IBERSOL – SGPS, SA

Public Corporation

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

2015 ANNUAL REPORT AND CONSOLIDATED ACCOUNTS

(Point 2) proposal for the Annual General Meeting)

- **MANAGEMENT REPORT**

- **CORPORATE GOVERNANCE REPORT**

- **FINANCIAL STATEMENTS AND ANNEXES**

MANAGEMENT REPORT

1. Introduction

The year of 2015 confirmed the positive signs shown by the Portuguese economy in the previous year. These signs, which became evident over the course of the year, had an impact on the overall annual GDP growth rate of 1.5% in 2015, with emphasis on the 0.2% quarter-on-quarter growth in the last quarter of the year.

Domestic demand, which increased by 2.4% in real terms, contributed significantly to the growth of the Portuguese economy. In addition to this good indicator of economic recovery, another external stabilisation factor for the Portuguese economy emerged, namely the lower price of energy goods, which had a direct impact on imports.

For the Ibersol Group, this macroeconomic scenario was determinant for the growth of turnover in Portugal and for the implementation of the expansion plan undertaken during 2015. In this context, it was possible to confirm a virtuous trajectory of sales improvement in the majority of concepts, with the highest growth rates recorded in the counter concepts and in the catering business, which benefitted from a strong increase in the number of events that were held mainly in the city of Lisbon. This trend also extended to the "restaurant" segment, which was the most affected by the contraction of the economy in previous years and that returned to moderate but sustainable growth in 2015.

Within this context, private consumption accelerated in 2015, particularly due to the more intensive growth of the non-durable goods and services component, which is a very positive indicator for the area in which the Group has operations. In addition to this indicator, there are also other positive indicators for the overall economic environment such as the marked growth of final consumption expenditure on durable goods, with particular emphasis on developments in the automobile component.

In other words, in 2015 one began to witness a recovery not only of consumption in its more immediate form but also of goods which demonstrate a recovery of the confidence and expectations of Portuguese consumers.

Due to its dimension and operations in the Portuguese economy, the Ibersol Group kept pace with this new cycle, having continued to implement a strategy that had already been thought through and structured in previous years and which materialised into a new impetus of growth of its numerical distribution, through new openings of such iconic brands for the Group such as Pizza Hut and Burger King, but also with an ambitious renewal plan aimed at maintaining a pace of response suited to customers' expectations.

In this context, it is important to mention that during the years of economic contraction a new pattern of Portuguese consumer behaviour emerged, more cautious and demanding in their choices but also more readily available for consumption experiences that guarantee satisfaction and emotional reward. In this context, it is also quite interesting to observe the behaviour of the Millennium Generation, which generally includes consumers between 18 and 35 years of age, due to their profile which is more sensitive to consumption experiences and strongly associated to social networks and the digital channel. This generation demonstrates the resilience of out-of-home consumption and consumption experience, axes that the Ibersol Group is working on so as to respond in a dynamic manner.

In Portugal, it is also important to mention the strong consolidation of the growth of tourism, with very positive repercussions on the different areas of activity of the Group, particularly in the Travel segment, and on the Group's presence in national airports. This is a segment which is increasingly becoming a safe bet. Having been reinforced over the last decade, its strategic value continues to grow in importance.

In Angola, where the Group is creating the category of Modern Restaurants, the year of 2015 was marked by the effects of the oil price and currency crisis. Since Angola is a country that still has a long way to go in terms of diversification of the economy, the exposure of the country's GDP to oil revenues is extremely high, with a consequent exposure to variations in the price of this commodity. As a result, the fall in the oil price that occurred over the course of 2015 had a recessionary macroeconomic effect in Angola, with repercussions at various levels.

The Ibersol Group remains focused on the major strategic axes that it outlined in the last few years: The modernisation of the Portfolio with a strong component of remodellings and openings, the continuous enhancement of Human Resources and the broadening of the markets in which it operates.

The Group continues to give priority to the areas of Food Quality and Food Safety, remaining firmly committed to the certification of its sales points, underpinned by a consistent effort combined with the dedication that the Group imparts in everything it does, in order to guarantee its customers high service standards, which are reflected in the acceptance of its brands, translated into millions of meals served annually.

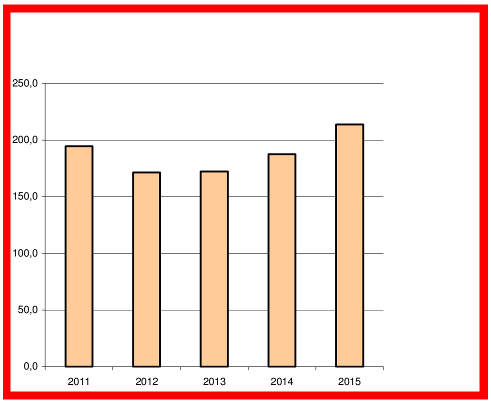
Lastly, it is important to mention the Group's commitment towards Sustainability at every level of the organisation. This is a Responsibility Matrix that has allowed us to overcome the recent period of economic contraction and come out stronger and more robust in our processes, guaranteeing in 2015 the implementation of the growth strategy whereby the future is being prepared right now.

2. Main Indicators

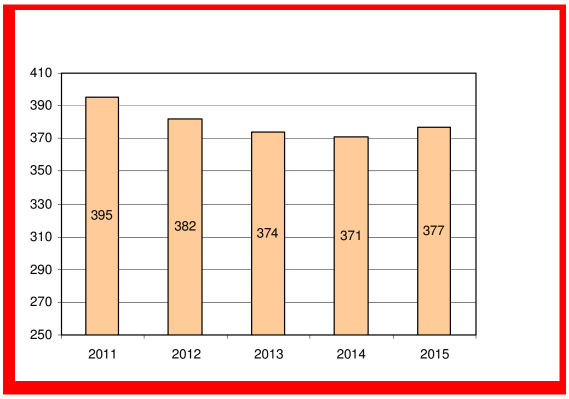
ECONOMIC INDICATORS 2015

	Turnover	Operating Income	Profit before tax	Net Profit
Mn Euros	213,7	18,3	14,0	10,7
Ch %	14,0%	67,6%	55%	36%

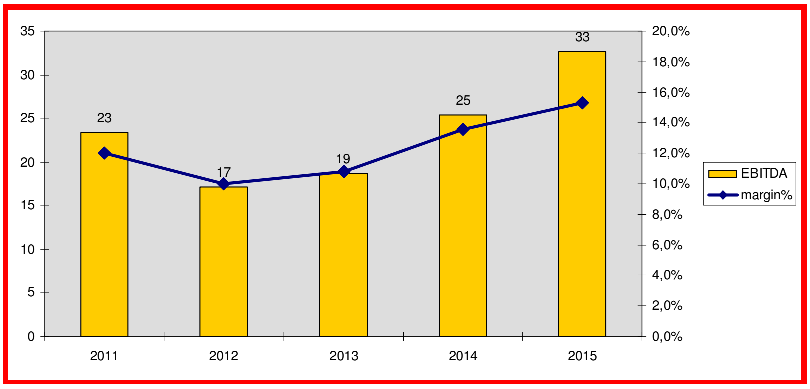
TURNOVER



Nº UNITS



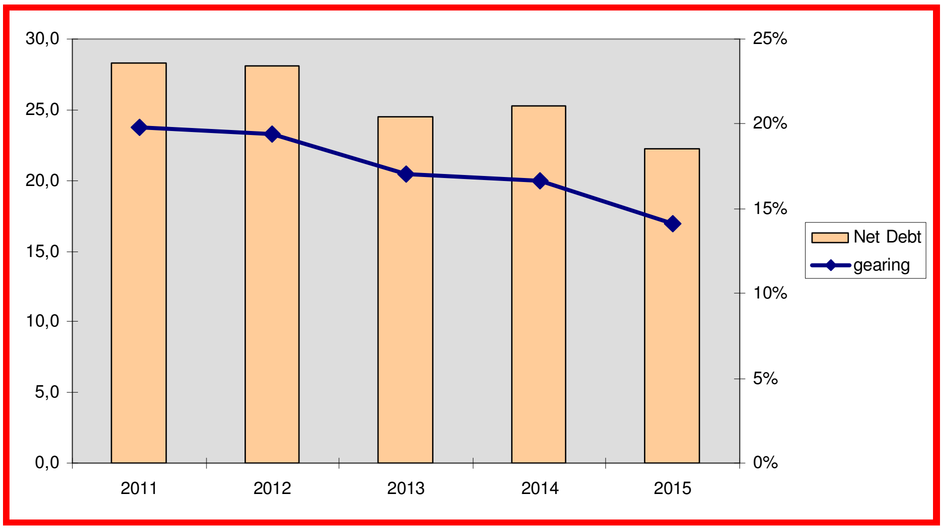
EBITDA

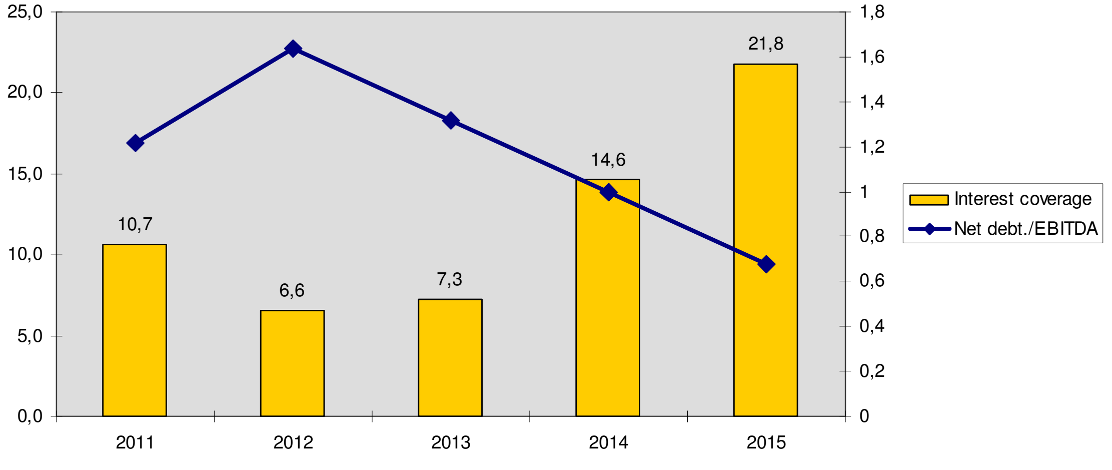


FINANCIAL INDICATORS 2015

	Net Assets	Net Debt	Equity
Mn Euros	241	22	130
Ch %	9,9%	-12,1%	7,1%

NET DEBT





3. Message from the Chairman of the Board of Directors

The performance achieved in 2015 has confirmed our convictions and our determination.

At the Ibersol Group we have a very rational way of approaching management and objectives and also a strong determination in meeting the targets we set ourselves.

In this sense, we have implemented over the last three years a very firm strategy to reduce the Group's cost structure, by redefining the offer and distribution, as well as in the area of human resources.

It was thus possible in 2015 to step up our personnel training, maintain enhanced management control and respond to the positive signs of consumers and the economic environment.

We thus completed a year of change, focused on an Expansion Plan that seeks to respond to the new consumer profile, because we believe that we have to continue to provide gratifying experiences every day that create value for the consumer, for the Brands and for the Group.

This was also the moment to clearly demonstrate that, as a modern restaurant group in Portugal, Spain and Angola, we have a very solid vision of the future.

We continue to anticipate challenges, assess the market and implement solutions and that is why we are a Group of reference.

We are a confidence matrix for the stakeholders and we want to stay on this path of success and solidity that characterises us, defending always the work, employment and the relationship with our customers and creation of value, always with the rigour and persistence in action which have guided us every day in Portugal, Spain and Angola.

4. Year 2015

4.1 Main Events

A year of change

The year of 2015 was a year of transformation for the brands with which we operate. The Group managed to correctly interpret the recent changes in customer behaviour, having as a result adjusted the products and services of its brands, as well as its spaces, improving the consumption experience.

Customers are increasingly demanding in terms of the quality of the products they consume and the service, requiring an integrated approach as to how employees and brands interact with customers. Since disposable income has increased in relation to 2014, consumers demand more comfort, more pleasant environments and greater convenience. In addition to these aspects, they seek new consumption experiences, whether in terms of the available services or the configurations of the space that they frequent.

To correspond to these recent changes in behaviour, the Ibersol Group responded with the know-how that characterises it as the leader in modern restaurants.

