppliers. Farther, in 2013, 834.160 eur was transfer from subheading other to external services.

21. OTHER CURRENT LIABILITIES AND INCOME TAX PAYABLE

On 31st December 2014 and 2013, the item "Other current liabilities" may be broken down as follows:

	Dec-14	Dec-13
Other creditors (1)	1.603.073	3.340.537
State and other public entities (2)	5.587.781	4.940.928
Deferred income (3)	1.374.807	2.562.299
	8.565.661	10.843.764

(1) unlike 2014, on 2013 wages of the month of December, were paid in early January 2014 (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 (3.290.222 euros) and Social Security (1.731.776 euros).

(3) the Deferred Income item includes the following amounts:

	Dec-14	Dec-13
Contracts with suppliers (1)	1.232.690	2.372.115
Franchising rights	38.457	74.701
Investment subvention	96.191	108.014
Other	7.469	7.469
	1.374.807	2.562.299

(1) the value of contracts with suppliers corresponds to revenue obtained from suppliers in 2014 and referring to subsequent years.

Income tax payable in the years ending on 31 December 2014 and 2013 are broken down as follows:

	Dec-13	Dec-12
RETGS	813.403	367.487
Ibersande (1)	-	189.507
Inverpeninsular group (2)	88.227	-
Other (3)	355.769	63.498
	1.257.399	620.492

(1) subsidiary included in the special taxation of corporate groups (RETGS), in the year 2014, by the change in the legislation in force in the percentage held by the group, above 75% in 2014 (above 90% in 2013);
(2) subsidiaries fiscal and tax Group, headquarter in Spain;
(3) excluded from RETGS, income tax to be paid by subsidiaries Ibersol Angola and Iberusa ACE.

22. EXTERNAL SERVICES AND SUPPLIES

External services and supplies in the years ending on 31 December 2014 and 2013 are broken down as follows:

	2014	2013
Subcontracts	-	37.091
Electricity, water, fuel and other fluids	8.635.389	8.449.096
Rents and rentals	17.850.429	17.812.979
Condominium	3.875.803	3.964.409
Communications	499.371	515.683
Insurance	401.159	418.389
Short-lasting toolsandutensils and office materials	1.018.999	989.081
Royalties	7.126.709	6.264.784
Travel and accommodations and merchandise transport	1.243.512	1.240.212
Services fees	1.280.836	1.109.663
Conservation and repairs	4.339.766	4.130.641
Advertising and propaganda	6.827.030	6.002.363
Cleaning, hygiene and comfort	1.798.093	1.669.743
Specialised works	4.049.063	4.115.047
Other ESS'	1.802.743	1.580.331
	60.748.902	58.299.512

23. PERSONNEL COSTS

Employee expense in the years ending on 31st December 2014 and 2013 are broken down as follows:

	2014	2013
Salaries and wages	43.960.737	42.078.776
Social security contributions	10.760.014	9.989.596
Work accident insurance	475.563	445.751
Social action costs	8.450	9.287
Personnel meals	2.121.377	1.936.231
Other personnel costs (1)	597.988	650.650
	57.924.129	55.110.291
Average number of employees	4.927	4.679

(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 2014 and 2013 are broken down as follows:

	2014	2013
Direct/indirect taxes not assigned to operating activities	562.577	555.995
Losses in fixed assets	354.434	733.157
Membership fees	32.710	36.474
Impairment adjustments	421.055	184.039
Donations	35.368	60.136
Samples and inventory offers	23.886	25.123
Stock losses	19.967	69.068
Bad debts	25.959	32.530
Provisions	-	65.433
Compensation	68.387	-
Other operating costs	4.135	34.948
	1.548.479	1.796.904

Other operating income in the years ending on 31 December 2014 and 2013 are broken down as follows:

	2014	2013
Supplementary income (1)	1.778.452	1.616.262
Operating grants	167.883	115.029
Impairment adjustments reversion	43.444	55.968
Investment grants	90.682	15.657
Gains in stock	-	1.947
Gains in fixed assets	85.051	2.260
Other operating gains	7.400	2.960
	2.172.911	1.810.083

(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 2014 and 2013 are broken down as follows:

	2014	2013
Interest paid	1.469.109	2.130.705
Interest earned	-93.348	-453.412
Currency exchange differences	-130.457	333.417
Payment discounts obtained	-6.364	-5.782
Other financial costs and income	601.513	257.890
	1.840.453	2.262.818

26. INCOME TAX

Income tax recognised in the years 2014 and 2013 are broken down as follows:

	Dec-14	Dec-13
Current taxes	2.771.018	911.531
Deferred taxes (Note 17)	-1.640.563	-446.547
	1.130.455	464.984

