IBERSOL – SGPS, SA

Publicly Listed Company

Head office: Praça do Bom Sucesso 105/159, 9º andar, Porto
Sahre Capital: Euro 20.000.000
Commercial Registry: Oporto under the number 501669477
Fiscal Number: 501 669 477

RESULTS -1st Half 2014

- **Consolidated turnover of 85.1 million euro**
  Increase of 5.9% over the first half of 2013

- **Consolidated EBITDA reached 8.9 million euro.**
  YoY EBITDA in 2014 increased by 32.8%

- **Consolidated net profit of 2.0 million euro**
  Icrease of 194% over the first half of 2013

ACTIVITY REPORT

Activity

The consolidated turnover in the 1st half of 2014 amounted to EUR 85.1 million which compares with EUR 80.4 million in the same period of 2013.

The market remained the dynamic evidenced in the second half of 2013 and Ibersol recorded growth in turnover of 5.9%, with a remarkable recovery in Portugal

Turnover	euro million	% Ch. 14/13
Sales of Restaurants	83,76	6,9%
Sales of Merchandise	1,02	-39,2%
Services Rendered	0,30	3,0%
Turnover	85,07	5,9%

The growth in the restaurant market - is estimated to have grown by about 5% and 1% in Portugal and Spain, respectively - and the effect of the opening of larger units that closed units, allowed Ibersol has registered an increase on sales of 6.9%.

The decrease of 39% in sales of merchandise is mainly due to the fact that, since the last quarter of last year imports in Angola have come to be held directly by the subsidiary of the Group. Consequently, this semester all sales of goods to Angola were eliminated.

The largest contribution to sales growth comes from “counters” that grew about 12%.

The segment "restaurants", which includes the ensigns with higher average ticket, respond slower than growth of consumption, so despite the closures occurred in the last 12 months and the promotional price adjustments, sales remained close to recorded in the same period.

The pressure relief on consumption also benefited the business of “catering” and concessions for captive spaces.

The units in the "Service Areas" continue to manifest difficulties of recovery and ended the semester with decreased sales.

During the semester, we closed five units in Portugal by the decision not to renew their contracts with shopping malls. Also opened a Burger King in Matosinhos city and started the exploitation of one more space at Lisbon Airport.
In Spain, we closed the last Pasta Caffé and one Pizza Movil.

At the end of the semester the number of units amounted to 369, as is explained in the table below:

Nº of Stores	2013	2014			2014
	31-Dez	Openings	Transfer	Closings	30-Jun
PORTUGAL	**302**	**2**		**5**	**299**
Own Stores	**301**	**2**		**5**	**298**
Pizza Hut	93			1	92
Okilo	9				9
Pans	56			2	54
Burger King	39	1			40
KFC	18				18
Pasta Caffé	14			1	13
Quiosques	10			1	9
Flor d`Oliveira	1				1
Cafetarias	35				35
Catering (SeO,JSCCe Solinca)	6				6
Concessions & Other	20	1			21
Franchise Stores	**1**				**1**
SPAIN	**89**	**0**		**3**	**86**
Own Stores	**70**	**0**		**2**	**68**
Pizza Móvil	36			1	35
Pasta Caffé	1			1	0
Burger King	33				33
Franchise Stores	**19**			**1**	**18**
ANGOLA	**3**				**3**
KFC	**3**				3
Total Own stores	**374**	**2**		**7**	**369**
Total Franchise stores	**20**	**0**		**1**	**19**
TOTAL	**394**	**2**		**8**	**388**

Results

Consolidated net profit of the first six months reached 2 million euro, 1.3 million more than the first half of 2013.

The gross margin amounted to 76.0% of turnover and is similar than the same period of 2013 (1H13: 76.3%). The degradation of gross margin by 0.3 pp is divided by the inherent effects of the intensification of promotions policy and change in mix with “counters” gain greater weight on sales.

The adjustment of costs to lower levels of activity carried out in the past two years translates into a more flexible cost structure that ensures significant leverage profitability when registering a growth of turnover. Indeed, we found a dilution of the weight of the different headings:

- Personnel costs: increase of 3.1%, less than the evolution of sales, representing 32.5% of turnover (1H 13: 33.4%). The ongoing focus on management of brigades allowed to react efficiently to changes in sales;

- FSEs: increase of 0.6%, representing 33.3% of turnover, 1.8 pp less than in the same period of 2013. The increase in marketing costs by about 8% was offset by the dilution of fixed costs.