We thus continue to implement a comprehensive remodelling of the units programme, initiated in 2014. In 2015 we remodelled the 20 restaurants of Pizza Hut and designed new units with a renewed and modern design.

However, it was not only the image of the spaces that changed. Through the Guest Experience Programme, implemented in Pizza Hut, Burger King, KFC, Miit and Roulotte, we now listen much more attentively to the customer. The platforms “pizzahutexperiencia.com” and “minhabkexperiencia.com”, for example, are online satisfaction surveys, whereby customers can tell us about their experiences in the restaurants. These innovative platforms have consolidated the brands' strategy of customer proximity and have become a strong pillar in brand-customer interaction, thus contributing towards operational excellence.

The year of 2015 was marked by a strong focus on product innovation, new promotional strategies and increased investment in communication. Through strategies involving greater service and product segmentation and improved price competitiveness it was possible to conquer new customers.

All of these changes showed that 2015 was a year that confirmed the convictions of the Ibersol Group and its management model. It was thanks to these changes that it was possible to conquer new customers and grow. It is due to being aware of the need to implement these changes that the Ibersol Group is a solid Group that achieves positive results and has a growth horizon.

An ambitious expansion plan

The Group reached 2015 prepared to respond to the challenges of the positive developments in consumption that were felt and thus resumed its expansion plan in Portugal at an accelerated pace.

At Burger King, 10 new restauarnts were inaugurated: in Abóbada, Oeiras, Maia, Caldas da Rainha, Pombal, Terceira Island, Vila do Conde, Famalicão, Monção and Lisbon. Pizza Hut inaugurated restaurants in Alverca, Vila do Conde and in Av. General Roçadas (Lisbon), having also relocated the unit of Lisbon Airport. KFC inaugurated a new restaurant at Lisbon Airport.

In Angola, regardless of the current economic situation, the Ibersol Group prepared the inauguration of the first Pizza Hut unit, which took place in December in Luanda. KFC continued to consolidate its position and to grow, with the opening of three more units, in Benguela, in Zango and in Xyami Shopping Nova Vida, reflecting the strong acceptance of the concepts by Angolan consumers, as well as the capacity to deliver in a market characterised by major challenges.

The year of 2015 was thus marked by a previously prepared strategy of growth which enabled an ambitious and dynamic plan, covering all the brands, to be implemented.

Investment in employees, cornerstone of the Ibersol Group's success

In addition to an ambitious expansion plan and the positive developments in consumption, which contributed decisively to the increase in the number of employees of the Ibersol Group, particularly in Portugal, the degree of participation and the levels of involvement and satisfaction of Ibersol staff also increased in 2015!

The results of the annual survey evaluating the organisational environment - “Have your Say” – leave no doubts, since all the areas and all the issues in the survey achieved higher scores than in the previous year. The training area achieved, once again, the best results, which clearly indicates that we are on the right path when we invest in people and their development.

In 2015 we therefore continued to review the training methodologies in the Pizza Hut and KFC businesses and consolidated the project with the recertification of all the teams, having continued the development of the training programmes for the career levels of Shift Manager and Unit Director.

Fruit of the experience already acquired, it was also possible to place on the "Learning Zone" platform, which now supports the operational training of these Businesses, new training contents to support the theoretical learning in supplementary programmes.

Also noteworthy was the launch of the Clean2Safe project, in terms of its training dimension, where the focus was on the development of visual contents (videos), favouring a better identification of the trainees and the transfer of know-how. This project, designed in partnership with a supplier, ensures the sharing of know-how and the reinforcement of best practices.

And because at the Ibersol Group the development of human capital is still indelibly associated to meritocracy and achievement of results, evaluating rigorously, but also with greater simplicity, was the motto for a project that began at the end of the year and whose fruit is expected to bring a fresh impetus to the Evaluation and Potential System “SOL”. The intention is to reconfigure the System by reinforcing the culture on valuing people through a more effective evaluation of performance and potential to improve the monitoring of people, the sustained growth of Teams and their know-how.

4.2 Economic Context

Global situation

Recent Eurosystem estimates point to a world GDP growth of 2.9% in 2015 - the worst performance since the great recession of 2009 and far from the 3.6% projected at the beginning of the year -, reflecting the weak performance of some of the largest emerging economies.

The Chinese economy slowed sharply in the second half of 2015, registering an annual growth of 6.9%. In the transition to a model that is less dependent on industrial production, the decline in investment and exports was partly compensated by the increase in domestic consumption, a trend that is expected to continue in 2016, with an estimated GDP growth of approximately 6.5%.

In 2015, Brazil registered the most serious economic downturn in recent years (a GDP contraction of 3.6% is estimated). In the midst of a political crisis resulting from successive corruption scandals, with a devaluing real and a very high cost of living, the Brazilian economy is expected to contract less in 2016, initiating a gradual recovery of the export sector.

The Russian economy is expected to have contracted by 3.8% in 2015, with inflation reaching 15.6%, and GDP growth is estimated to remain negative at 0.5% in 2016.

For developed countries, 2015 was a year of recovery of economic activity.

The US economy grew 2.5% in 2015 (2.4% in 2014) and is expected to maintain the same pace of expansion in 2016, in spite of the slowdown in exports, conditioned by the appreciation of the dollar. Growth was essentially underpinned by the dynamics of household consumption, based on the strength of the labour market.

The Japanese economy only grew by 0.5% in 2015, as a result of the decrease in demand of the Chinese economy and other Asian countries, with the OECD estimating a growth rate of 1% for 2016.

The euro area continued its economic recovery process with GDP growing 1.5% in 2015. For 2016 and 2017, growth rates of 1.7% and 1.9%, respectively, are expected.

The low price of oil, the depreciation of the euro and the monetary stimuli of the ECB boosted private consumption and exports. But the unemployment rate remains high (11%), far above the value registered in the pre-crisis period, reflecting major disparities between countries: Greece (25.8%) and Spain (22.1%), in contrast with Germany (5.4%), which has the lowest rate of the Eurozone.

The main risk factors in the recovery process are an economic downturn in emerging countries and uncertainties of a political nature.

Situation in Portugal

Recent Bank of Portugal projections estimate that the Portuguese economy grew by 1.5% in 2015 and will grow 1.7% and 1.8% in 2016 and 2017, respectively.

The first half of 2015 was characterised by strong growth of domestic demand and exports, a trend that slowed in the second half of the year, reflecting the slowdown in global demand.

In 2015 exports continued to perform well, registering a growth rate of 5.2%, in spite of the sharp fall of exports to Angola, demonstrating the capacity for diversification and gaining market share by economic agents.

Conversely, the increase in imports (7.2%), reflecting the recovery of domestic demand and the increase of the imported component of exports, contributed negatively to GDP growth.

Investment decelerated during the year (growth of 3.7%, lower than in 2014). It is important to note the positive contribution of investment in construction and the decline of investment in machinery and equipment.

Still 12% below pre-crisis levels, domestic demand continued to recover in 2015 from the slowdown during the years of foreign assistance, with emphasis on the expansion of household consumption (2.6%), reflecting the increase in disposable income, the climate of greater confidence and the improvement of the labour market.

The average unemployment rate is expected to reach 12.6%, with further improvements expected in 2016, albeit at a more moderate pace (12.2%).

Annual average inflation registered a positive value but still very low (0.5%), partially explained by the significant drop in the price of oil in international markets and reflecting the evolution of the non-energy component in the CPI basket, with the slight upward trend (0.8%) expected to be maintained in 2016.

The main short-term risk factors for the sustained growth of the Portuguese economy without imbalances in the external accounts are the increase in the oil price, the inability to replace imports with domestic supply and the increase in external financing costs.

Situation in Spain

The Spanish economy is expected to have grown by 3.1% in 2015 (exceeding the expectations held at the start of the year which pointed to a growth of around 2%) due to the combined effect of various factors of a domestic and external nature.

Among the external factors, the contribution of the ECB's policy in reducing the financing costs of economic agents is noteworthy. In addition, the fall in the oil price contributed to the reduction of companies' costs and the increase in private consumption.

Domestically, the change in the production structure, more directed towards the production of tradable goods (as evidenced by the strong growth of investment in machinery and capital goods) and the greater flexibilisation of the labour market, contributed towards the dynamism of the economy, facilitating the creation of employment, which increased by about 3%, with the unemployment rate falling to 22.1% (2.3 percentage points less than in 2014).

In spite of the improvement registered in the last two years, unemployment remains at a very high level, with an expected moderate wage increase, thus contributing to the maintenance of competitiveness of the export sector and to subdued inflation developments, which remained in negative territory in 2015 (-0.5%), but which is expected to accelerate to 0.7% and 1.2% in 2016 and 2017, respectively.

In 2015, the reduction in private sector (corporate and individuals) indebtedness and the positive evolution of the goods and services account continued.

The Spanish economy seems to be in good shape, with an expected growth rate of around 2.5% in 2016. The main domestic risk is political uncertainty, which may lead to the postponement of investment decisions. On the external front, the greatest risk lies in the cooling of global demand, namely due to the lower growth in emerging economies.

Situation in Angola

IMF forecasts point towards a deceleration of the growth of the Angolan economy in 2015 due to the effect of the drop in oil prices, with GDP growing 3.5%. In 2016, economic growth is expected to remain stable.

The average price of a barrel of Angolan oil is projected to stand at USD 53 in 2015, in comparison to a little more than USD 100 in 2014, leading to a sharp fall in tax revenues and in exports.

In light of the expected fall in tax revenues linked to the oil business, the Angolan government responded quickly, changing the assumptions of the initial State Budget (with the average price of a barrel of oil falling from USD 81 to USD 40 in the Rectified State Budget of February 2015) and making significant cuts in budgeted investment expenditure.

Throughout the year, oil production recovered following the conclusion of the maintenance works, which permitted a slight increase in average daily production, helping to partly offset the fall in revenues.

Non-oil GDP growth decelerated in 2015. The industrial, construction and services sectors are adjusting to the fall in private consumption and public investment and to the persistent difficulties in obtaining foreign currency. The inflation rate reached 14% at the end of 2015.

The Kwanza depreciated over the year, with particular impact in the second half.

In 2016, oil GDP growth is expected to decelerate (from 6.8% to 3.4%) and the non-oil sector is expected to accelerate (from 2.1% to 3.4%), mainly driven by the more robust recovery of agriculture.

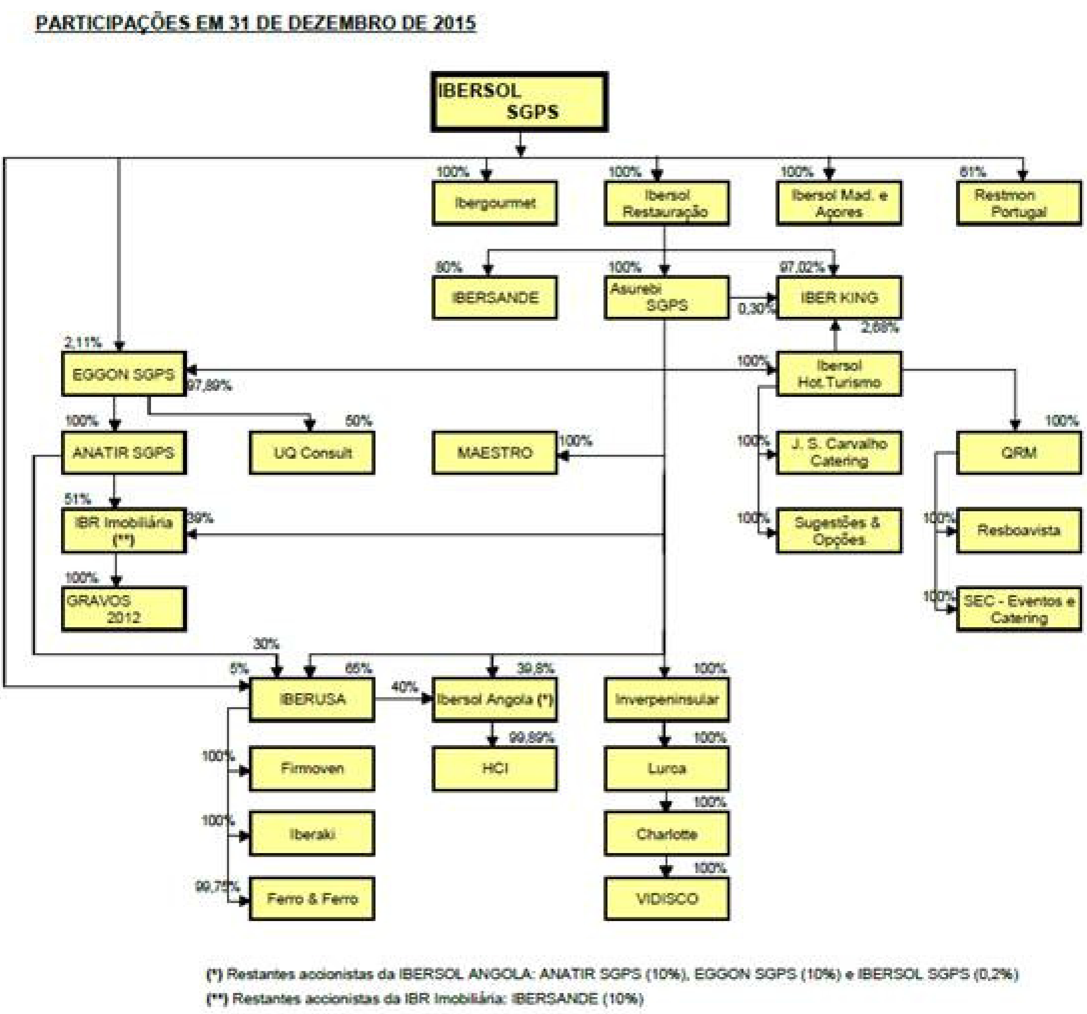
The main risk factor affecting economic growth and the sustainability of the Angolan public finances continues to be the excessive dependence on the oil sector, strongly conditioned by the lower prices in international markets.

