IBERSOL – SGPS, SA

Publicly Listed Company

Registered 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 Quarter 2014
(not audited)

Consolidated Turnover of 40.7 million euro
Increase of 3.1% over the first quarter of 2013

Consolidated EBITDA reached 3.9 million euros.
EBITDA margin of 9.5%.
YoY EBITDA increased 31%.

Consolidated net profit of 613 thousand euros
Increase of 380% over the first quarter of 2013

REPORT

Activity

Although it must be noted that the economic and financial environment, in the same period of 2013, was particularly unfavorable for restaurant sector, the slight recovery of the consumer market in the Iberian Peninsula coupled with the effects of openings occurring in 2013 offset the negative effect resulting from the transfer of Easter for the second quarter.

The consolidated turnover of the first quarter of 2014 reached 40.7 million euros compared with 39.5 million euros in the same period of 2013.

Sales of Ibersol restaurants amounted to 40.1 million euros an increase of 4.1%, distributed as:

SALES IN RESTAURANTS	Million €	Ch.14/13
Restaurants	14,97	-3,3%
Counters	21,33	9,4%
Other	3,84	7,0%
Total Sales	40,14	4,1%

The segment of higher ticket - Restaurants - recorded greater difficulties in recovering sales. However, Pizza Hut - with a good performance - achieved total sales of the first quarter of 2013, despite the displacement of the Easter holiday period. Moreover, the closure of the operation of Pasta Caffé in Spain led to a decrease of 1% in sales in this segment.

In the Counters segment, brands maintained the trends of last year, with Pans showing a greater difficulties to recover sales.

The "Other" - Catering and Concessions - benefited from the opening of the unit at Madeira Airport which contributed 1% to the growth of this segment. The business in Areas Service also had recorded a negative sales evolution.

During the first three months we closed three units in Portugal by a decision of non-renewal of their contracts (Pizza Hut Portimao, Pasta Caffé DV Tejo and Pans DV Ovar). As mentioned, we closed the operation of Pasta Caffé in Spain that had only one unit in operation.

At the end of the quarter the Group operated 370 owned restaurants, as is explained below:

Nº of Stores	2013 31-Dez	2014 Openings	Transfer	Closings	2014 31-Mar
PORTUGAL	**302**	**0**		**3**	**299**
Own Stores	**301**	**0**		**3**	**298**
Pizza Hut	93			1	92
Okilo	9				9
Pans	56			1	55
Burger King	39				39
KFC	18				18
Pasta Caffé	14			1	13
Quiosques	10				10
Flor d`Oliveira	1				1
Cafetarias	35				35
Catering (SeO,JSCCe Solinca)	6				6
Concessions & Other	20				20
Franchise Stores	**1**				**1**
SPAIN	**89**	**0**		**2**	**87**
Own Stores	**70**	**0**		**1**	**69**
Pizza Móvil	36				36
Pasta Caffé	1			1	0
Burger King	33				33
Franchise Stores	**19**			**1**	**18**
ANGOLA	**3**				**3**
KFC	**3**				3
Total Own stores	**374**	**0**		**4**	**370**
Total Franchise stores	**20**	**0**		**1**	**19**
TOTAL	**394**	**0**		**5**	**389**

Results

In the first quarter the consolidated net profit increased EUR 485 thousand and reaching EUR 613 thousand.

The gross margin decreased to 75.7% of turnover (Q1 13: 76.3%). The deteriorating of gross margin by 0.6p.p. is divided by the inherent effects of the intensification of promotions policy and the change in the mix of concepts with counters to gain more weight in total 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 1%, less than the evolution of sales, representing 33.3% of turnover (Q1 13: 34.0%). The ongoing focus on management of brigades allowed to react efficiently to changes in sales;

- FSEs: reduction by 1.6%, representing 33.4% of turnover, 1.5 pp less than in the same period of 2013. With the continuing effort to control and renegotiation general expenses developed on recent years has been possible to keep some more fixed costs.

Consequently, a rise in sales in a quarter of low turnover has an amplified impact on profitability. The EBITDA increase of EUR 908 thousand and amounted to EUR 3.88 million, ie 31% more than in the same quarter.

Consolidated EBITDA margin stood at 9.5% of turnover compared with 7.5% in the first quarter of 2013.

Consolidated EBIT margin increased to 3.7% of turnover, corresponding to an operating income of EUR 1.5 million.