Consequently, a rise in sales in the semester has an amplified impact on profitability. The EBITDA increase of EUR 2.3 million and amounted to EUR 8.88 million, ie 35% more than in the same period of 2013.

Consolidated EBITDA margin stood at 10.4% of turnover compared with 7.7% in the first half of 2013.

Consolidated EBIT margin increased to 4.5% of turnover, corresponding to an operating income of EUR 3.9 million.

The net financing costs reached EUR 1.07 million, about EUR 325 thousand upper than in the 1st half of 2013. Average cost of funds, which stood at 4.6%, although affected by the increased weight of loans contracted in Angola witch interest rates is much higher than the Group average. This year shows a downward trend in financing cost.

Balance Sheet

Total Assets amounted to about EUR213 million and shareholders' equity stood at EUR120 million, representing about 57% of Net Assets.

As is characteristic of this business, the Current Assets is less than the Current Liabilities. The financial allowance stands at 23 million euros, 5 million euros over that recorded at year end.

The Capex amounted to 6.1 million euros, mainly assigned 65% to the expansion program and the remaining to the refurbishment of units and is covered by the cash flow from operations witch amounted to EUR 7.0 million.

Net debt reached to 27.7 million euros, under the amount at 30 June 2014 and about 3.3 million lower than the year end.

Own Shares

During the first semester the company not acquired or sold company shares. On 30 June 2014 the company held 2,000,000 shares (10% of the capital), with a face value of 1€ each, for an overall acquisition value of 11,179,644 euros, corresponding an average price per share 5.59 euro.

Risks and Uncertainties

The main risk to the business will continue to be the trend in domestic demand. Not only because the fiscal situation is not yet stabilized, as decreases in disposable income may occur because of cost reductions decided by the State.

On a broader perspective, are not yet evident the impacts of the disappearance of BES and the GES difficulties.

Risks of deflation may strongly affect economic activity.

Outlook

The positive signs of the 1st half should remain during the summer.

In terms of market dynamics which occurred in the first half should continue and may be expected that the second semester follows the trend of the first with a possible slowdown in growth in the last quarter, due to the reversal of the trend observed last year.

The adjustment costs to changing demand will remain a priority for the Group throughout the year.

Of the expansion program in existing markets is expected to achieve the opening of three units of Burger King. Maintain the goal of remodeling at least 5 more units during the second half.

In Angola, earlier this month occurred the opening of the fourth restaurant KFC.

Subsequent Events

Up to 30 June 2014 no significant events have occurred that need to be mentioned.

Porto, 27th August 2014

The Board of Directors,

____

António Alberto Guerra Leal Teixeira

____

António Carlos Vaz Pinto de Sousa

____

Juan Carlos Vázquez-Dodero

Declaration of conformity

In compliance with paragraph c) of section 1 of article 246 of the Securities Market Code we hereby declare that as far as is known:

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

(ii) the interim management includes a fair review of the important events that have occurred in the first six months of this year and the impact on the financial statements, together with a description of the main risks and uncertainties for the remaining six months.

Porto, 27 August 2014

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

Qualified Shareholdings

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

Shareholders	nº shares	% share capital
ATPSII - SGPS, S.A. (*)		
ATPS-SGPS, SA	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	1.400	0,01%
Total attributable	**10.980.051**	**54,90%**
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	623.415	
Fundo Santander PPA	30.316	0,15%
Total attributable	**653.731**	**3,27%**
Bestinver Gestion		
BESTINVER EMPLEO, F.P.	3322	0,02%
BESTINVER BOLSA, F.I.M.	994652	4,97%
BESTINVER AHORRO FONDO DE PENSIONES	61966	0,31%
BESTINVER EMPLEO III FONDO DE PENSIONES	795	0,00%
ORGOR DE VALORES SICAV SA	922	0,00%
BESTINVER MIXTO, F.I.M.	72295	0,36%
BESTINVER GLOBAL F.P.	208624	1,04%
TORO CAPITAL,SICAV,S.A	1148	0,01%
BESTVALUE F.I.	172242	0,86%
TURA INVESTMENT SICAV,S.A.	1357	0,01%
DIVALSA DE INVERSIONES SICAV	3814	0,02%
BESTINVER SICAV-BESTINFUND	110383	0,55%
BESTINVER EMPLEO II, F.P.	1415	0,01%
PERCO PATRIMONIAL SICAV,S.A.	28227	0,14%
BESTINVER FUTURO EPSV	2210	0,01%
BESTINVER SICAV- IBERIAN	470556	2,35%
ARVILIBIA SICAV,S.A.	1422	0,01%
VINCIT 93,SA SICAV	2817	0,01%
BESTINFOND, F.I.M.	752813	3,76%
SOIXA SICAV S.A.	109019	0,55%
Total attributable	**2.999.999**	**15,00%**
Norges Bank		
Directly	**764954**	**3,82%**
FMR LLC		
Fidelity Managemment & Research Company	**400.000**	**2,00%**