Final Note

The world economy is on a slow and gradual path to recovery. The problems and imbalances in some of the largest emerging economies persist, namely the risk of cooling of the Chinese economy. The growth of the more developed economies, in spite of all the stimulus measures adopted, remains modest. Economic divergence and conflicts between countries seem to indicate that 2016 will be yet another year of weak growth filled with many factors of political uncertainty that may have a negative influence on trade worldwide.

5. THE IBERSOL GROUP

5.1 Business structure 31/12/2015



5.2 Strategic profile of the Group

Guaranteeing good experiences and quality of life

Customers demand increasingly better experiences that enhance their quality of life. Our brands are an integral part of the daily life of millions of people and are therefore at the centre of our attention. The Group offers diversified products that provide consumers 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, by developing the Live Well programme (website and blog), through which it seeks to promote a responsible dialogue with the Customer, placing at its disposal information on the nutritional composition and allergens of Ibersol products and on how to adopt a standard of living that guarantees a balanced diet and healthy life styles.

Focusing energies on the customer relationship

Given that our customers have made the Ibersol Group what it is today: an outstanding presence in Portugal's restaurant scene, customers are also the Group's reason for being, such that they are given all the attention they deserve. That is 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' organisation, information systems and the systemic approach which ensures the identification of major consumer clusters and restaurant segments, according to different environments and habits.

Through the Guest Experience Programme, implemented in Pizza Hut, Burger King, KFC, Miit and Roulotte, the brands now listen much more attentively to the customer. The platforms “pizzahutexperiencia.com” and “minhabkexperiencia.com”, for example, are online satisfaction surveys, whereby customers can tell us about their experiences in the restaurants. These innovative platforms have consolidated the brands' strategy of customer proximity and have become a strong pillar in brand-customer interaction, thus contributing towards operational excellence.

Development and Valuing of People

At the Ibersol Group the development of human capital is still indelibly associated to meritocracy and the achievement of results. Evaluate rigorously, but also with greater simplicity, was the motto for a project that began at the end of the year and whose fruit is expected to bring a fresh impetus to the Evaluation and Potential System SOL.

The intention is to reinforce the culture on valuing people based on a system that, guided by the Ibersol values and the results achieved, permits the evaluation of performance and potential more effectively, and to thus monitor the sustained growth of Teams and their know-how.

In 2015 we therefore continued to review the training methodologies in the Pizza Hut and KFC businesses and consolidated the project with the recertification of all the teams, having continued the development of the training programmes for the career levels of Shift Manager and Unit Director. Fruit of the experience already acquired, it was also possible to place on the "Learning Zone" platform, which currently supports the operational training of these Businesses, new training contents to support the theoretical learning in supplementary programmes.

The work undertaken continues to reflect the Group's concern in accompanying the development of its People and Teams, thereby responding to the expectations of its employees and to the needs for expansion.

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.

These 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 decentralised 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 organised 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. More specifically, it is important to mention the certification in the NP EN ISO 22000 standard: Food Safety Management Systems, which covers the food chain in all the markets in which the Group has operations.

The supply chain centralisation 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 resource and asset management processes, Ibersol aims to ensure lasting and consistent relationships with the supplier partners.

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 recognised in the areas of operational quality, customer service and food safety, having earned a record number of certifications in both Portugal and Angola.

In the certification area, the Ibersol Group renewed the certifications in the following standards:

- NP EN ISO 22000: Food Safety Management Systems in Portugal within the scope of the Management of the Food Chain of the Restaurant Operations of the Ibersol Group; Provision of restaurant/catering services in stores;

- NP EN ISO 22000: Food Safety Management Systems of all the KFC units in Angola and logistics chain within the scope of the Logistics Chain and Restaurant Operations;

- NP EN ISO 9001: Quality Management Systems;

- NP EN ISO 14001: Environmental Management Systems;

- NP EN ISO 18001: Occupational Health and Safety Management Systems within the scope of the Management of the Restaurant Operations of the Ibersol Group (Central Services, transversal processes and Vog).

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.

An active resource management policy and respect for the environment

Respecting and improving the world we live in is a concern that implies an active sustainability policy. These policies have achieved good results with significant improvements from year to year.

There is a need to rethink teams, 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 the management of time, processes and resources.

The Ibersol Group thus continues to consolidate good resource management practices, namely in the energy consumption area, with very significant results.

This policy has positive spillover effects, since raising employee awareness regarding the adoption of rational electricity usage measures results in such measures being extended to other consumptions.

The maximum expression of this sustainable reality is the "Used Cooking Oil Recycling Programme", in combination with the Biodiesel industry.

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

The restaurant segment is composed of 136 restaurants that generated a turnover of 69 million euros.

Pizza Hut

Created in 1958 in the USA and introduced in Portugal in 1990, Pizza Hut, which celebrated 25 years in Portugal in 2015, was the first international Modern Restaurant brand to establish a presence in our market.

Pizza Hut is the brand leader in the pizzas segment, having closed the financial year of 2015 with strong sales growth and market share recovery. It has 93 restaurants and 1.938 employees.

The year of 2015 was a year in which the brand's global growth strategy was continued through: (1) optimisation and continuous improvement of the customer satisfaction assessment system; (2) innovation in the offer of services and products; (3) modernisation and renewal of the image of the restaurants.

Regarding the assessment of customer satisfaction, in 2015 the platform “pizzahutexperiencia.com” was launched, a space where the customer can register his experience in Pizza Hut restaurants in all the dimensions that are relevant for him/her and related to the service and to the product. This online survey consolidated the brand's strategy of looking through the eyes of the customer, focusing its management on him/her, in a process of continuous improvement to achieve operational excellence, in order to always guarantee the best customer experience.

Innovation in the offer of services and products has been a constant since the beginning of the brand in Portugal. The year of 2015 was marked by the launch of a new menu, with a renewed and distinctive design, a new layout and an image focusing on the flavour and quality of the product. This new menu sought to give dimension to the different options of choice but also to the unique consumption experiences.

Given the positioning of the brand as a pizza specialist and reinforcing its leadership in the segment, the brand launched 3 new specialties, in March the Pizza Star of Flavours - a unique pizza shaped in the form of a star, in May the Super Pan Pizza – with three cheeses in the outer crust, and in November the Cheesy Bites Remix – with three times the flavour in the 'bites' (the latter is an exclusive of restaurants with table service).

Pizza Hut also launched various initiatives that are part of its DNA: the Rodízio de Pizzas, the Pan Lovers for 4.95€, the Medium-Sized Pizzas for 6€, and the medium and family menus (the latter for home delivery).

In a strategy of constant innovation, and aware that growth also involves updating and modernising its portfolio, Pizza Hut continued an important programme to remodel its restaurants which was begun the previous year, with 19 interventions having been undertaken. The new design, layout and new technological functions are the driving force of this programme and were meant to accompany current consumers, given that the digital world and the social networks are increasingly present in the consumption experience and in their relationship with the brand. In 2015 the brand also opened three new units located in Alverca, Vila do Conde e Av. General Roçadas (Lisbon).

Regarding employee training and certification, Pizza Hut maintained its focus on continuous training and enhancing teams' value through the digital training platform in an e-learning environment, a pioneer in the restaurant market in Portugal. This digital tool involves employees more, making the training process more responsive, interactive and effective, thus contributing to the improvement of customer service.

In 2015, the certification in internal processes in the APCER ISO 2200 standard of the units of Foz, Norteshopping, Antas Dolce Vita, Colombo and Matosinhos was maintained, which demonstrates the care and demands of the team to guarantee food safety for its consumers.

The brand targeted the youth market once again at the Nós Alive and Marés Vivas summer festivals through the mobile unit. It was also the main sponsor of the SkyforAll event organized by the Portuguese Winter Sports Federation, which enabled more than 1,200 children to experience skiing in snow in Serra da Estrela for the first time. Lastly, it also sponsored the children's football team of the Linda-a-Velha club.

The brand also focused on a strategy of convenience and layout of the restaurants supported by the new design and layout, as well as in the new commercial proposal, which are the driving force behind new investments and whose purpose was to surprise the consumer in the consumption experience and in its relationship with the brand.

In this context, and reinforcing its innovation and convenience programme, the proposal for home delivery request fulfilment was reformulated during the year, with the launch of the new telephone number for the national fulfilment of orders, 222444222. A new online ordering website was also launched and the programme of segmented actions for customers was continued.

Based on the Value for Money positioning, the brand launched various marketing campaigns in 2015 aimed at surprising and innovating: 4x2: Pizza and Drink times two, 50% Discount in exclusive campaigns of online requests and also medium and family menus with very competitive proposals.

Pizza Móvil

Pizza Móvil ended 2015 with 50 units and 498 employees.

The year of 2015 was marked by a strategic approach to rejuvenation and modernisation of the brand, given that the contraction in consumption and the economic crisis affecting Spain for the last eight years have apparently given way to a better macroeconomic environment.

As such, during 2015 various relevant aspects are noteworthy. The introduction of new fresh ingredients in pizzas and the launch of new products such as the new Extreme and Gallega Pizzas or, for example, the new dessert Dots. We extended the Free Buffet offer to about half of the brand's units, the service provided to customers was improved and we supported sports in training categories, sponsoring the Football Federations of Galiza and Asturias, and promoting the brand among young people.

Lastly, it is important to mention a boost in digital communication through the promotion of viral videos, the disclosure of a new "responsive" e-commerce website, which brought the brand more closely into line with the new consumption habits, and the increased notoriety of the brand in social networks, with Pizza Móvil having exceeded 125,000 fans on Facebook.

Pasta Caffé

At the end of 2015, Pasta Café operated 10 units with about 150 employees.

Over the last few years the brand has invested in the renewal of its image in some restaurants, seeking to enhance the more modern, trendy and welcoming environment, ideal for a dinner for two or for group gatherings. These new spaces stand out due to their new identity and an increasingly Italian menu, dedicated to thin and crispy pizzas, pasta al dente and creamy risotto. The menu specialties deserve special emphasis, namely the Bruschetta di Capra ai Prosciutto, the Pizza di Parma, the Tagliatelle Pomodoro and Gamberi and the Risotto ai Gamberetti and Asparagi Verdi.

Due to the need to respond to the day-to-day pace and thinking of workers who do not have much time available, the "Lunch Buffet" offer was developed, which presents various options at a very competitive price in some restaurants. The large variety of starters, cold and hot salads, thin crust pizzas, pastas al dente and desserts, as much as you want, make this offer a greatly appreciated option, having enabled the brand to increase the frequency of customer visits during the week.

The Seasons made it possible, over the course of 2015, to test new recipes and compositions of the offer. Vegetarian Specialties, Calzones Season, Risotto Season or

Christmas Specialties were some of the themes developed throughout the year that resulted in memorable moments and good moments of conviviality, strengthening the positioning of the brand.

In 2015, all the training processes of the brand teams were maintained and the recertification of the APCER ISO 22000 quality standard of the units of Dolce Vita Porto and NorteShopping was undertaken.