The net financing costs reached EUR 602 thousand, about EUR 258 thousand upper than in the 1st quarter of 2013. Average cost of funds, which stood at 5.0%, was slightly higher than in Q1 2013. the increased cost of funding is derived primarily from less favorable exchange rates and the increased weight of loans contracted in Angola with interest rates much higher than the Group average.

Balance Sheet

Total Assets reached around EUR 205 million and Equity stood at EUR120 million, representing around 58% of the Assets.

As is characteristic of this business, the Current Assets is less than the Current Liabilities. The financial allowance stands at 24 million euros, 4 million lower than the amount recorded at year end.

The *cash flow* of 3.0 million euros allowed funding the CAPEX of the period.

Capex amounted to EUR 1.9 million, invested in remodeling stores.

Net debt reached to 27.6 million euros, close to the amount at 31 March 2013 and about 3 million higher than the amount at the year end.

Own shares

During the first quarter of 2013 there were no transactions of own shares. On March 31 the company was holding 2,000,000 shares, representing 10% of the capital, for an amount of 11,179,644 euros, corresponding to an average price per share of 5.59 euros

Outlook

In the second quarter we expect to remain the sales trend seen in the first. However, given that in 2013 the reversal of the negative trend in sales occurred at the end of the semester, is foreseeable a slowdown in growth in the second half, which will be offset by the effect of opening new units. In terms of costs not foresee major changes beyond the inherent of the seasonality.

The expansion plan in the Iberian market will result in the opening of 5 units, having occured the first opening, this month, one Burger King in the center of Matosinhos. We remain the purpose of continuing the plan modernization and refurbishment of existing units, mainly Pizza Hut restaurants.

In Angola, the opening of the fourth unit should occur in the third quarter.

Porto, 27th May 2014

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António Alberto Guerra Leal Teixeira

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António Carlos Vaz Pinto de Sousa

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Juan Carlos Vázquez-Dodero

Declaration of conformity

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

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

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

António 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

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

Consolidated Financial Statements

31st March 2014

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

ASSETS	Notes	31-03-2014	31-12-2013
Non-current			
Tangible fixed assets	7	120.883.894	121.119.638
Goodwill	8	40.509.009	40.509.009
Intangible assets	8	14.958.005	15.253.659
Deferred tax assets		938.792	951.668
Financial assets - joint controlled entities		2.499.008	2.497.788
Other financial assets		354.700	354.700
Other non-current assets		1.691.222	1.632.344
Total non-current assets		**181.834.630**	**182.318.806**
Current			
Stocks		4.247.892	5.031.702
Cash and bank deposits		10.878.544	22.138.608
Income tax receivable		323.109	528.104
Other current assets		8.006.916	8.088.260
Total current assets		**23.456.461**	**35.786.674**
Total Assets		**205.291.091**	**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		105.505.896	101.929.821
Net profit in the year		653.631	3.576.462
		115.136.179	**114.482.935**
Non-controlling interest		4.916.926	4.957.161
Total Equity		**120.053.105**	**119.440.096**
LIABILITIES			
Non-current			
Loans		17.734.510	23.417.821
Deferred tax liabilities		9.769.851	9.763.656
Provisions		33.257	98.690
Other non-current liabilities		402.086	413.298
Total non-current liabilities		**27.939.704**	**33.693.465**
Current			
Loans		20.758.032	23.108.351
Accounts payable to suppl. and accrued costs		25.994.730	30.399.313
Income tax payable		680.930	620.492
Other current liabilities		9.864.590	10.843.763
Total current liabilities		**57.298.282**	**64.971.919**
Total Liabilities		**85.237.986**	**98.665.384**
Total Equity and Liabilities		**205.291.091**	**218.105.480**

The Board of Directors,

IBERSOL S.G.P.S., S.A.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH, 2014 AND 2013
(values in euros)