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

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

Board of Directors	Date	Acquisictions		Sales		Balance at
		shares	av pr	shares	av pr	30.06.2014
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						1.400

(1) ATPS II- S.G.P.S ., SA

ATPS- S.G.P.S., SA (2)	5.680

(2) ATPS- S.G.P.S ., SA	Data	Aquisições	Alienações	SALDO 30.06.2014
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

(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

Transactions made by persons discharging managerial responsabilities

Complying with article 14 nº7 of the CMVM Regulation nº 05/2008

No transactions were reported by persons discharging managerial responsabilities and people closely connected with them during the first half of 2013.

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

Consolidated Financial Statements

30th June 2014

IBERSOL S.G.P.S., S.A.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION ON 30th JUNE 2014 AND 31st DECEMBER 2013
(values in euros)

ASSETS	Notes	30-06-2014	31-12-2013 restated
Non-current			
Tangible fixed assets	7	122.946.880	121.119.638
Goodwill	8	40.509.009	40.509.009
Intangible assets	8	14.912.057	15.253.659
Deferred tax assets		892.791	951.668
Financial assets - joint controlled entities		2.481.012	2.497.788
Other financial assets		361.197	354.700
Other non-current assets		1.677.906	1.632.344
Total non-current assets		**183.780.852**	**182.318.806**
Current			
Stocks		4.578.016	5.031.702
Cash and bank deposits		15.279.144	22.138.608
Income tax receivable		318.756	528.104
Other current assets		9.121.495	8.088.260
Total current assets		**29.297.411**	**35.786.674**
Total Assets		**213.078.263**	**218.105.480**

EQUITY AND LIABILITIES			
EQUITY			
Capital and reserves attributable to shareholders			
Share capital		20.000.000	20.000.000
Own shares		-11.179.644	-11.179.644
Goodwill		156.296	156.296
Reserves and retained results		104.516.134	101.929.821
Net profit in the year		2.077.762	3.576.462
		115.570.548	**114.482.935**
Non-controlling interest		4.907.819	4.957.161
Total Equity		**120.478.367**	**119.440.096**
LIABILITIES			
Non-current			
Loans		29.857.619	23.417.821
Deferred tax liabilities		9.778.535	9.763.656
Provisions		33.257	98.690
Other non-current liabilities		394.874	413.298
Total non-current liabilities		**40.064.285**	**33.693.465**
Current			
Loans		13.119.176	23.108.351
Accounts payable to suppl. and accrued costs		28.451.501	30.399.313
Income tax payable		555.215	620.492
Other current liabilities		10.409.719	10.843.763
Total current liabilities		**52.535.611**	**64.971.919**
Total Liabilities		**92.599.896**	**98.665.384**
Total Equity and Liabilities		**213.078.263**	**218.105.480**

The Board of Directors,

IBERSOL S.G.P.S., S.A.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE, 2014 AND 2013
(values in euros)

	Notes	30-06-2014	30-06-2013 restated
Operating Income			
Sales	5	84.771.257	80.056.280
Rendered services	5	301.630	292.568
Other operating income		904.738	930.388
Total operating income		85.977.625	81.279.236
Operating Costs			
Cost of sales		20.403.081	19.067.507
External supplies and services		28.337.242	28.173.538
Personnel costs		27.654.823	26.820.075
Amortisation, depreciation and impairment losses	7 e 8	5.017.998	4.812.463
Other operating costs		699.090	629.450
Total operating costs		82.112.234	79.503.033
Operating Income		3.865.391	1.776.203
Net financing cost		-1.069.576	-744.996
Income on joint controlled entities - Equity method		-16.779	1.478
Profit before tax		**2.779.036**	**1.032.685**
Income tax expense		750.616	342.049
Net profit		**2.028.420**	**690.636**
TOTAL COMPREHENSIVE INCOME		**2.028.420**	**690.636**
Net profit attributable to:			
Owners of the parent		2.077.762	712.797
Non-controlling interest		-49.342	-22.161
		2.028.420	690.636
Total comprehensive income attributable to:			
Owners of the parent		2.077.762	712.797
Non-controlling interest		-49.342	-22.161
		2.028.420	690.636
Earnings per share:			
Basic		**0,12**	**0,04**
Diluted		**0,12**	**0,04**