Regarding social responsibility, Pasta Caffé took part in several projects to liaise with the community, having taken on interns from restaurant technique courses at different institutions, as well as participated in the campaign "Thanks to Many" in partnership with the Portuguese Federation of Food Banks.

Counters

The Ibersol Group brands operating in the Counters segment together ended the financial year with 178 restaurants and a turnover of 119 million euros.

KFC Portugal

KFC has a history that spans 19 years in Portugal, with very unique characteristics: the mythical Coronel 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. Constant innovation, adapting to new trends and customer proximity were the watchwords for 2015, and will continue to be for the next few years.

In 2015 the attraction of new consumers and the increase in the frequency of customer visits merited a firm commitment, which was associated to an increase in investment in national and local outside communication and in the implementation of innovative Menu solutions (with the proposal Menu of the Day, 5 products for 5€). In the Sharing and Take Away business, so relevant for Customers, a new dimension and prominence was gained with the implementation of communication and promotion actions, among which one highlights the launch of promotional buckets every Wednesday (offers with a 40% discount on the base price) and the revamping of the range of Buckets, among which the Chick&Share and the Friend Bucket, among others, stand out.

Another strategic theme was the provision of new services, namely the extension of the free refill service for the national network of restaurants, something that is highly valued by KFC customers.

The growth of the involvement with fans through the Social Networks was also an objective pursued by the brand. The impetus of a multi-channel experience merited a strong commitment from KFC, with the launch of the mobile application 'KFC Portugal' in Android and IOS versions.

All the restaurants uphold strong concern about the environment and sustainability, which 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. In addition, the Dolce Vita Antas, NorteShopping, Colombo, Vasco da Gama, Fórum Almada and CascaiShopping restaurants were certified once again in the ISO 22000 standard. Six years on, this project continues to promote the improvement of internal processes and procedures.

In terms of brand expansion, the inauguration of the new restaurant at Lisbon Airport is noteworthy, having introduced another innovation in communication at the sales point with the launch of digital menuboards as a customer communication tool.

KFC Angola

The year of 2015 marked the third year of KFC operations in Angola.

During the financial year, KFC continued to consolidate its position and to grow, having inaugurated three new units, one in Benguela, another in Zango, on the outskirts of Luanda and a third one in Xyami Shopping Nova Vida.

In spite of the adverse environment, within the context of the country's current crisis, we maintained expectations of growth in activity, reflecting the strong acceptance of the concept by Angolan consumers.

KFC managed to, through an adequate marketing investment, continue to reinforce its positioning as a modern, young and innovative brand.

To find out the opinion of its customers, KFC launched, in the 1st quarter of 2015, the GES - Global Excellence Survey - which consists in assessing the service provided in the different restaurants through the completion of an online questionnaire.

The Ibersol Group continued to invest in the training of its employees in order to improve their knowledge so that they can carry out their respective tasks with more autonomy and progress in their career.

All KFC units inaugurated before December, as well as the central warehouses, are certified according to the ISO 22000 standard, a certification that demonstrates a firm commitment, characteristic of KFC, in complying with the highest Food Safety standards, guaranteeing the highest standard of quality for consumers.

Burger King Portugal

Burger King ended the year with 54 units (10 more than in 2014) and with 902 employees, an increase in the number of employees of approximately 40% on the previous year.

The teams, through the BK Foundations international training programme, consolidated good operational performance; the school stores were a strong pillar for growth.

The growth of the brand translated into the opening of 10 new restaurants in high traffic areas: Abóboda, Oeiras, Caldas da Rainha, Maia, Pombal, Famalicão, Vila do Conde, Angra do Heroísmo (Terceira Island), Monção and Rua Ferreira Borges, in Campo de Ourique, Lisbon. These new units offer PlayKing Interactive (where the young ones can play games endlessly), free Wi-Fi and the convenient free Refill service, a system that allows the Customers to refill their soft drink glass as many times as they want up to 30 minutes and with the exception of the Campo de Ourique unit, they all offer the Drive-through service.

The restaurants located in Norteshopping and Nó do Fojo were remodelled. Both restaurants now have an exclusive space for Playking Interactive and a Playground, making family visits to these restaurants even more pleasant.

The innovative platform "minhabkexperiencia.com", which is an online satisfaction survey, was a pioneer in its interaction with the market, so much so that some players now follow the example of Burger King.

In the financial year of 2015, Burger King increased its investment in outdoor communication, having invested in TV campaigns, reinforced with urban billboards, and having also extended its network of outdoor communication in various parts of the country.

The brand was characterised by a strong innovation dimension, with the launch of new products in the gourmet hamburger segment, a segment in which it was a pioneer and in which it is a specialist, from the Supreme with 175grs 100% Beef to the Halloween Whopper, a hamburger served in dark bread (the colour of the bread is obtained by combining the traditional bread with barbecue sauce, which gives it a distinct but intense flavour). In turn, the BEANBURGER, thematic and distinct, reveals once again the brand's attention to the veggie products segment.

In 2015, it also reinforced its range of desserts through new flavours in Smoothies & Frappés and with the Fusion Oreo Cake.

In line with the policy of minimising impacts on the environment, we have continued to separate waste at units, use recycled paper to wrap sandwiches and collect and treat frying oil, transforming it into biodiesel.

Burger King also maintains its units certified according to the most demanding APCER ISO 22000 quality standard, and offers "on time" visits to the kitchens of its restaurants, because it believes that customers have a right to know about the brand's quality policies and the care that goes into making each meal.

Burger King Spain

The Burger King Spain operations, conducted by the Ibersol Group through Lurca, ended 2015 with 902 employees and 33 restaurants of the Burger King brand. Five are in Shopping Centers, four are Autokings and the other 24 are distributed throughout different cities in Spain.

Continuing its policy of unit renovations, Lurca invested in the remodellings of three restaurants, Valladolid, Palencia II and Vialia.

However, the year of 2015 was marked by the launch of the Home Delivery service in 25 restaurants. The Home Delivery service thus became a new sales engine of the Burger King brand, which is why it also became a priority in the day-to-day of employees to guarantee and establish the bases of this service, in order to reinforce the sound operation of the same.

The Home Delivery service was responsible for an acceleration of the reaction time and tracking in real time of the levels of Service, Speed, Quality and Customer Service. At the same time, it led to a more rigorous training plan, since the number of employees increased, thus requiring additional training for Shift Managers and Home Delivery Coordinators, in order to correct deficiencies and guarantee the operational control of the units.

In terms of marketing, the strategy focused on major discount campaigns and offers. The continuous presence on television and outdoor is noteworthy, as well as the distribution of coupons via mail at a national level.

Pans & Company

Pans & Company ended 2015 with 46 units and 384 employees.

During 2015, the activity of the brand was marked by its focus on product innovation, implemented through various launches of new sandwich families, with surprising novelties in terms of the type of bread and the combination of ingredients.

Pans & Company maintained strong dynamics in product innovation in line with the leadership position that it holds in its market segment. Also in this regard, the extension of the offer of drinks with the launch of a range of natural juices made daily in the restaurants and that are available in all the menus is noteworthy. It is also worth pointing out the consolidation of the focus on the offer of breakfast and lunch proposals with the availability of the range of Pans & Moments products in all the units.

The year was also marked by the reinforcement of the promotional activity and of communication in above and below the line media which permitted the consolidation of the brand awareness indices and its positioning as a relevant option for a broad target of customers. In line with the asset remodelling plan, the restaurant located in the Dolce Vita Douro shopping centre was remodelled.

Miit

In 2015 the brand ended the year with 60 employees and 4 restaurants (Norteshopping, Centro Vasco da Gama, CascaiShopping and Colombo).

Launched at the end of 2012, the MiiT brand constitutes a restaurant proposal focused on a healthy and balanced offer in the competitive shopping centre counter segment.

Specialised in grilled meat, the brand aims to be recognised as a tasty option that offers its customers quality meats and unique side dishes, such as grilled vegetables and fruit, country potatoes or seasoned rice. The sauces are also a specialty and are made with the best ingredients, with the customer being able to choose between wild mushrooms, honey, red pepper and garlic. Desserts are also innovative and presented in an appropriate dose to round off the meal.

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

Coffee Kiosks

The coffee kiosks, operated autonomously within the Group, have maintained a clear positioning as coffee specialists.

Situated in high traffic shopping centres and operating with Delta brand coffee, the kiosks network ended the year with nine autonomous units, corresponding to 17 customer contact points, and with about 90 employees.

The decline in coffee sales in recent years, brought on by increased competition in this sector, was countered by diversifying the sales range and introducing small menus that successfully complement the response to customer needs.

In 2015 we consolidated team training efforts in areas such as customer service techniques, food safety and occupational health. We also maintained the certification of the unit located at Dolce Vita Antas concerning the ISO 22000 quality standard.

6.3 Other Businesses

The Ibersol Group brands operating in this area ended the financial year with 63 restaurants and a turnover of 25 million euros.

Service Areas

Motorway service areas are an important activity segment for the Ibersol Group, which comprised at the end of the year 33 restaurants and 200 employees.

This business segment continues to be severely affected by the introduction of tolls on previously toll-free roads. In spite of this fact, the SOL brand continues to offer consumers quick and tasty meals and useful services for those that are travelling.

Specialised in restaurants on urban and long-distance motorways, the SOL brand offers spaces with a modern and functional design, with food proposals adapted to the needs of consumers.

The quick meals and varied menus at affordable prices, prepared at the moment, are the main characteristics of the SOL spaces, together with customised service.

The services of the SOL spaces are not limited to the conventional café-restaurants of the service areas, since they also offer special areas for smokers, independent diaper-changing spaces, a lounge area, free Wi-Fi, sockets for computer or mobile phone charging, and daily newspapers for perusal, among other services.

In some places the spaces include well known international brands such as Pans & Company, Burger King and KFC.

Portuguese Airports

The Ibersol Group is a reference player at Portuguese airports. It is present at the Lisbon, Ponta Delgada and Funchal Airports with 18 sales points, with its own concepts (Spoon, Clocks, Go To Café, Connetion, SkyPlaza, Specially and Cockpit) and international brands such as Pizza Hut and KFC.

In 2015 we remodelled the spaces of the restricted area of Lisbon Airport with the opening of the Cockpit Coffee and Drinks & Tapas, Pizza Hut, KFC and Go Natural units, under a franchise operating regime.

We also monitored the revamping of the restricted departures area of Funchal Airport and renovated some units: Pizza Hut and Cockpit Drinks & Tapas. On the 2nd and 3rd floors of this airport we opened two grab&go coffee counters of the Specially concept and at the end of the year a temporary unit was opened on the ground floor, in the public arrivals area, bringing the total to six sales points in operation.

The operating license for João Paulo II Airport was renewed and a new space was attributed for the implementation of a new restaurant concept in the restricted departures area.

Catering

The financial year of 2015 was determinant for the Catering business of the Ibersol Group. With two brands, Palace Catering and Silva Carvalho Catering, and a strong presence in the Porto and Lisbon markets, a 16% increase in the number of events held relative to the previous year was registered. This growth is even more significant if we consider the number of customers served, which grew approximately 48%.

The Beach World Football Cup and major congresses such as ESRHE, ICT and Eurotox, are some of the large-scale events carried out by Silva Carvalho Catering and by Palace Catering.

All of these events were carefully prepared in the two production centres of Maia and Sintra, complying with all of the food hygiene and food safety standards. The kitchens of the brands remain certified by the ISO 22000 standard, the most demanding food safety standard applicable to the restaurant sector, but much more than compliance with standards, we also guarantee the commitment to making meals of exceptional quality using creative and innovative techniques.

The restructuring of the teams and a more customer-focused commercial strategy, with motivated and dedicated teams, enabled the objectives set out to be achieved.

In addition, the growth of the major events market, the increase in market share in the weddings and private events segment, as well as a significant recovery of the corporate market, were key contributing factors to the success achieved in 2015.

Concessions in Portugal

This business area includes the spaces that are not operated by the group under a concession contract, namely: Serralves Museum, Casa da Música, VOG Tecmaia, Exponor and Campanhã Railway Station.

All the units that make up this business have very different characteristics, not only in terms of the public that frequents them but also in terms of the needs that they aim to meet.

Based on these different targets, it is necessary to design an adjusted offer that is able to meet their expectations, seeking to exceed them whenever possible.

The Blue Café, in Campanhã, and VOG units maintain their certification in the ISO 22000 quality standard. In addition, and in a pioneer way in the Group, the VOG unit succeeded in obtaining the certifications in the demanding ISO 9001, ISO 14001 and OHSAS 18001 standards.