	Notes	31-03-2014	31-03-2013
Operating Income			
Sales	5	40.616.278	39.388.187
Rendered services	5	124.816	138.189
Other operating income		366.919	327.807
Total operating income		41.108.013	39.854.183
Operating Costs			
Cost of sales		9.893.164	9.359.149
External supplies and services		13.593.544	13.813.896
Personnel costs		13.557.055	13.426.206
Amortisation, depreciation and impairment losses	7 e 8	2.378.683	2.421.671
Other operating costs		188.836	288.082
Total operating costs		39.611.282	39.309.003
Operating Income		1.496.731	545.180
Net financing cost		-602.347	-339.096
Income on joint controlled entities - Equity method		1.217	8.279
Profit before tax		**895.601**	**214.363**
Income tax expense		282.205	86.746
Net profit		**613.396**	**127.617**
TOTAL COMPREHENSIVE INCOME		**613.396**	**127.617**
Net profit attributable to:			
Owners of the parent		653.631	133.788
Non-controlling interest		-40.235	-6.171
		613.396	127.617
Total comprehensive income attributable to:			
Owners of the parent		653.631	133.788
Non-controlling interest		-40.235	-6.171
		613.396	127.617
Earnings per share:			
Basic		**0,04**	**0,01**
Diluted		**0,04**	**0,01**

The Board of Directors,

IBERSOL S.G.P.S., S.A.
Statement of Alterations to the Consolidated Equity
for the three months period ended 31st March, 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						2.513.579	-2.513.579	-		-
Conversion reserves - Angola				2.061				2.061		2.061
Net consolidated income in the three month period ended on 31 March 2013							133.788	133.788	-6.171	127.617
Total changes in the period		-	-	2.061	-	2.513.579	-2.379.791	135.849	-6.171	129.678
Other comprehensive income							**133.788**	**133.788**	**-6.171**	**127.617**
Transactions with capital owners in the period										
Application of the consolidated profit from 2012:										
Paid dividends								-		-
Balance on 31 March 2013		**20.000.000**	**-11.179.644**	**5.329**	**4.000.001**	**99.095.161**	**133.788**	**112.054.635**	**4.674.374**	**116.729.009**
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						3.576.462	-3.576.462	-		-
Conversion reserves - Angola				-387				-387		-387
Net consolidated income in the three month period ended on 31 March 2014							653.631	653.631	-40.235	613.396
Total changes in the period		-	-	-387	-	3.576.462	-2.922.831	653.244	-40.235	613.009
Other comprehensive income							**653.631**	**653.631**	**-40.235**	**613.396**
Transactions with capital owners in the period										
Application of the consolidated profit from 2013:										
Paid dividends								-		-
Balance on 31 March 2014		**20.000.000**	**-11.179.644**	**-19.432**	**4.000.001**	**101.681.623**	**653.631**	**115.136.179**	**4.916.926**	**120.053.105**

The Board of Directors,

IBERSOL S.G.P.S., S.A.
Consolidated Cash Flow Statements
for the three months period ended 31 March, 2014 and 2013
(value in euros)

	Note	Three months period ending on March 31	
		2014	**2013**
Cash Flows from Operating Activities			
Flows from operating activities (1)		**1.269.897**	**1.661.616**
Cash Flows from Investment Activities			
Receipts from:			
Financial investments			0
Tangible fixed assets		3.504	8.452
Interest received		51.598	270.222
Payments for:			
Financial Investments			
Tangible fixed assets		3.996.905	843.138
Intangible assests		55.453	197.018
Flows from investment activities (2)		-3.997.256	-761.482
Cash flows from financing activities			
Receipts from:			
Loans obtained			1.500.000
Payments for:			
Loans obtained		7.839.648	953.499
Amortisation of financial leasing contracts		26.495	96.857
Interest and similar costs		498.411	617.364
Dividends paid			
Flows from financing activities (3)		-8.364.554	-167.720
Change in cash & cash equivalents (4)=(1)+(2)+(3)		**-11.091.913**	**732.414**
Perimeter changes effect			
Exchange rate differences effect			
Cash & cash equivalents at the start of the period		21.453.094	26.095.250
Cash & cash equivalents at end of the period		**10.361.181**	**26.827.664**

The Board of Directors,

IBERSOL SGPS, S.A.

ANNEX TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 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 389 units in the restaurant segment through the brands Pizza Hut, Pasta Caffé, Pans & Company, Kentucky Fried Chicken, Burguer King, O’ Kilo, Bocatta, Café Sô, Quiosques, Pizza Móvil, Flor d’Oliveira, Miit, Sol, Sugestões e Opções, José Silva Carvalho, Catering and SEC Eventos e Catering. The group has 370 units which it operates and 19 units under a franchise contract. Of this universe, 87 are headquartered in Spain and 3 in Angola, of which 72 are own establishments and 18 are franchised establishments.