The Board of Directors,

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

	Notes	2nd TRIMESTER (unaudited) 2014	2013 restated
Operating Income			
Sales	5	44.154.979	40.668.093
Rendered services	5	176.814	154.379
Other operating income		537.819	602.581
Total operating income		44.869.612	41.425.053
Operating Costs			
Cost of sales		10.509.917	9.708.359
External supplies and services		14.743.698	14.359.643
Personnel costs		14.097.768	13.393.869
Amortisation, depreciation and impairment losses	7 e 8	2.639.315	2.390.792
Other operating costs		510.254	341.368
Total operating costs		42.500.952	40.194.030
Operating Income		2.368.660	1.231.023
Net financing cost		-467.229	-405.900
Income on joint controlled entities - Equity method		-17.996	-6.801
Profit before tax		**1.883.435**	**818.322**
Income tax expense	5	468.411	255.303
Net profit		**1.415.024**	**563.019**
TOTAL COMPREHENSIVE INCOME		**1.415.024**	**563.019**
Net profit attributable to:			
Owners of the parent		1.424.131	579.009
Non-controlling interest		-9.107	-15.990
		1.415.024	563.019
Total comprehensive income attributable to:			
Owners of the parent		1.424.131	579.009
Non-controlling interest		-9.107	-15.990
		1.415.024	563.019
Earnings per share:	9		
Basic		**0,08**	**0,03**
Diluted		**0,08**	**0,03**

The Board of Directors,

IBERSOL S.G.P.S., S.A.
Statement of Alterations to the Consolidated Equity
for the six months period ended 30 June, 2014 and 2013
(value in euros)

	Note	Assigned to shareholders								
	Note	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	-		-
Conversion reserves - Angola				2.106				2.106		2.106
Net consolidated income in the six month period ended on 30 June 2013							712.797	712.797	-22.161	690.636
Total changes in the period		-	-	2.106	-	1.523.579	-810.782	714.903	-22.161	692.742
Other comprehensive income							**712.797**	**712.797**	**-22.161**	**690.636**
Transactions with capital owners in the period										
Application of the consolidated profit from 2012:										
Paid dividends							-990.000	-990.000		-990.000
Balance on 30 June 2013		**20.000.000**	**-11.179.644**	**5.374**	**4.000.001**	**98.105.161**	**712.797**	**111.643.689**	**4.658.384**	**116.302.073**
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	-		-
Conversion reserves - Angola				-149				-149		-149
Net consolidated income in the six month period ended on 30 June 2014							2.077.762	2.077.762	-49.342	2.028.420
Total changes in the period		-	-	-149	-	2.586.462	-508.700	2.077.613	-49.342	2.028.271
Other comprehensive income							**2.077.762**	**2.077.762**	**-49.342**	**2.028.420**
Transactions with capital owners in the period										
Application of the consolidated profit from 2013:										
Paid dividends							-990.000	-990.000		-990.000
Balance on 30 June 2014		**20.000.000**	**-11.179.644**	**-19.194**	**4.000.001**	**100.691.623**	**2.077.762**	**115.570.548**	**4.907.819**	**120.478.367**

IBERSOL S.G.P.S., S.A.
Consolidated Cash Flow Statements
for the six months period ended 30 June, 2014 and 2013
(value in euros)

	Note	Six months period ending on June 30	
		2014	**2013 restated**
Cash Flows from Operating Activities			
Flows from operating activities (1)		**6.313.544**	**7.811.977**
Cash Flows from Investment Activities			
Receipts from:			
Financial investments			
Tangible fixed assets		36.303	0
Intangible assets			
Investment benefits		97.954	
Interest received		92.211	625.400
Payments for:			
Financial Investments		59.317	0
Tangible fixed assets		7.115.636	2.319.144
Intangible assests		493.531	385.912
Flows from investment activities (2)		-7.442.016	-2.079.656
Cash flows from financing activities			
Receipts from:			
Loans obtained		3.288.494	2.500.000
Payments for:			
Loans obtained		6.732.723	4.830.106
Amortisation of financial leasing contracts		53.072	156.936
Interest and similar costs		1.141.944	1.472.745
Dividends paid		990.000	990.000
Flows from financing activities (3)		-5.629.245	-4.949.787
Change in cash & cash equivalents (4)=(1)+(2)+(3)		**-6.757.717**	**782.534**
Perimeter changes effect			
Exchange rate differences effect			
Cash & cash equivalents at the start of the period		21.453.094	25.914.024
Cash & cash equivalents at end of the period		**14.695.377**	**26.696.558**

The Board of Directors,

IBERSOL SGPS, S.A.