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:

	2014	2013
Pre-tax profit	**9.045.689**	**4.161.923**
Tax calculated at the appliacble tax rate in Portugal (24,5%/26,5%)	**2.216.194**	**1.102.910**
Fiscal effect caused by:		
Tax rate difference in other countries	154.360	55.354
Deferred taxes not recognised due to prudence	5.990	15.382
Insufficient/(excess) estimate in the previous year	-2.347	-1.979
Correction deferred tax (assets)	11.668	57.843
Unaccounted deferred tax assets (in previous years)	-118.257	-132.833
Credit tax investment (CFEI) effects	-152.789	-650.077
Correction deferred tax (liabilities)	-1.160.585	-
Alter.of taxable income due to fiscal adj. consol. and other effects	176.222	18.385
Income Tax Expenses	1.130.455	464.984

The income tax rate was of 12% (2013: 11%) lower than the nominal rate, mainly due to the tax benefit (CFEI) in 2013 and the update of deferred tax in 2014, by changes in income tax rate.

27. INCOME PER SHARE

Income per share in the years ending on 31st December 2014 and 2013 was calculated as follows:

	Dec-14	Dec-13
Profit payable to shareholders	7.756.088	3.576.462
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)	0,43	0,20
Earnings diluted per share (€ per share)	0,44	0,20
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**
		2014	**2013**	
Other non-current assets	Accounts receivable	1.487.814	1.632.344	Amortized cost
Financial assets available for sale	Available for sale	2.818.914	2.852.488	Cost
Cash and cash equivalents	Accounts receivable	13.566.782	22.138.608	Amortized cost
Clients	Accounts receivable	3.733.279	3.894.539	Amortized cost
State and other public entities	Accounts receivable	229.293	860.989	Amortized cost
Other debtors	Accounts receivable	3.331.421	2.460.813	Amortized cost
Advances to suppliers	Accounts receivable	321.639	12.483	Amortized cost
		25.489.142	33.852.264	

Financial Liabilites	**Category**	**Accounting Value**		**Valuation Method**
		2014	**2013**	
Loans	Other liabilities	38.831.817	46.464.689	Amortized cost
Financial leasing	Other liabilities	-	61.483	Amortized cost
Suppliers	Other liabilities	27.146.148	23.575.743	Amortized cost
State and other public entities	Other liabilities	6.845.180	5.561.420	Amortized cost
Other creditors	Other liabilities	1.871.634	3.753.835	Amortized cost
		74.694.779	79.417.170	

Only Financial Assets (such as Clients and Other Debtors) presents impairment losses, as Note 14. On 31st December 2014 and 2013, gains or losses related with these financial assets and liabilities were as follows:

	Profit/ (Loss)	
	Dec-14	**Dec-13**
Accounts receivable	-377.612	-128.071
Assets available for sale	-	-
Assets at amortised cost	-	-
	-377.612	**-128.071**

The interest of financial assets and liabilities were as follows:

	Interest	
	Dec-14	Dec-13
Accounts receivable	-	-
Assets available for sale	-	-
Liabilities at amortised cost	1.469.109	2.130.705
	1.469.109	**2.130.705**

29. DIVIDENDS

At the General Meeting of 30th April 2014, Ibersol decided to pay a gross dividend of 0,055 euros per share (0,055 euros in 2013), which was paid on 30th May 2014 corresponding to a total value of 990.000 euros (990.000 euros in 2013).

30. CASH FLOWS FROM OPERATIONS

Cash flows from operations are broken down as follows:

	2014	2013
Receipts from clients	187.835.470	173.233.596
Payments to supliers	-107.794.358	-106.642.217
Staff payments	-46.029.543	-41.294.486
Payments/receipt of income tax	-1.911.172	56.709
Other paym./receipts related with operating activities (1)	-7.721.479	-8.008.744
Cash flow generated by the operations	24.378.917	17.344.858

(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 2014, responsibilities not recorded by the companies and included in the consolidation consist mainly of bank guarantees given on their behalf, as shown below:

	Dec-14	Dec-13
Guarantees given	117.339	118.348
Bank guarantees	1.884.411	1.470.992

On type of coverage, bank guarantees are as follows:

Leases and rents	Fiscal and legal proceedings	Other legal claims	Other supply contracts
1.737.191	94.045	21.282	31.892

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 2014 and 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-14	Dec-13
Tangible and intangible assets	260.831	198.448
Receivables from third parties	915.870	853.010
Cash and cash equivalents	19.172	56.355
Accruals and deferrals	196.258	132.281
Total assets	1.392.131	1.240.094
Equity	232.869	196.113
Short term debts to third parties	981.880	888.411
Accruals and deferrals	177.382	155.570
Total liabilities	1.159.262	1.043.981
Total equity and liabilities	1.392.131	1.240.094

	Dec-14	Dec-13
Operating income	2.440.066	2.377.836
Operating costs	-2.344.077	-2.283.950
Net financing cost	-21.724	-30.929
Pre-tax income	74.265	62.957
Income tax	-37.510	-31.251
Net profit	36.755	31.706

On December 31, 2014, the group has 660.711 euros of balances and 589.447 euros in 2013 with the joint undertaking UQ Consult were.