7. Consolidated Financial Analysis

OPERATING INCOME

In financial year 2015 consolidated operating revenue was 215.9 million euros, 14% more than in 2014. The EBITDA margin for the same period was 32.7 million euros, an increase of 28.8%. Operating income stood at 18.3 million euros, up 67.6% over the previous year.

Sales and other operating revenue

Consolidated turnover reached 213.7 million euros at year's end, for growth of 14% compared to 2014.

Turnover was distributed as follows:

TURNOVER	Million €	Ch. 15/14
Sales of Restaurants	210,83	14,2%
Sales of Merchandise	2,23	2,9%
Services Rendered	0,64	-2,7%
Net Sales & Services	213,71	14,0%

The evolution of the franchisees sales evolved at a lower rate than the own units.

Food service sales were 210.8 million euros, for year-on-year growth of 14.2%, and are broken down as follows:

FOOD SERVICE SALES	Million €	Ch. 15/14
Restaurants	67,17	3,2%
Counters	119,10	22,8%
Concessions &Catering	24,56	8,6%
Total Sales	210,83	14,2%

Sales recovered in all segments, with higher ticket concepts experiencing evidencing growth already close to the market average value.

The need for constant evaluation of the sales point portfolio led to the decision to close 13 company-owned units. With the market showing signs of recovery from the crisis a selective expansion plan was continued. We opened 19 units, whereby at year's end we operated 303 own units in Portugal, 66 in Spain and 8 in Angola.

At the end of the year the total number of units (own and franchised) was 395, distributed as follows:

Nº of Stores	2014	2015		2015
	31-Dec	Openings	Closings	30-Dec
PORTUGAL	**301**	**15**	**12**	**304**
Own Stores	**300**	**15**	**12**	**303**
Pizza Hut	92	3	3	92
Okilo+MIIT	8		2	6
Pans+Roulotte	54		3	51
Burger King	44	10		54
KFC	18	1	1	18
Pasta Caffé	12		2	10
Quiosques	9			9
Flor d`Oliveira	1		1	0
Cafetarias	35			35
Catering (SeO,JSCCe Solinca)	6			6
Concessions & Other	21	1		22
Franchise Stores	**1**			**1**
SPAIN	**86**	**0**	**3**	**83**
Own Stores	**67**	**0**	**1**	**66**
Pizza Móvil	34		1	33
Burger King	33			33
Franchise Stores	**19**		**2**	**17**
ANGOLA	**4**	**4**		**8**
KFC	4	3		7
Pizza Hut	0	1		1
Total Own stores	**371**	**19**	**13**	**377**
Total Franchise stores	**20**	**0**	**2**	**18**
TOTAL	**391**	**19**	**15**	**395**

Other operating revenue amounted to 2.2 million euros, of which the largest part came from supplier co-participations in marketing campaigns.

Operating costs

Consolidated operating costs reached 197.6 million euros, up 10.6% over the previous year, below the growth of sales.

Gross margin

The cost of sales (cost of goods and raw materials sold and consumed) increased from 23.6% to 24% of turnover, because of the great pressure on sale prices occurring in the food service market and the increased weight of counters.

Gross margin over turnover was 76.0% in this financial year.

Remunerations and other personnel costs

Personnel costs rose by 6.6 million euros to reach 64.5 million euros. The 11.3% increase was appropriate to accompany the rise in activity. In 2014 this item accounted for 30.9% of turnover; in 2015 the figure is 30.2%.

External supplies and services

The cost of external supplies and services amounted to 66.2 million euros, versus 60.7 million euros in 2014, for growth of 8.9%.

This item’s proportion consequently fell from 32.4% to 31% 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 1.4 million euros and include nearly 500 thousand euros corresponding to the closure of some units during the year.

In 2014 stamp duties and other taxes amounted to 635 thousand euros and impairment for clients to nearly 116 thouthand euros.

Amortizations and impairment losses

Amortizations and impairment losses during the financial year were 14.5 million euros corresponding to 6.7% of turnover. Impairment losses for tangible and intangible assets recognized in this financial year totalled 4.1 million euros, less 0.6 million euros than recorded in 2014.

EBITDA

EBITDA during the period attained 32.7 million euros, compared to the previous year's figure of 25.4 million euros. The sales recovery occurring in the Iberian Peninsula and the operation of 4 more restaurant in Angola were decisive for the positive 28.8% rise in consolidated EBITDA.

Higher turnover and instilled cost reduction dynamics led to a recovery of the EBITDA margin, which rose from 13.5% in 2014 to 15.3% in 2015.

FINANCIAL RESULT

The financial year's net financing cost was negative at 4.3 million euros, an increase of 2.5 million euros than in 2014.

This increase corresponds almost entirely to the amount of potential exchange differences recorded in Angola on 31 December.

The interest expenses and commissions associated with financing amounted to EUR 1.5 million, corresponding to an average cost of debt of 3.8%. The reduction in loans remuneration rates in Portugal and Spain is mitigated by the increase in funding in Angola whose nominal cost is much higher than the Group average.

CONSOLIDATED NET PROFIT

Consolidated profit before taxes stood at 14.0 million euros, up 5 million euros that is an increase of 55%

Income tax

The current tax in 2015 is 3.7 million euros, versus 2.8 million euros in 2014. 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 3.3 million euros, corresponding to a rate of 23%.

Consolidated profit of the financial year

Net consolidated profit of the financial year was 10.7 million euros, up 36% over the figure of 7.9 million euros recorded in 2014.

Non-controlled interest is basically associated to direct and indirect holdings of minority shareholders in the Ibersande (Pans & Company) subsidiary and amounted to 145 thousand euros.

Consolidated net profit attributable to shareholders was 10.6 million euros, up 36% over 2014.

FINANCIAL SITUATION

Balance sheet

Consolidated assets totalled 241 million euros at 31 December 2015, an increase of nearly 22 million euros compared to end 2014.

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, Pizza Hut and KFC (approx. +20 million euros);

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

(iv) reduction in third-party debt, excluding the amount receivable from Ascendi that was reclassified from assets to credit (about -1 million euros);

(v) increase of inventories (+2 million euros) due to the need for more stock in Angola;

(vi) increase in cash equivalents and financial investments (about +8 million)

Consolidated liabilities amounted to 106 million euros at 31 December 2015, 13 million euros more than at end 2014.

At 31 December 2014, shareholders' equity stood at 135 million euros, up 9 million euros compared to end 2014. Dividends of nearly 1.0 million euros were distributed during the year. The currency translation of the contribution of Angolan subsidiaries generates a variation of reserves at around 920 thousand euros.

CAPEX

CAPEX totalled 27 million euros in 2015, corresponding to investment in:

- expansion: 19 new restaurants opened (20.0 million euros);

- remodelling: 21 units in Portugal and Spain (4.5 million euros);

- various current expenses totalling 2.5 million euros.

Divestment occurred due to the closing of 13 units (12 in Portugal and 1 in Spain).

Cash flow generated during the financial year was 26,1 million euros, an amount nearly enough to ensure financial coverage of CAPEX.

Net consolidated debt

At year's end net remunerated debt stood at 22 million euros, nearly 3 million euros less than the debt at end 2014 (25 million euros). Short term bank debt consists of Commercial Paper Programme issues redeemable in 2016 and medium and long term debt that matures in 2016.

The gearing ratio (net debt/(net debt + equity)), which at end 2014 was 16.7%, fell to 14.1%.

The indicator for net debt over EBITDA at end 2015 was 0.7 times (1.0 in 2014) and the EBITDA interest coverage ratio was 21.8 times (compared to 14.7 in 2014).

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 2015 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 10 meeting of the Board of Directors, i.e. 90% 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 5 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

The State Budget recently approved points towards an improvement in domestic demand and reduces the rate of VAT on food in Portugal, from the second half. Keeping the positive signs of development of consumption is forecast a slight slowdown in the growth trend of demonstrated sales ended the year, keeping the margins, without considering the changing effect of the VAT rate in Portugal.

With regard to financing, the recovery difficulties presented by European economies do foresee a delay in the normalization cycle of monetary policy and it is expected that interest rates will remain at extremely low levels.

In Angola, the business development will be closely linked to the evolution of oil prices, which affect the pace of government spending. The pressure that is subject to Angolan currency indicates that the devaluation scenario will remain in 2016 and that the difficulties of payments abroad may be more acute.

Regarding the expansion remain alert to opportunities for reinforcing the competitive position of the brands that we explore, predicting that during the year 2016 Ibersol can complete the opening of 15 restaurants and to continue the remodeling program of more than a dozen units.

12. Allocation of results

In financial year 2015 Ibersol SGPS, S.A., posted a consolidated net profit of 10.727.066, 00 euros and a net profit in individual accounts of 10.582.729,00 euros.

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

Non-distributable reserves	€10.039.257,00
Free reserves	€ 543.472,00

We also propose the allocation of reserves amounting to 2.000.000 euros, accordingly assigning each share a gross dividend of €0.10. Should the company hold own shares the same allocation of €0.10 will be kept for each share in circulation, thereby reducing total dividends.

13. Subsequent events and statement of responsibility

Until the date of approval of this report there were no significant events that should be mentioned, in addition to having negotiated the extension of the Pans franchise agreement by 2021 and to have completed Ascendi the compensation agreement of the effects resulting from the introduction of tolls on former Scuts which will result in an annual financial contribution linked to developments in traffic.

In compliance with paragraph a) of article No. 1 245 of the Portuguese Securities Code declare that to the best of their knowledge:

- The annual report, annual accounts and other documents of the Ibersol accounts SGPS, SA. required by law or regulation, for the 2015 financial year were prepared in accordance with the applicable accounting standards, give a true and fair view of the assets and liabilities, financial position and results of Ibersol SGPS, SA and the companies included in consolidation perimeter; and

- The information contained in the management clearly shows the evolution of the business report, performance and position of Ibersol SGPS, SA and the undertakings included in the consolidation perimeter and contains a description of the principal risks and uncertainties that 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 Audit Committee, Auditors and Statutory Auditor when monitoring and examining the company's management must also be acknowledged.

Porto, 5 April 2016

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 2015.

Shareholders		nº Shares	% share capital
ATPS - SGPS, S.A. (*)			
	Directly	10.981.701	54,91%
	I.E.S.-Indústria, Engenharia e Serviços, SGPS,S.A.	0	0,00%
	Mirtal - SGPS, SA	0	0,00%
	António Alberto Guerra Leal Teixeira	1.400	0,01%
	António Carlos Vaz Pinto Sousa	1.400	0,01%
	Total attributable	**10.984.501**	**54,92%**
Banco BPI, S.A.			
	Fundo Pensões Banco BPI	400.000	2,00%
	Total attributable	**400.000**	**2,00%**
Magallanes Iberian Equity FI			
	Magallanes Iberian Equity FI	325.019	1,625%
	SOIXA SICAV SA	100.000	0,500%
	Total attributable	**425.019**	**2,13%**
Santander Asset Management SGFIM, SA			
	Fundo Santander Acções Portugal	476.878	2,38%
	Fundo Santander PPA	13.357	0,07%
	Total attributable	**490.235**	**2,45%**
Bestinver Gestion			
	BESTINVER BOLSA, F.I.	1.076.549	5,38%
	BESTINFOND F.I.M.	763.338	3,82%
	BESTINVER GLOBAL, FP	215.551	1,08%
	BESTVALUE F.I..	173.687	0,87%
	BESTINVER MIXTO, F.I.M.	92.296	0,46%
	BESTINVER AHORRO, F.P.	61.966	0,31%
	BESTINVER SICAV-BESTINFUND	34.249	0,17%
	BESTINVER SICAV-IBERIAN	87.747	0,44%
	DIVALSA DE INVERSIONES SICAV, SA	3.970	0,02%
	BESTINVER EMPLEO FP	6.065	0,03%
	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	**2.519.838**	**12,60%**
Norges Bank			
	Directly	**743.147**	**3,72%**
FMR LLC			
	Fidelity Managemment & Research Company	**400.000**	**2,00%**

(*)The voting rights attributable to the ATPS are also attributable to António Pinto Sousa and Alberto Teixeira under subparagraph b) of paragraph 1 of Article 20 and Article 21 paragraph 1, both of the CMVM Code, by virtue of the latter holding the domain of that company, in which participate indirectly in equal parts by, respectively, the companies Calum – Serviços e Gestão SA with the NIPC 513799486 and DUNBAR – Serviços e Gestão, SA, the NIPC 513799257, which together hold the majority of the capital of ATPS.