ANNEX TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 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 388 units in the restaurant segment through the brands Pizza Hut, Pasta Caffé, Pans & Company, Kentucky Fried Chicken, Burguer King, O' Kilo, Bocatta, Coffee Counter, Pizza Móvil, Flor d'Oliveira, Miit, Sol, Sugestões e Opções, José Silva Carvalho, Catering and SEC Eventos e Catering. The group has 369 units which it operates and 19 units under a franchise contract.

Ibersol is a public limited company listed on the Euronext of Lisbon.

2. MAIN ACCOUNTING POLICIES

The main accounting policies applied in preparing these consolidated financial statements are described below.

2.1 Presentation basis

These consolidated financial statements were prepared according to the International Financial Reporting Standards (IFRS), as applied in the European Union and in force on 30 June 2014, mainly with the international standard n.º 34 –Interim Financial Report.

The accounting policies applied on 30 June 2014 are identical to those applied for preparing the financial statements of 30 June and 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 Notes 7, 8 and 13.

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

	30-06-2013	30-06-2013 restated
Operating income	81.290.974	81.279.236
Operating costs	-79.500.406	-79.503.033
Net financing cost	-757.350	-744.996
Income on joint controlled entities - Equity method	-	1.478
Income tax expense	-342.582	-342.049
Net profit	690.636	690.636

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.

3. IMPORTANT ACCOUNTING ESTIMATES AND JUDGMENTS

There where no substantially differences between accounting estimates and judgments applied on 31 December 2013 and the accounting values considered in the six months period ended on the 30 June 2014.

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

4.1. The following group companies were included in the consolidation on 30th June 2014 and 30th June and 31st December 2013:

	Company	Head Office	% Shareholding		
			Jun-14	Dec-13	Jun-13
Parent company					
	Ibersol SGPS, S.A.	Porto	parent	parent	parent
Subsidiary companies					
	Iberusa Hotelaria e Restauração, S.A.	Porto	100%	100%	100%
	Ibersol Restauração, S.A.	Porto	100%	100%	100%
	Ibersande Restauração, S.A.	Porto	80%	80%	80%
	Ibersol Madeira e Açores Restauração, S.A.	Funchal	100%	100%	100%
	Ibersol - Hotelaria e Turismo, S.A.	Porto	100%	100%	100%
	Iberking Restauração, S.A.	Porto	100%	100%	100%
	Iberaki Restauração, S.A.	Porto	100%	100%	100%
	Restmon Portugal, Lda	Porto	61%	61%	61%
	Vidisco, S.L.	Vigo - Espanha	100%	100%	100%
	Inverpeninsular, S.L.	Vigo - Espanha	100%	100%	100%
	Ibergourmet Produtos Alimentares, S.A.	Porto	100%	100%	100%
	Ferro & Ferro, Lda.	Porto	100%	100%	100%
	Asurebi SGPS, S.A.	Porto	100%	100%	100%
	Charlotte Develops, SL	Madrid-Espanha	100%	100%	100%
	Firmoven Restauração, S.A.	Porto	100%	100%	100%
	IBR - Sociedade Imobiliária, S.A.	Porto	98%	98%	98%
	Eggon SGPS, S.A.	Porto	100%	100%	100%
	Anatir SGPS, S.A.	Porto	100%	100%	100%
	Lurca, SA	Madrid-Espanha	100%	100%	100%
	Q.R.M.- Projectos Turísticos, S.A	Porto	100%	100%	100%
	Sugestões e Opções-Actividades Turísticas, S.A	Porto	100%	100%	100%
	RESTOH- Restauração e Catering, S.A	Porto	100%	100%	100%
	Resboavista- Restauração Internacional, Lda	Porto	100%	100%	100%
	José Silva Carvalho Catering, S.A	Porto	100%	100%	100%
(a)	Iberusa Central de Compras para Restauração ACE	Porto	100%	100%	100%
(b)	Vidisco, Pasta Café Union Temporal de Empresas	Vigo - Espanha	100%	100%	100%
	Maestro - Serviços de Gestão Hoteleira, S.A.	Porto	100%	100%	100%
	SEC - Eventos e Catering, S.A.	Porto	100%	100%	100%
	IBERSOL - Angola, S.A.	Luanda - Angola	100%	100%	100%
	HCI - Imobiliária, S.A.	Luanda - Angola	100%	100%	100%
	Parque Central Maia - Activ.Hoteleiras, Lda	Porto	100%	100%	100%
	Gravos 2012, S.A.	Porto	80%	80%	-
Companies controlled jointly					
	UQ Consult - Serviços de Apoio à Gestão, S.A.	Porto	50%	50%	50%

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

The subsidiary companies were included in the consolidation by the full consolidation method. UQ Consult, the Jointly controlled entity, was subject to the equity method according to the group's shareholding in this company (Note 2.1).