The cash flows of the joint undertaking were as follows:

	2014	2013
Flows from operating activities	141.961	214.997
Flows from investment activities	-52.503	-59.591
Flows from financing activities	-21.640	-31.600
Change in cash & cash equivalents	67.818	123.806

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
- Mirtal – SGPS, SA – 92.892 shares

After deducting own shares, there are still 35% 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 2013), 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 2014 and 2013, under the heading of asset impairment losses were as follows:

	Dec-14					
	Starting balance	**Cancellation**	**Impairment assets disposals**	**Losses in the Year**	**Impairment reversion**	**Closing balance**
Tangible fixed assets	6.524.924	-	-1.471.757	3.416.264	-	8.469.432
Consolidation differences	1.861.678	-	-	-	-	1.861.678
Intangible assets	1.280.506	-	-75	1.301.200	-	2.581.631
Stocks	74.981	-	-	-	-	74.981
Other current assets	1.167.468	-	-	262.543	-43.444	1.386.567
Other non current assets	-	-	-	158.512	-	158.512
	10.909.557	-	-1.471.832	5.138.520	-43.444	14.532.802

	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	1.057.247	-17.850	-	184.039	-55.968	1.167.468
	9.579.558	-17.850	-1.248.861	2.652.679	-55.968	10.909.558

36. IFRS STANDARDS ALREADY ISSUED OR REVIEWED AND FOR FUTURE APPLICATION

1) the impacts of the adoption of standards and interpretations that became effective on 1 January 2014, are as follows:

Standards:

a) IAS 32 (amendment) ‘Offsetting Financial Assets and Financial Liabilities’. 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 adoption of this amendment had no impact in the financial statements.

b) IAS 36 (amendment) ‘Recoverable amount disclosure for Non-financial assets’. This standard addresses the disclosure of information about the recoverable amount of impaired assets when based on fair value less cost to sell model. The adoption of this amendment had no impact in the financial statements.

c) IAS 39 (amendment) ‘Novation of derivatives and continuation of hedge accounting’. 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, if specific conditions are met. The adoption of this amendment had no impact in the financial statements.

e) IFRS 10 (new), ‘Consolidated financial statements’. 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 principle that a consolidated entity presents a parent and its subsidiaries as a single entity remain unchanged. The adoption of this amendment had no impact in the financial statements.

f) IFRS 11 (new), ‘Joint arrangements’. 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 adoption of this amendment had impact in the financial statements (Note 2.1).

g) 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 adoption of this amendment had no impact in the financial statements.

h) Amendment to IFRS 10, 11 and 12, ‘Transition guidance’. 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 adoption of this amendment had no impact in the financial statements.

i) IAS 27 (revised 2011), ‘Separate financial statements’. 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 adoption of this amendment had no impact in the financial statements.

j) IAS 28 (revised 2011),’Investments in associates and joint ventures’. 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 adoption of this amendment had no impact in the financial statements.

2) 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 July 2014 or later periods, but that the Entity has not early adopted:

Standards:

a) IAS 1 (amendment), ‘Disclosure initiative’ (effective for annual periods beginning on or after 1 January 2016). This amendment is still subject to endorsement by the European Union. This amendment provides guidance on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies. It is not expected that its application has significant impacts.

b) IAS 16 and IAS 38 (amendment), ‘Acceptable methods of depreciation and amortisation calculation’ (effective for annual periods beginning on or after 1 January 2016). This amendment is still subject to endorsement by the European Union. This amendment clarifies that the use of revenue-based methods to calculate the depreciation / amortization of an asset is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an asset. It shall be applied prospectively. It is not expected that its application has significant impacts.

c) IAS 16 and IAS 41 (amendment), 'Agriculture: bearer plants' (effective for annual periods beginning on or after 1 January 2016). This amendment is still subject to endorsement by European Union. This amendment defines the concept of a bearer plant and removes it from the scope of IAS 41 – Agriculture, to the scope of IAS 16 – Property, plant and equipment, with the consequential impact on measurement. However, the produce growing on bearer plants will remain within the scope of IAS 41 – Agriculture. It is not expected that its application has significant impacts.