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

Board of Directors	Data	Additions		Reductions		Shares at 31.12.2015
		nº shares	price	nº shares	price	
António Alberto Guerra Leal Teixeira						
ATPS II- S.G.P.S., SA (1)	31-12-2015			3.384.000		0
DUNBAR- SERVIÇOS E GESTÃO SA (2)	31-12-2015	9.996				9.996
Ibersol SGPS, SA						1.400
António Carlos Vaz Pinto Sousa						
ATPS II- S.G.P.S., SA (1)	31-12-2015			3.384.000		0
CALUM- SERVIÇOS E GESTAO SA (3)	31-12-2015	9.996				9.996
Ibersol SGPS, SA	19-02-2019			3.850	6,82	1.400
(1) ATPS II- S.G.P.S ., SA						
ATPS- S.G.P.S., SA (4)	31-12-2015			5.680		0
(2) DUNBAR- SERVIÇOS E GESTÃO SA						
ATPS- S.G.P.S., SA (4)	31-12-2015	2.840				2.840
(3) CALUM- SERVIÇOS E GESTÃO SA						
ATPS- S.G.P.S., SA (4)	31-12-2015	2.840				2.840
(4) ATPS- S.G.P.S ., SA						
Ibersol SGPS, SA		10.095.342				10.981.701
	07-01-2015	400	7,05			
	09-01-2015	19	6,90			
	17-01-2015	181	6,90			
	19-02-2015	3.850	6,82			
Fusão da Mirtal - SGPS. SA (6)	14-08-2015	92.892	8,49			
I.E.S.- Indústria Engenharia e Seviços, SA (5)	29-12-2015	9.998.000	9,70			
I.E.S.- Indústria Engenharia e Seviços, SA (5)	29-12-2015			2.455.000		0
MIRTAL -SGPS, SA (6)	14-08-2015			1.420.588		0

(5) and (6) merger with ATPS , SGPS, SA

During the financial year in analysis no transaction executed by people discharging managerial responsabilities (" dirigentes") other than those mentioned in the avobe table for Board of Directors

Article 448º of The Portuguese Companies Act

ATPS, SGPS, SA

At 31 December 2015, helds 10.981.701 shares of Ibersol SGPS, SA capital, reached by:
a) acquisitions on the market : 4,450 shares with average price of 6.84 €
b) merger with Mirtal- SGPS, SA : 92,892 shares
c) merger with IES- Indústria Engenharia e Serviços, SGPS, SA : 9,998,000 shares

CORPORATE GOVERNANCE
REPORT
2015

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 2015 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 2015 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 2015, 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
ATPS - SGPS, S.A. (*)			
	Directly	10.981.701	54,91%
	I.E.S.-Indústria, Engenharia e Serviços, SGPS,S.A.	0	0,00%
	Mirtal - SGPS, SA	0	0,00%
	António Alberto Guerra Leal Teixeira	1.400	0,01%
	António Carlos Vaz Pinto Sousa	1.400	0,01%
	Total attributable	**10.984.501**	**54,92%**
Banco BPI, S.A.			
	Fundo Pensões Banco BPI	400.000	2,00%
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	Magallanes Iberian Equity FI	325.019	1,625%
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	Total attributable	**425.019**	**2,13%**
Santander Asset Management SGFIM, SA			
	Fundo Santander Acções Portugal	476.878	2,38%
	Fundo Santander PPA	13.357	0,07%
	Total attributable	**490.235**	**2,45%**
Bestinver Gestion			
	BESTINVER BOLSA, F.I.	1.076.549	5,38%
	BESTINFOND F.I.M.	763.338	3,82%
	BESTINVER GLOBAL, FP	215.551	1,08%
	BESTVALUE F.I..	173.687	0,87%
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	DIVALSA DE INVERSIONES SICAV, SA	3.970	0,02%
	BESTINVER EMPLEO FP	6.065	0,03%
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	BESTINVER EMPLEO II, F.P.	1.415	0,01%
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	Total attributable	**2.519.838**	**12,60%**
Norges Bank			
	Directly	**743.147**	**3,72%**
FMR LLC			
	Fidelity Managemment & Research Company	**400.000**	**2,00%**

(*) The voting rights attributable to the ATPS are also attributable to António Pinto Sousa and Alberto Teixeira under subparagraph b) of paragraph 1 of Article 20 and Article 21 paragraph 1, both of the Securities Code, by virtue of the latter are holding the domain of that company, in which participate indirectly in equal parts by, respectively, of CALUM – SERVIÇOS E GESTÃO, SA. with the NIPC 513799486 and DUNBAR – SERVIÇOS E GESTÃO, SA with the NIPC 513799257, which together hold the majority of the capital of ATPS.

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:

<u>Board of Directors</u>:

<u>Chairman - Dr. António Alberto Guerra Leal Teixeira</u>
1,400 shares of the capital of Ibersol SGPS, SA.
9.996 shares representing 99,96% of the capital of Dunbar – Serviços e Gestão, SA.
Dunbar – Serviços e Gestão, SA. holds 2.840 shares representing 25,02% of the capital of ATPS, SGPS, SA.
ATPS, SGPS, SA, on 31/12/2015, holds 10.981.701 shares representing share capital of Ibersol, SGPS, SA.

<u>Vice-Chairman - Dr. António Carlos Vaz Pinto de Sousa</u>
1,400 shares of the capital of Ibersol SGPS, SA.
9.996 shares representing 99,96% of the capital of Calum – Serviços e Gestão, SA.
Calum – Serviços e Gestão, SA. holds 2.840 shares representing 25,02% of the capital of ATPS, SGPS, SA.
ATPS, SGPS, SA, on 31/12/2015, holds 10.981.701 shares representing share capital of Ibersol, SGPS, SA.

<u>Director – Prof. Doctor Juan Carlos Vázquez-Dodero</u>
Does not hold any shares of the company

<u>Audit Committee</u>:

<u>Chairman - Dr. Joaquim Alexandre de Oliveira e Silva</u>
Does not hold any shares of the company

<u>Vice-Chairman – António Maria Borda Cardoso</u>
Does not hold any shares of the company

<u>Member – Eduardo Moutinho Ferreira Santos</u>
Does not hold any shares of the company

<u>Substitute – Maria Helena Moreira de Araújo</u>
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 2015, 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 and there are 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

Chairman – Dr. António Alberto Guerra Leal Teixeira;

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

Member – Professor Doutor Juan Carlos Vázquez-Dodero

Audit Committee

Chairman - Dr. Joaquim Alexandre de Oliveira e Silva

Vice-Chairman - Dr. António Maria de Borda Cardoso

Member – 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 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 2015 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;
Member – Prof. Juan Carlos Vázquez-Dodero

All the members were elected by the General Meeting on 6 May 2013 for a term that expires in the end of 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. Union Temporal de Empresas
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.

GRAVOS 2012, SA

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.

MATEIXA Soc. Imobiliária, SA.

ONE TWO TASTE, SA.

DUNBAR – Serviços e Gestão, SA.

CALUM – Serviços e Gestão, 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. Union Temporal de Empresas

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.

GRAVOS 2012, SA

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.

POLIATLÂNTICA, SA.

SOPRANO- SGPS, SA.

DUNBAR – Serviços e Gestão, SA.

CALUM – Serviços e Gestão, 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

ATPS II, SGPS. SA.

DUNBAR – Serviços e Gestão, SA.

CALUM – Serviços e Gestão, SA.

Patronato da Fundação Amigos de Rimkieta

Jeanologia S.L.

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, through Corporate Calum and Dunbar, control ATPS society, which is allocated a share of 54.92% in the capital of Ibersol SGPS, SA, participation that is imputed to them individually as well.

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

particular with regard to the delegation of daily management of the Company.

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

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

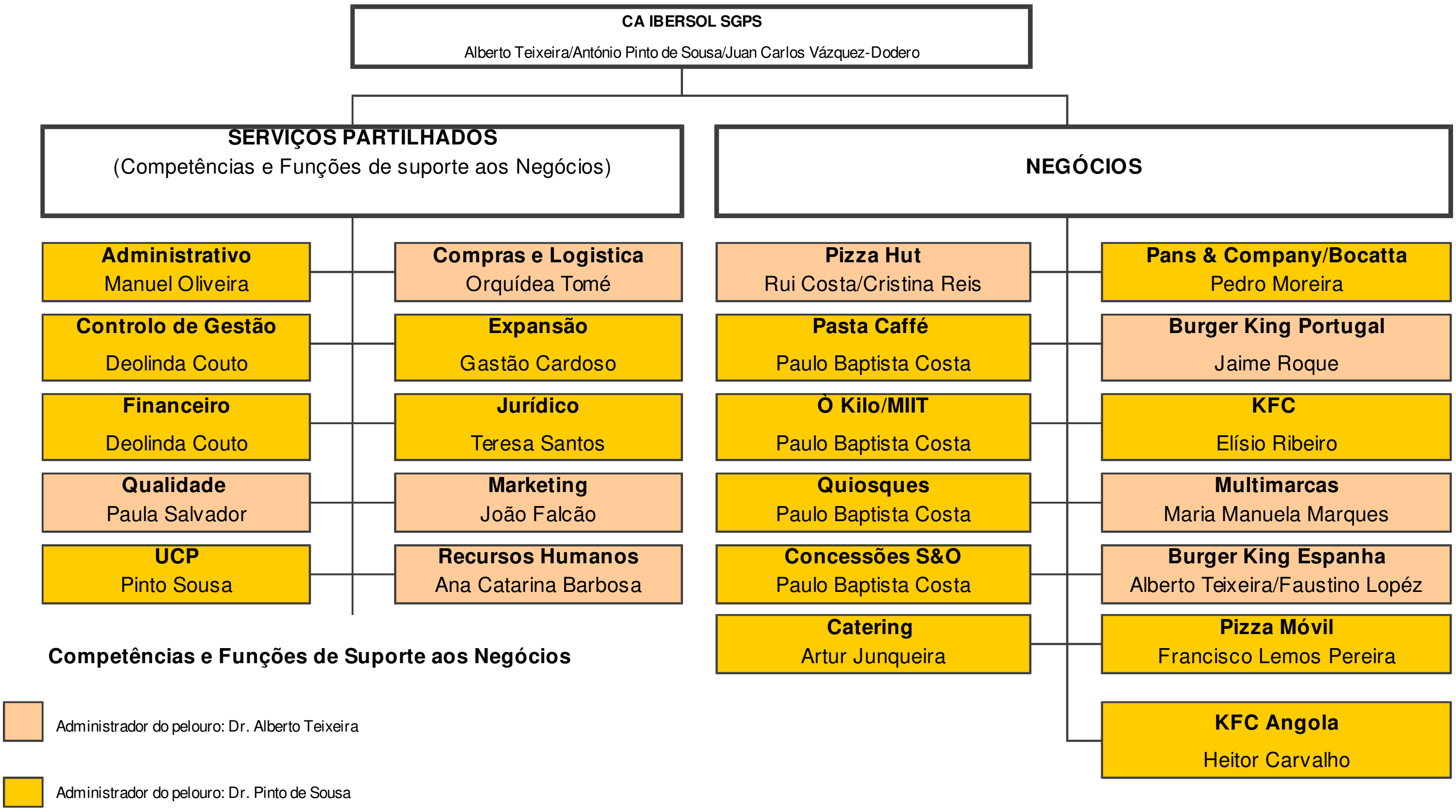
The powers delegated to the Executive Committee are as follows:

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

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

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

The organization chart and distribution of tasks is as follows:



b) Functioning

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

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

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

The 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. 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. The executive directors are remunerated by ATPS, SGPS, SA. having this one entered into a contract for services with the Ibersol Restauração SA. There are no pre-determined criteria for the stated 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 50 meetings were held during 2015.

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.

Chairman – Joaquim Alexandre de Oliveira e Silva;

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.

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

Academic qualifications

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

Professional activity in the last five years:

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

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

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

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

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

He does not hold any shares of the company.

Director – Dr. Eduardo Moutinho dos Santos;

Academic qualifications

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

Professional activity in the last five years:

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

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

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

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 2015 there were 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 2015 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 2015 represented 4,1% 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 in 2015 to 177,121 euros, as follows:

	2015	%	2014	%
Sociedade				
Auditoria e revisão	43.583	25%	49.917	26%
Outros serviços				
Entidades que integram o Grupo				
Auditoria e revisão	126.302	71%	106.838	55%
Consultoria Fiscal	3.250	2%	33.250	17%
Outros serviços	3.987	2%	3.333	2%
TOTAL	**177.121**	**100%**	**193.338**	**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 2015 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 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 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 is 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 defines and coordinates training plans and the application of the rules and procedures defined in Ibersol's HSW Manual, and articulates the training plans.