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

4.2. Alterations to the consolidation perimeter

4.2.1. Acquisition of new companies

The group did not buy any subsidiary in the six months period ended on 30 June 2014.

4.2.2. Disposals

The group did not sell any of its subsidiaries in the six months period ended on 30 June 2014.

5. 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, used the geographic segmentation:

- Portugal (included Angola)
- Spain

As a result, the segment information for the period ended June 30, 2013 is restated.

The results per segment for the six month period ended 30 June 2014 were as follows:

30th June 2014	Restaurants	Counters	Other Business	Other, elimination and adjustments	Total Group
Sales	30.820.796	44.011.663	9.822.406	116.391	84.771.257
Operating Cash-flow (EBITDA)	**1.943.769**	**6.043.382**	**634.265**	**261.972**	**8.883.389**
Amortisation, depreciation and impairment losses	1.454.187	2.180.917	1.077.789	305.105	5.017.998
Operating income (EBIT)	**489.582**	**3.862.465**	**-443.523**	**-43.133**	**3.865.391**

The results per segment for the six month period ended 30 June 2013 were as follows:

30th June 2013	Restaurants	Counters	Other Business	Other, elimination and adjustments	Total Group
Sales	31.122.011	39.165.642	9.095.622	673.005	80.056.280
Operating Cash-flow (EBITDA)	**2.102.536**	**4.405.038**	**63.714**	**17.378**	**6.588.666**
Amortisation, depreciation and impairment losses	1.395.448	1.930.553	1.165.526	320.936	4.812.463
Operating income (EBIT)	**707.089**	**2.474.485**	**-1.101.812**	**-303.558**	**1.776.204**

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

6. UNUSUAL AND NON-RECURRING FACTS AND SEASON ACTIVITY

No unusual facts took place during the six months period ended 30 June 2014.

In the restaurant segment season activity is characterized by a decrease of sales in the first two quarters of the year. Sales for the first six months of the year can still be influenced by periods that may or may not be characterized by openings and / or closings of restaurants. The previous years have evidenced that, in comparable perimeter and with an equal distribution of openings and closings, in the period that understands the six first months of the year, sales are about 47% of annual volume.

7. TANGIBLE FIXED ASSETS

In the six months period ended 30 June 2014 and in the year ending on 31 December 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**	**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	764.885	-345.430	-	-	419.456
Currency conversion	-307.853	-58.140	-11.242	-114	-377.349
Additions	5.634.407	3.145.697	1.416.810	2.082.655	12.279.569
Decreases	407.090	214.952	6.472	98.700	727.214
Transfers	95.168	-1.438	-	-95.168	-1.438
Depreciation in the year	3.099.556	4.153.487	821.199	-	8.074.242
Deprec. by changes in the perim.	-	-	-	-	-
Impairment in the year	2.172.715	53.179	-	-	2.225.894
Impairment reversion	-	-	-	-	-
Final net amount	**100.174.778**	**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	Total
30 June 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	53.397	13.192	2.333	18.883	87.805
Additions	2.451.017	778.263	629.586	2.207.982	6.066.848
Decreases	7.348	60.760	400	4.598	73.107
Transfers	76.216	-	574	-76.791	-
Depreciation in the year	1.647.562	1.955.865	403.617	-	4.007.044
Deprec. by changes in the perim.	-	-	-	-	-
Impairment in the year	247.260	-	-	-	247.260
Impairment reversion	-	-	-	-	-
Final net amount	**100.853.238**	**14.730.342**	**2.971.685**	**4.391.617**	**122.946.882**
30 June 2014					
Cost	138.992.706	69.081.883	16.243.989	4.391.617	228.710.197
Accumulated depreciation	32.904.434	53.788.909	13.209.790	-	99.903.132
Accumulated impairment	5.235.035	562.633	62.515	-	5.860.182
Net amount	**100.853.238**	**14.730.342**	**2.971.685**	**4.391.617**	**122.946.882**

Investments for the year 2014 on fixed assets in the amount of 4 million are related to the opening of new units and renovation of the existing ones, in Portugal and Spain.