d) IAS 19 (amendment), 'Defined benefit plans – Employee contributions' (effective for annual periods beginning on or after 1 July 2014). This amendment 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. It is not expected that its application has significant impacts.

e) IAS 27 (amendment), 'Equity method in separate financial statements' (effective for annual periods beginning on or after 1 January 2016). This amendment is still subject to endorsement by European Union. This amendment allows entities to use equity method to measure investments in subsidiaries, joint ventures and associates in separate financial statements. This amendment applies retrospectively. It is not expected that its application has significant impacts.

f) Amendment to IFRS 10 and IAS 28, 'Sale or contribution of assets between investor and its Associate or Joint venture' (effective for annual periods beginning on or after 1 January 2016).This amendment is still subject to endorsement by European Union. This amendment clarifies that the sale or contribution of assets between an investor and its associate or joint venture, entitles the investor to recognise a full gain or loss when the assets transferred constitute a business, and only a partial gain or loss (in the share owned by third parties) when it does not constitute a business. It is not expected that its application has significant impacts.

g) Amendment to IFRS 10, 12 and IAS 28, 'Investment entities: applying consolidation exception'' (effective for annual periods beginning on or after 1 January 2016). This amendment is still subject to endorsement by European Union. This amendment clarifies that the exemption from the obligation to prepare consolidated financial statements by investment entities apply to an intermediate parent which is a subsidiary of an investment entity. The policy choice to apply equity method, under IAS 28, is extended to an entity, which is not an investment entity, but has an interest in an associate or joint venture which is an investment entity. It is not expected that its application has significant impacts.

h) IFRS 11 (amendment), 'Accounting for the acquisitions of interests in joint operations (effective for annual periods beginning on or after 1 January 2016). This amendment is still subject to endorsement by European Union. This amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business, being applied the principles of IFRS 3 – Business combinations. It is not expected that its application has significant impacts.

i) 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 improvement 2010 - 2012 in the period it becomes effective

j) Annual Improvement 2011 - 2013, (effective in European Union for annual periods beginning on or after 1 January 2015). The 2011-2013 annual improvements affects: IFRS 1, IFRS 3, IFRS 13 and IAS 40. It is not expected that its application has significant impacts in future financial statements.

k) Annual Improvement 2012 - 2014, (effective for annual periods beginning on or after 1 January 2016). These improvements are still subject to endorsement by European Union. The 2012-2014 annual improvements affects: IFRS 5, IFRS 7, IAS 19 and IAS 34. It is not expected that its application has significant impacts.

l) IFRS 9 (new), 'Financial instruments' (effective for annual periods beginning on or after 1 January 2018). This standard is still subject to endorsement by European Union. IFRS 9 replaces the guidance in IAS 39, regarding: (i) the classification and measurement of financial assets and liabilities; (ii) the recognition of credit impairment (through the expected credit losses model); and (iii) the hedge accounting requirements and recognition. It is not expected that its application has significant impacts.

m) IFRS 14 (new), 'Regulatory deferral accounts' (effective for annual periods beginning on or after 1 January 2016). This standard is still subject to endorsement by European Union. This standard permits first–time adopters to continue to recognise amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt IFRS. However, to enhance comparability with entities that already apply IFRS and do not recognise regulatory assets / liabilities, the referred amounts must be presented separately in the financial statements. It is not expected that its application has significant impacts.

n) IFRS 15 (new), 'Revenue from contracts with customers' (effective for annual periods beginning on or after 1 January 2017). This standard is still subject to endorsement by European Union. This new standard, applies only to contracts with customers to provide goods or services, and requires an entity to recognise revenue when the contractual obligation to deliver the goods or services is satisfied and by the amount that reflects the consideration the entity is expected to be entitled to, following a five step approach. It is not expected that its application has significant impacts.

Interpretations:

a) IFRIC 21 (new), 'Levies' (effective for annual periods beginning on or after 17 June 2014). 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. It is not expected that its application has significant impacts.

37. <u>SUBSEQUENT EVENTS</u>

There were no subsequent events as of 31 December 2014 that may have a material impact on these financial statements.

38. <u>APPROVAL OF THE FINANCIAL STATEMENTS</u>

The financial statements were approved by the Board of Directors and authorised for emission on 7th April 2015.

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 2014 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, 7th April 2015

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

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 2014.

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 2014 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 2014 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, 7th April 2015

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

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 2014, (which shows total assets of Euros 219.506.084, a total shareholder's equity of Euros 126,313,585, which includes non-controlling interests of Euros 4,976,886 and a net profit of Euros 7,756,088), 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.

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 2014, 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.

7 April 2015

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda.
represented by:

Hermínio António Paulos Afonso, R.O.C.