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

This risk increased significantly during the last year, because the subsidiaries in Angola saw limited access to foreign exchange, resulting in an extension of the payment terms, which increased its exposure to the effects of devaluation. With regard to financing outside the Euro zone the group will pursue a natural hedge policy, preferably in local currency financing where the interest rate conditions recommend.
In order to ensure adequate protection of Angolan subsidiaries to increase value of the obligations in foreign currency, proceeded to the purchase of instruments indexed to the dollar, in order to ensure the "hedging".
Increased activity in Angola will result in an increased risk of exchange - if they maintain the current constraints of access to foreign exchange - which will affect the value of assets and liabilities.

b) Interest rate risk

As the group has no interest-earning assets with significant interest, in addition to treasury bonds issued by Angola for the purpose of "hedging", the profit and cash flows of the financing activities are substantially independent of changes in market interest rate.
The risk of the Group's interest rate comes from liabilities, specifically long term loans. Borrowings issued at fixed rates expose the Group to fair value risk associated with interest rate. With the current level of interest rates, the group's policy is, in more mature financing, proceed to the total or partial fixing of interest rates. Ibersol resorted to hedging the risk of interest rate to 30% of borrowing.

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 given 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 daily adjusted. 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 high standart of trust relationships. The Group at the expense of the cost favored maintaining contracted credit lines although little used.

e) Capital risk

The Company seeks to maintain a level of own 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 financial leverage ratio (defined as net remunerated debt / net remunerated debt + equity) with the aim of staying between 35% -70%.

Environmental

This area of risk management is coordinated by the Quality Department and its main focus is on implementing the policy deriving from the Ibersol Sustainability Principles which ensures that processes and procedures are applied in the environment.
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 2015 were received 30 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 2015 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 has subscribed a contract for services with Ibersol Restauração, SA.

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 2015 was as follows: Chairman: 8,785.92 euros; Vice-Chairman: 8,785.92 euros; Member: 8,785.92 euros; and SROC: 41,583.31 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 2016 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 has subscribed a contract for services with Ibersol Restauração, SA., having received for such services, in 2015, a total of 800.000,00 euros. 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. So, 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 by the directors António Carlos Vaz Pinto de Sousa and António Alberto Guerra Leal Teixeira, out of the above mentioned total of 800.000,00 euros in 2015, each director received the amount of 400.000,00 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 2015, 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 the Annex to the individual financial statements and in 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,		There are no specialised

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	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 representative of a qualifying shareholder..	Adopted	Part I Number 18 of this Corporate Governance Report
II.1.8 When board members that carry out		The Executive Committee makes

executive duties are requested by other board members, shall provide the information requested, in a timely and appropriate manner to the request.	Adopted	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 I

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 29 APRIL 2016

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 2015 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 2015 received from the investee Ibersol, Restauração, SA. a total of 800.000,00 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 controlled in equal parts by the directors António Carlos Vaz Pinto de Sousa and António Alberto Guerra Leal Teixeira, out of the abovementioned total of 800.000,00 euros paid in 2015, each director received the amount of 400.000,00 euros. The non-executive member receives annual remuneration of 6.000,00 euros.

In view of the above, it is not possible 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 2015 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 2016.

Remuneration Committee,

Vítor Pratas Sevilhano, Dr.

Amândio Mendonça da Fonseca, Dr.

Don Alfonso Munk Pacin.

ANNEX II

BOARD OF DIRECTOR'S STATEMENT UPON THE REMUNERATION POLICY OF IBERSOL, SGPS, S.A. DIRECTORS

1. According to the competence established under article 11º of IBERSOL, SGPS, SA. Association Articles, the Board of Directors has the responsibility to determine the general remuneration policy and incentives for the Company's Directors positions and also, for all the administrative and technician personnel.

2. Under the terms of number 3 of the article 248º-B Securities Code, Directors are, besides Management and Supervisory Bodies members, those who have regular access to privileged information and take part in the company's decisions upon management and negotiation strategy.

3. According to CMVM Recommendations upon publicly listed companies corporate governance, and to promote transparency, in order to comply with Recommendations of Corporate Governance, the Board of Directors submits to this General Meeting this statement with the guidelines observed to determine the mentioned remunerations, as follows:

a) The remuneration policy adopted for Ibersol's Directors matches with the policy determined to generality of the Company's employees.

b) However, the Company's Directors remuneration contains a fix remuneration and, an eventual performance bonus.

c) The evaluation of the performance quality and the performance bonus are established according to the criteria previously defined by the Board of Directors.

d) Therefore, behaviour factors of each Director, namely, specific competencies to the function, its level of responsibility, ability to adjust to company's management and specific procedures, autonomy level of individual performance, will be attended to determine an eventual performance bonus, being also considered the technical and/or the financial-economic performance in the Directors' business sector, as well as the financial/economic performance of IBERSOL.

Oporto, 31st March 2016.

The Board of Directors.

Annex 2

List of Positions held in other companies 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

Alexandre Silva, Lda.

Vice – President – Dr. António Maria de Borda Cardoso

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

Effective Member – Dr. Eduardo Moutinho dos Santos

Beyond the position held in Ibersol SGPS, S.A. he 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:

In other societies held by Ibersol Group:

President of the General Meeting

Gravos 2012, S.A.

In other societies outside Ibersol Group:

President of the General Meeting

Dunbar – Serviços e Gestão, S.A.

Calum- Serviços e Gestão, S.A.

Regulsucesso – Imobiliária, S.A.

Volare - Equipamentos, S.A.

Volare – Gestão de Projectos, S.A.

Secretary of the General Meeting

ATPS II, SGPS, S.A.

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.

Contacto Concessões, SGPS, 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.

Prédios Privados – Imobiliária, S.A.

Predisedas – Imobiliária das Sedas, S.A.

Promessa - Sociedade Imobiliária, S.A.

SC Assets, SGPS, S.A. (anteriormente denominada Praedium – 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.

Aqualuz Tróia – Exploração Hoteleira e Imobiliária, S.A. (anteriormente denominada – Troiaverde – Exploração Hoteleira e Imobiliária, S.A.)

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

Capwatt, SGPS, S.A.

Capwatt Brainpower, S.A.

Capwatt, A.C.E, S.A.

Capwatt Colombo – Heat Power, S.A.

Capwatt Engenho Novo – Heat Power, S.A.

Capwatt Martim Longo – Solar Power, S.A.

Capwatt Vale do Caima – Heat Power, S.A.

Capwatt Vale do Tejo – Heat Power, S.A.

Capwatt II – Heat Power, S.A.

Capwatt III – Heat Power, S.A.

Capwatt Maia – Heat Power, S.A.

Golf Time - Golfe e Investimentos Turísticos, 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.

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

SC, SGPS, S.A.

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

SC Hospitality, 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.

Porto Palácio Hotel – Exploração Hoteleira, S.A, (anteriormente denominada Solinca – Investimentos Turísticos, S.A.

QCE – Desenvolvimento e Fabrico de Equipamentos, 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.

The Artist Ribeira – Actividades Hoteleiras, S.A.

Tróia Market – Supermercados, S.A.

Tróia Natura, S.A.

Troiaresort – Investimentos Turísticos, S.A.

Troiaresort, SGPS, S.A. (anteriormente denominada Imoareia – Investimentos Turísticos, SGPS, 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 2015

IBERSOL S.G.P.S., S.A.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION ON 31st DECEMBER 2015 and 2014
(values in euros)

ASSETS	Notes	31-12-2015	31-12-2014
Non-current			
Tangible fixed assets	2.5 e 8	141.633.142	132.109.999
Goodwill	2.6 e 9	40.509.009	40.594.588
Intangible assets	2.6 e 9	11.431.871	13.493.705
Deferred tax assets	2.14 e 18	3.294.546	531.418
Financial investments - joint controlled subsidiaries	2.2 e 10	2.417.891	2.448.856
Other financial investments	2.8 e 10	402.591	370.058
Other financial assets	2.8 e 11	7.098.836	-
Other non-current assets	2.10 e 12	1.408.996	1.487.814
Total non-current assets	6	**208.196.882**	**191.036.438**
Current			
Stocks	2.9 e 13	7.711.071	5.937.327
Cash and bank deposits	2.11 e 14	14.471.082	13.566.782
Income tax receivable	15	144.108	9.859
Other current assets	2.10 e 15	10.793.400	8.955.678
Total current assets		**33.119.661**	**28.469.646**
Total Assets		**241.316.543**	**219.506.084**

EQUITY AND LIABILITIES	Notes	31-12-2015	31-12-2014
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
Conversion Reserves		-850.439	-
Legal Reserves		4.000.001	-
Other Reserves & Retained Results		107.372.132	104.603.959
Net profit in the year		10.582.266	7.756.088
		129.924.316	**121.336.699**
Non-controlling interest		5.121.687	4.976.886
Total Equity	16	**135.046.003**	**126.313.585**
LIABILITIES			
Non-current			
Loans	2.13 e 17	25.309.774	24.028.060
Deferred tax liabilities	2.14 e 18	10.046.125	7.702.843
Provisions	2.15 e 19	861.962	32.118
Derivative financial instrument	2.20 e 20	181.602	0
Other non-current liabilities	21	239.713	268.561
Total non-current liabilities		**36.639.176**	**32.031.582**
Current			
Loans	2.13 e 17	18.125.529	14.803.757
Accounts payable to suppl. and accrued costs	22	41.398.168	36.534.100
Income tax payable	23	1.390.543	1.257.399
Other current liabilities	23	8.717.124	8.565.661
Total current liabilities		**69.631.364**	**61.160.917**
Total Liabilities		**106.270.540**	**93.192.499**
Total Equity and Liabilities		**241.316.543**	**219.506.084**

The Board of Directors,

IBERSOL S.G.P.S., S.A.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED ON DECEMBER 31, 2015 AND 2014

(values in euros)

	Notes	31-12-2015	31-12-2014
Operating Income			
Sales	2.16 e 6	213.062.852	186.804.236
Rendered services	2.16 e 6	644.751	662.658
Other operating income	26	2.231.774	2.172.911
Total operating income		215.939.377	189.639.805
Operating Costs			
Cost of sales		51.220.642	44.031.371
External supplies and services	24	66.161.210	60.748.902
Personnel costs	25	64.478.374	57.924.129
Amortisation, depreciation and impairment losses	6, 8 e 9	14.373.786	14.451.847
Other operating costs	26	1.383.370	1.548.479
Total operating costs		197.617.382	178.704.728
Operating Income	6	18.321.995	10.935.077
Net financing cost	27	-4.279.751	-1.840.453
Gaisn (losses) in joint controlled subsidiaries - Equity method	10	-30.962	-48.935
Profit before tax		**14.011.282**	**9.045.689**
Income tax expense	28	3.284.216	1.130.455
Net profit		**10.727.066**	**7.915.234**
Other comprehensive income:			
Change in currency conversion reserve (net of tax and that can be recycled for results)		-919.070	87.676
TOTAL COMPREHENSIVE INCOME		**9.807.996**	**8.002.910**
Net profit attributable to:			
Owners of the parent		10.582.266	7.756.088
Non-controlling interest	16	144.800	159.146
		10.727.066	7.915.234
Total comprehensive income attributable to:			
Owners of the parent		9.663.196	7.843.764
Non-controlling interest	16	144.800	159.146
		9.807.996	8.002.910
Earnings per share:	29		
Basic		**0,59**	**0,43**
Diluted		**0,59**	**0,43**

The Board of Directors,

IBERSOL S.G.P.S., S.A.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FOURTH TRIMESTER OF 2015 AND 2014
(values in euros)