8. INTANGIBLE ASSETS and GOODWILL

Intangible assets are broken down as follows:

	Jun-14	Dec-13
Goodwill	40.509.009	40.509.009
Intangible assets	14.912.057	15.253.659
	55.421.066	**55.762.668**

In the six months period ended 30 June 2014 and in the year ending on 31 December 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	-	-20.246	-9.000	-26.630	-55.876
Currency conversion	-	-47.390	-114	-14.151	-61.655
Additions	179.729	818.821	19.952	5.900	1.024.402
Decreases	-	96.679	11.896	-	108.575
Transfers	-	1.438	-	-	1.438
Amortization in the year	-	1.111.648	544.676	-	1.656.324
Amortiz. by changes in the perimeter	-	-	-	-	-
Impairment in the year	-	242.747	-	-	242.747
Impairment reversion	-	-	-	-	-
Final net amount	**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
30 June 2014					
Initial net amount	40.509.009	12.549.927	292.811	2.410.920	55.762.668
Changes in consolidat. Perimeter	-	-	-	-	-
Currency conversion	-	6.064	3	2.271	8.338
Additions	-	412.331	-	-	412.331
Decreases	-	237	275	-	512
Transfers	-	-	-	-	-
Amortization in the year	-	540.845	220.912	-	761.757
Amortiz. by changes in the perimeter	-	-	-	-	-
Impairment in the year	-	-	-	-	-
Impairment reversion	-	-	-	-	-
Final net amount	**40.509.009**	**12.427.240**	**71.627**	**2.413.191**	**55.421.068**
30 June 2014					
Cost	42.370.687	21.619.601	5.268.354	2.413.191	71.671.833
Accumulated amortization	-	7.982.039	5.126.617	-	13.108.656
Accumulated impairment	1.861.678	1.210.322	70.110	-	3.142.110
Net amount	**40.509.009**	**12.427.240**	**71.627**	**2.413.191**	**55.421.068**

(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 invested capital.

9. INCOME PER SHARE

Income per share in the six months period ended 30 June 2014 and 2013 was calculated as follows:

	Jun-14	Jun-13
Profit payable to shareholders	2.077.762	712.797
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)	0,12	0,04
Earnings diluted per share (€ per share)	0,12	0,04
Number of own shares at the end of the year	2.000.000	2.000.000

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

10. DIVIDENDS

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

11. 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 30 June 2014, responsibilities not recorded by the Group subsidiaries in their financial statements consist mainly of bank guarantees given on their behalf, as shown below:

	Jun-14	Dec-13
Guarantees given	124.914	118.348
Bank guarantees	1.692.314	1.470.992

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.

12. COMMITMENTS

No investments had been signed on the Balance Sheet date which had not taken place yet.

13. IMPAIRMENT

In the six months period ended 30 June 2014 and 31 December 2013, under the heading of asset impairment losses were as follows:

	Jun-14					
	Starting balance	Transfers	Impairment assets disposals	Losses in the Year	Impairment reversion	Closing balance
Tangible fixed assets	6.524.924	-	-912.002	247.260	-	5.860.183
Consolidation differences	1.861.678	-	-	-	-	1.861.678
Intangible assets	1.280.506	-	-75	-	-	1.280.431
Stocks	74.981	-	-	-	-	74.981
Other current assets	1.167.468	-2.574	-	-	-16.264	1.148.630
	10.909.557	-2.574	-912.077	247.260	-16.264	10.225.903

	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

14. FINANCIAL RISK MANAGEMENT

14.1 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, due to the reduced size of the investment, there is no significant exposure to currency exchange risk. The only outside loan in the amount of 3.125.000 USD does not provide high exposure to currency exchange rate due to its reduced amount and to the strong correlation between USA dollar and local currency.

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

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

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

The unpaid debt bears variable interest rate, part of which has been the object of an interest rate swap. The interest rate swap to hedge the risk of a 20 million euros (commercial paper programmes) loan has the maturity of the underlying interest and the repayment plan identical to the terms of the loan. Moreover, the Group has cash and cash equivalents covering about 10% of the loans in which the remuneration covers interest rate changes on the debt.

Based on simulations performed on 30 June 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 80.000 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 30th June 2014, current liabilities reached 53 million euros, compared with 29 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. It is expected in the year 2014 the renewal of the short term commercial paper programmes (2.000.000 eur). However, in case of need, cash and cash equivalents and cash flows from operations are sufficient to settle current loans.