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

2. MAIN ACCOUNTING POLICIES

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

2.1 Presentation basis

These consolidated financial statements were prepared according to the International Financial Reporting Standards (IFRS), as applied in the European Union and in force on 31 March 2014, mainly with the international standard n.º 34 –Interim Financial Report.

The accounting policies applied on 31 March 2014 are identical to those applied for preparing the financial statements of 31 March 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. 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

	31-03-2013	31-03-2013 restated
Operating income	39.860.428	39.854.183
Operating costs	-39.299.143	-39.309.003
Net financing cost	-343.937	-339.096
Income on joint controlled entities - Equity method	-	8.279
Income tax expense	-89.731	-86.746
Net profit	127.617	127.617

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 three months period ended on the 31 March 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 31st March 2014 and 31st March and 31st December 2013:

	Company	Head Office	% Shareholding		
			Mar-14	Dec-13	Mar-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 three months period ended on 31 March 2014.

4.2.2. Disposals

The group did not sell any of its subsidiaries in the three months period ended on 31 March 2014.

5. INFORMATION PER SEGMENT

In the three months period ended March 31, 2014 and 2013, given the small size of the operational activity and asset values, the contribution of Angola is reflected in the segment of Portugal.

The results per segment for the three month period ended 31 March 2014 were as follows:

31 March 2014	**Portugal**	**Spain**	**Group**
Restaurants	29.556.822	10.584.939	40.141.761
Merchandise	124.759	349.758	474.517
Rendered services	36.183	88.633	124.816
Turnover per Segment	**29.717.764**	**11.023.330**	**40.741.094**
Operating income	701.292	795.439	1.496.731
Net financing cost	-446.227	-156.120	-602.347
Share in the profit by joint controlled entities	1.217	-	1.217
Pre-tax income	**256.282**	**639.319**	**895.601**
Income tax	155.649	126.556	282.205
Net profit in the period	**100.633**	**512.763**	**613.396**

The results per segment for the three month period ended 31 March 2013 were as follows:

31 March 2013	**Portugal**	**Spain**	**Group**
Restaurants	28.124.513	10.436.071	38.560.584
Merchandise	406.781	420.822	827.603
Rendered services	37.285	100.904	138.189
Turnover per Segment	**28.568.579**	**10.957.797**	**39.526.376**
Operating income	-134.941	680.121	545.180
Net financing cost	-202.723	-136.373	-339.096
Share in the profit by joint controlled entities	8.279	-	8.279
Pre-tax income	**-329.385**	**543.748**	**214.363**
Income tax	-9.763	96.509	86.746
Net profit in the period	**-319.622**	**447.239**	**127.617**

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 three months period ended 31 March 2014.

In the restaurant segment season activity is characterized by a decrease of sales in the three first months of the year, witch leads to a greater activity on the second quarter. In addition Easter and openings or can make a very strong contribution to these sales evolution. The previous years have evidenced that, in comparable perimeter and with an equal distribution of openings and closings, in the period that understands the three first months of the year, sales are about 23% of annual volume and.

7. TANGIBLE FIXED ASSETS

In the three months period ended 31 March 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 (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	764.885	-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 (1)	Total
31 March 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	711	176	32	252	1.171
Additions	704.856	214.921	256.341	632.904	1.809.022
Decreases	19.174	27.259	200	8	46.641
Transfers	-	-	574	-5.164	-4.590
Depreciation in the year	811.903	979.577	203.228	-	1.994.708
Deprec. by changes in the perim.	-	-	-	-	-
Impairment in the year	-	-	-	-	-
Impairment reversion	-	-	-	-	-
Final net amount	**100.049.268**	**15.163.773**	**2.796.728**	**2.874.125**	**120.883.894**
31 March 2014					
Cost	138.101.588	69.233.159	15.950.850	2.874.125	226.159.724
Accumulated depreciation	32.400.672	53.453.575	13.091.608	-	98.945.854
Accumulated impairment	5.651.648	615.812	62.515	-	6.329.975
Net amount	**100.049.268**	**15.163.773**	**2.796.728**	**2.874.125**	**120.883.894**

(1) changes in the year 2014 and 2013 are due, mainly, to KFC restaurants in Luanda, Angola.