Under the current financial markets developments and for higher bank loans availability, the Group chose to use part of their application to reduce the amount of its loans, while maintaining short term treasury lines. On June 30, 2014, the use of short term liquidity cash flow support was of 3%. Investments in term deposits of 5 million match 10% of liabilities paid.

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

	until June2015	from June 2015 to 2021
Bank loans and overdrafts	11.110.759	10.357.577
Commercial paper	2.000.000	19.500.000
Financial leasing	8.417	-
Suppliers of fixed assets c/ a	3.799.518	-
Suppliers c/ a	16.213.913	-
Other creditors	8.808.699	394.874
Total	41.941.306	30.252.451

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 3oth June 2014 the gearing ratio was of 19% and on 31st December 2013 of 17%, as follows:

	Jun-14	Dec-13
Bank loans	42.976.795	46.526.172
Cash and bank deposits	-15.279.144	-22.138.608
Net indebtedness	27.697.651	24.387.564
Equity	120.478.367	119.440.096
Total capital	148.176.018	143.827.660
Gearing ratio	19%	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 June 2014 we have a 19% ratio.

14.2 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.

15. <u>SUBSEQUENT EVENTS</u>

There were no subsequent events as of 30 June 2014 that may have a material impact on these financial statements.

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

The financial statements were approved by the Board of Directors and authorised for emission on August 27, 2014.

Limited Review Report on Consolidated Financial Statements

(Free Translation from the original in Portuguese)

Introduction

1 In accordance with the Portuguese Securities Market legislation ("Código dos Valores Mobiliários") we present the limited review report on the consolidated financial information for the period of six months ended 30 June 2014 of Ibersol, SGPS, SA, comprising the consolidated Management Report, the consolidated statement of financial position (which shows total assets of Euros 213.078.263 and total shareholder's equity of Euros 120.478.367, which includes Non-Controlling Interests of 4.907.819 euros and a net profit of Euros 2.077.762), the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the period then ended and the corresponding notes to the accounts.

2 The amounts included in the financial statements, as well other additional information, are derived from accounting registers.

Responsibilities

3 It is the responsibility of the Company's Management: (a) to prepare consolidated financial statements which present fairly, in all material respects, the financial position of the company and its subsidiaries, the consolidated results and the consolidated comprehensive income of their operations the changes in consolidated equity and the consolidated cash-flows; (b) to prepare historic financial information in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union, in particular the International Accounting Standard nº 34 – Interim Financial Information, and which is complete, true, timely, clear, objective and lawful as required by the Portuguese Securities Market Code; (c) to adopt appropriate accounting policies and criteria; (d) to maintain adequate systems of internal control; and (e) to disclose any relevant fact that has influenced the activity, financial position or results of the company and its subsidiaries.

4 Our responsibility is to verify the consolidated financial information presented in the financial statements referred to above, namely as to whether it is complete, true, timely, clear, objective and lawful, as required by the Portuguese Securities Market Code, for the purpose of issuing an independent and professional report on this information based on our review.

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Scope

5 We conducted our limited review in accordance with the Standards and Technical Recommendations approved by the Portuguese Institute of Statutory Auditors, which require that we plan and perform the review to obtain moderate assurance as to whether the consolidated financial statements are free of material misstatement. Our limited review consisted, principally, in inquiries and analytical procedures designed to evaluate: (i) the faithfulness of the assertions in the financial information; (ii) the adequacy and consistency of the accounting principles adopted, taking into account the circumstances; (iii) the applicability, or not, of the going concern basis; (iv) the overall presentation of the financial statements; and (v) verification of the completeness, truthfulness, accuracy, clarity, objectivity and lawfulness of the consolidated financial information.

6 Our review also covered the verification that the information included in the consolidated Management Report is consistent with the information contained in the consolidated financial statements.

7 We believe that our review provides a reasonable basis for our limited review report.

Opinion

8 Based in our limited review, which was performed in order to provide a moderate level of assurance, nothing has come to our attention that cause us to conclude that the consolidated financial statements of the period of six months ended 30 June 2014 contain material errors that affect their conformity with the International Financial Reporting Standards (IFRS), as adopted in the European Union, in particular the International Accounting Standard nr. 34 – Interim Financial Information, and the information there included is not complete, true, timely, clear, objective and lawful.

Report on other requirements

9 Based in our limited review, nothing has come to our attention that cause us to conclude that the information included in the Consolidated Management Report is not in accordance with the information contained in the consolidated financial statements.

28 August 2014

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

Hermínio António Paulos Afonso, R.O.C.