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

8. INTANGIBLE ASSETS and GOODWILL

Intangible assets are broken down as follows:

	Mar-14	Dec-13
Goodwill	40.509.009	40.509.009
Intangible assets	14.958.005	15.253.659
	55.467.014	**55.762.668**

In the three months period ended 31 March 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
31 March 2014					
Initial net amount	40.509.009	12.549.927	292.811	2.410.920	55.762.668
Changes in consolidat. Perimeter	-	-	-	-	-
Currency conversion	-	81	-	30	111
Additions	-	88.434	-	-	88.434
Decreases	-	36	-	-	36
Transfers	-	-	-	-	-
Amortization in the year	-	277.413	106.748	-	384.161
Amortiz. by changes in the perimeter	-	-	-	-	-
Impairment in the year	-	-	-	-	-
Impairment reversion	-	-	-	-	-
Final net amount	**40.509.009**	**12.360.993**	**186.063**	**2.410.950**	**55.467.016**
31 March 2014					
Cost	42.370.687	21.337.544	5.284.808	2.410.950	71.403.989
Accumulated amortization	-	7.766.154	5.028.635	-	12.794.789
Accumulated impairment	1.861.678	1.210.397	70.110	-	3.142.185
Net amount	**40.509.009**	**12.360.993**	**186.063**	**2.410.950**	**55.467.016**

(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.

Goodwill is broken down into segments, as shown bellow:

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

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

9. INCOME PER SHARE

Income per share in the three months period ended 31 March 2014 and 2013 was calculated as follows:

	Mar-14	Mar-13
Profit payable to shareholders	653.631	133.788
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)	0,04	0,01
Earnings diluted per share (€ per share)	0,04	0,01
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), representing a total value of 990.000 euros for outstanding shares (990.000 euros in 2013). Payment is scheduled for May 30, 2014.

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

	Mar-14	Dec-13
Guarantees given	118.893	118.348
Bank guarantees	1.441.722	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 three months period ended 31 March 2014 and 31 December 2013, under the heading of asset impairment losses were as follows:

	Mar-14					
	Starting balance	**Transfers**	**Impairment assets disposals**	**Losses in the Year**	**Impairment reversion**	**Closing balance**
Tangible fixed assets	6.524.924	-	-194.949	-	-	6.329.975
Consolidation differences	1.861.678	-	-	-	-	1.861.678
Intangible assets	1.280.506	-	-	-	-	1.280.506
Stocks	74.981	-	-	-	-	74.981
Other current assets	1.167.468	-2.504	-	-	-2.874	1.162.090
	10.909.557	-2.504	-194.949	-	-2.874	10.709.230

	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, 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 3.437.500 USD does not provide material exposure to currency exchange rate due to its reduced amount and to the strong correlation between USA dollar and local currency. The remaining loans are in local currency, the same as the revenues.

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

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

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

The unpaid debt bears variable interest rate, part of which has been the object of an interest rate swap. The interest rate swap to hedge the risk of a 20 million euros (commercial paper programmes) loan has the maturity of the underlying interest and the repayment plan identical to the terms of the loan. Moreover, the Group has cash and cash equivalents covering about 13% of the loans in which the remuneration covers interest rate changes on the debt.

Based on simulations performed on 31 March 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 41.000 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 31st March 2014, current liabilities reached 57 million euros, compared with 23 million euros in current assets. This disequilibrium is, on one hand, a financial characteristic of this business and, on the other hand, due to the use of commercial paper programmes in witch the Group considers the maturity date as the renewal date, regardless of its initial stated periods. In order to ensure liquidity of the short term debt it is expected in the year 2014 the renewal of the commercial paper programmes (9.500.000 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 March 31, 2014, the use of short term liquidity cash flow support was of 4%. Investments in term deposits of 6 million match 13% of liabilities paid.

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

	until March 2015	from March 2015 to 2024
Bank loans and overdrafts	11.223.044	5.734.510
Commercial paper	9.500.000	12.000.000
Financial leasing	34.988	-
Suppliers of fixed assets c/ a	2.761.239	-
Suppliers c/ a	15.193.779	-
Other creditors	8.112.163	402.086
Total	46.825.213	18.136.596

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

	Mar-14	Dec-13
Bank loans	38.492.542	46.526.172
Cash and bank deposits	-10.878.544	-22.138.608
Net indebtedness	27.613.998	24.387.564
Equity	120.053.105	119.440.096
Total capital	147.667.103	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 March 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. SUBSEQUENT EVENTS

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

16. APPROVAL OF THE FINANCIAL STATEMENTS

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