	Notes	4th TRIMESTER (unaudited) 2015	2014
Operating Income			
Sales		58.022.540	50.186.314
Rendered services		142.393	226.232
Other operating income	26	587.639	817.881
Total operating income		58.752.572	51.230.427
Operating Costs			
Cost of sales		14.135.643	12.266.336
External supplies and services	24	17.872.287	15.676.578
Personnel costs	25	17.136.998	15.495.767
Amortisation, depreciation and impairment losses	6, 8 e 9	6.669.993	7.065.795
Other operating costs	26	559.596	442.830
Total operating costs		56.374.517	50.947.306
Operating Income		2.378.055	283.121
Net financing cost	27	-425.659	-621.007
Gaisn (losses) in joint controlled subsidiaries - Equity method		-50.580	-21.803
Profit before tax		**1.901.816**	**-359.689**
Income tax expense	28	440.460	-1.351.660
Net profit		**1.461.356**	**991.971**
Other comprehensive income:			
Change in currency conversion reserve (net of tax and that can be recycled for results)		63.792	22.082
TOTAL COMPREHENSIVE INCOME		**1.525.148**	**1.014.053**
Net profit attributable to:			
Owners of the parent		1.275.217	787.560
Non-controlling interest		186.140	204.411
		1.461.357	991.971
Total comprehensive income attributable to:			
Owners of the parent		1.339.009	809.642
Non-controlling interest		186.140	204.411
		1.525.149	1.014.053
Earnings per share:	29		
Basic		**0,07**	**0,04**
Diluted		**0,07**	**0,04**

The Board of Directors,

Statement of Alterations to the Consolidated Equity
for the years ended 31 December, 2015 and 2014
(value in euros)

	Note	Share Capital	Own Shares	Conversion Reserves	Legal Reserves	Other Reserves & Retained Results	Net Profit	Total parent equity	Non-controlling interest	Total Equity
		Assigned to shareholders								
Balance on 1 January 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 for the year ended on 31 December, 2014							7.756.088	7.756.088	159.146	7.915.234
Total changes in the period							7.756.088	7.843.764	19.725	7.863.489
Net profit							**7.756.088**	**7.756.088**	**159.146**	**7.915.234**
Total comprehensive income								7.843.764	159.146	8.002.910
Transactions with capital owners in the period										
Application of the consolidated profit from 2013:										
Paid dividends	31						-990.000	-990.000		-990.000
		-	-	-	-	-	-990.000	-990.000	-	-990.000
Balance on 31 December 2014		**20.000.000**	**-11.179.644**	**-19.045**	**4.000.001**	**98.105.161**	**10.342.550**	**121.336.699**	**4.976.886**	**126.313.585**
Balance on 1 January 2015		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
Changes in the period:										
Application of the consolidated profit from 2014:										
Transfer to reserves and retained results						6.766.088	-6.766.088	-		-
Goodwill reclassification of Gravos 2012, S.A.	9					-85.579		-85.579		-85.579
Conversion reserves - Angola				-919.070				-919.070		-919.070
Net consolidated income for the year ended on 31 December, 2015							10.582.266	10.582.266	144.800	10.727.066
Total changes in the period		-	-	-919.070	-	6.680.509	3.816.178	9.577.617	144.800	9.722.417
Net profit							**10.582.266**	**10.582.266**	**144.800**	**10.727.066**
Total comprehensive income								9.663.196	144.800	9.807.996
Transactions with capital owners in the period										
Application of the consolidated profit from 2014:										
Paid dividends	31						-990.000	-990.000		-990.000
		-	-	-	-	-	-990.000	-990.000	-	-990.000
Balance on 31 December 2015		**20.000.000**	**-11.179.644**	**-850.439**	**4.000.001**	**107.372.132**	**10.582.266**	**129.924.316**	**5.121.687**	**135.046.003**

The Board of Directors,

IBERSOL S.G.P.S., S.A.
Consolidated Cash Flow Statements
for the years ended 31 December, 2015 and 2014
(value in euros)

	Note	Years ended on December 31st 2015	2014
Cash Flows from Operating Activities			
Receipts from clients		214.457.896	187.835.470
Payments to supliers		-116.662.018	-107.794.358
Staff payments		-49.361.408	-46.029.543
Payments/receipt of income tax		-2.874.222	-1.911.172
Other paym./receipts related with operating activitie	14	-19.481.672	-7.721.479
Flows from operating activities (1)		**26.078.576**	**24.378.917**
Cash Flows from Investment Activities			
Receipts from:			
Financial investments			5.640
Tangible fixed assets		39.007	194.888
Intangible assets			
Investment benefits		84.525	97.954
Interest received		73.979	110.829
Payments for:			
Financial Investments		147.246	245.998
Other financial assets		7.098.836	
Tangible fixed assets		18.116.090	21.196.136
Intangible assests		2.905.016	921.569
Flows from investment activities (2)		-28.069.677	-21.954.392
Cash flows from financing activities			
Receipts from:			
Loans obtained		9.132.850	1.843.440
Payments for:			
Loans obtained		4.937.537	9.277.323
Amortisation of financial leasing contracts		57.016	61.483
Interest and similar costs		2.006.994	2.080.039
Dividends paid	31	990.000	990.000
Flows from financing activities (3)		1.141.303	-10.565.405
Change in cash & cash equivalents (4)=(1)+(2)+(3)		**-849.798**	**-8.140.880**
Perimeter changes effect			
Exchange rate differences effect		-1.803.392	-159.400
Cash & cash equivalents at the start of the period		13.471.613	21.453.094
Cash & cash equivalents at end of the period	14	**14.425.207**	**13.471.613**

The Board of Directors,

IBERSOL SGPS, S.A.

ANNEX TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31 DECEMBER 2015

(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 383 units in the restaurant segment through the brands Pizza Hut, Pasta Caffé, Pans & Company, Kentucky Fried Chicken, Burger King, O' Kilo, Roulotte, Quiosques, Pizza Móvil, Miit, Sol, Sugestões e Opções, Silva Carvalho Catering e Palace Catering, coffe counters and other concessions. The group has 377 units which it operates and 18 units under a franchise contract. Of this universe, 83 are headquartered in Spain, of which 66 are own establishments and 17 are franchised establishments, and 8 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 2015.

The accounting policies applied on 31 December 2015 are identical to those applied for preparing the financial statements of 31 December 2014.

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, 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.

c) 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 transactions and balances denominated in Kwanzas in 31 December, 2015 and 2014 were respectively:

Dec-15

Euro exchange rates (x foreign currency per 1 Euro)	Rate on December, 31 2015	Average interest rate year 2015
Kwanza de Angola (AOA)	147,842	134,409

Dec-14

Euro exchange rates (x foreign currency per 1 Euro)	Rate on December, 31 2014	Average interest rate year 2014
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: 12-20 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 (not exceeding 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 16).

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
With regard to exchange rate risk, the Group follows a natural hedge policy using financing in local currency. Since the Group is mainly present in the Iberian market, bank loans are mainly denominated in euros and the volume of purchases outside the Euro zone are of irrelevant proportions.

The main source of the Group's exposure arises from the investment outside the euro area of operation that develops in Angola, although it is still small is growing and consequently to gain weight in the group activity. The reduction of oil prices is to lead to a shortage of foreign currency in Angola by the devaluation of the kwanza is a risk to consider. The financing of the Angolan subsidiary in foreign currency in the amount of $ 2.000.000, does not have large exposure due to the reduced amount. The remaining financing concerning Angolan subsidiaries are denominated in the local currency, the same in which the income is generated.

In 31 December, 2015 and 2014 currency exchange risk was as follows:

	YEAR 2015			
Financial Assets	Kwanzas	Equivalent EUR	USD	Equivalent EUR
Cash and Bank deposits	203.488.292	1.376.395	6.754	6.212
Others	1.086.467.739	7.348.868	400	368
	1.289.956.031	8.725.263	7.154	6.580
Financial Liabilites				
Loans	1.747.708.332	11.821.499	2.000.000	1.839.646
Suppliers	431.519.912	2.918.801	2.019.561	1.857.638
Others	33.405.550	225.955	109.006	100.266
	2.212.633.793	14.966.255	4.128.567	3.797.550

	YEAR 2014			
Financial Assets	Kwanzas	Equivalent EUR	USD	Equivalent EUR
Cash and Bank deposits	102.624.258	820.994	156.443	129.291
Others	60.063.999	480.511	90.000	74.280
	162.688.257	1.301.505	246.443	203.571
Financial Liabilites				
Loans	610.208.343	4.881.603	3.125.000	2.582.644
Suppliers	138.567.748	1.108.541	1.030.828	851.924
Others	51.066.768	408.534	65.341	54.001
	799.842.859	6.398.678	4.221.169	3.488.569

Additionally in Angolan subsidiaries we have debts to suppliers in EUR that, after conversion, generate exchange differences in the consolidated financial statements (net financing costs), although mostly are debts with group companies. Furthermore, the same subsidiaries hold financial assets indexed to USD, a value equivalent to about 80% of liabilities in foreign currency.

Based on simulations performed on December 31, 2015, a decrease from 10% to 15% in AOA, concerning EUR and USD currency, keeping everything else constant, would have a negative impact of 189 thousand euros and 271 thousand euros, respectively, on the consolidated financial statements (net financing cost) of the group.

A similar simulation of exchange rate depreciation applied to the net investment, would have a negative impact on the equity of the Group of 232 and 333 thousand euros, respectively.

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

iii) Interest rate risk (cash flow and fair value)
With the exception of the Angola Treasury Bonds, the group has no significant interest bearing assets. Therefore, profit and cash flows from investment activities are substantially independent of changes in market interest rate. Regarding the Angolan State treasury bonds, interest is fixed, so there is also no risk.

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 2015, an increase of 100 basis points in the interest rate, maintaining other factors constant, would have a negative impact in the net profit of 149.000 euros.

b) Credit risk
The main activity of the Group is carried out with sales paid in cash, or debit or credit card, so the Group has no significant credit risk concentrations. Regarding the customers, the risk is limited to the Catering business and sales of merchandise to franchisees representing less than 5% of the consolidated sales. The Group has policies to ensure that credit sales are made to customers with an appropriate credit history. The Group has policies that limit the amount of credit that customers have access to.

The Group's cash and cash equivalents include mainly deposits resulting from cash provided by sales and its deposits in current accounts. These amounts excluded, the value of financial investments at December 31, 2015, is not significant.

Deposits and other financial investments are spread over several credit institutions; therefore there is not a concentration of these financial assets.

The ratings of the major credit institutions where Ibersol group has its deposits on December 31, 2015 and 2014 are presented as follows:

Agency	Year 2015		Year 2014	
	Deposits	Rating	Deposits	Rating
Standard & Poor´s	536.022	BBB+	449.718	A
Standard & Poor´s	621.658	BB+	850.011	BBB
Standard & Poor´s	6.192.649	B+	8.559.348	BB-
Moody's	809.708	Caa1	2.171.404	Caa1
Unavailable (Angola)	3.115.250	n/a	930.413	n/a

The quality of financial assets not due or impaired is detailed in Note 15.

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 70 million euros, compared with 33 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 2016 the renewal of the commercial paper programmes (8.750.000 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, 2015, the use of short term liquidity cash flow support was less than 1%. Investments in term deposits and other application of 9.6 million euros, match 22% of liabilities paid.

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

	to December 2016	from December 2016 to 2028
Bank loans and overdrafts	6.723.548	16.572.686
Commercial paper	11.250.000	8.250.000
Suppliers of fixed assets c/ a	11.033.651	-
Suppliers c/ a	20.798.293	-
Leasing suppliers	151.981	487.088
Other creditors	9.398.174	239.713
Accrued costs	9.566.224	-
Total	68.921.871	25.549.487

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 2015 and 2014 the gearing ratio was of 14% and 17%, respectively, as follows:

	Dec-15	Dec-14
Bank loans	43.435.303	38.831.817
Other financial assets	-7.098.836	-
Cash and bank deposits	-14.471.082	-13.566.782
Net indebtedness	21.865.385	25.265.035
Equity	135.046.003	126.313.585
Total capital	156.911.388	151.578.620
Gearing ratio	14%	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 2015 we have a 14% ratio and in 2014 a 17% ratio.

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

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

4. IMPORTANT ACCOUNTING ESTIMATES AND JUDGMENTS

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

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

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

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

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

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

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

d) Fixed tangible and intangible assets

The determination of lifetime period of the assets and the depreciation method to be applied, is essential to determine the amount of depreciation to be recognized in the income statement for each year.
According to the best judgment of the Board of Directors and considering the practices adopted by companies in the sector internationally these two parameters are set for the assets and business in question.

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

5.1. The following group companies were included in the consolidation on 31st December 2015 and 2014:

Company	Head Office	% Shareholding Dec-15	% Shareholding Dec-14
Parent company			
Ibersol SGPS, S.A.	Porto	parent	parent
Subsidiary companies			
Iberusa Hotelaria e Restauração, S.A.	Porto	100%	100%
Ibersol Restauração, S.A.	Porto	100%	100%
Ibersande Restauração, S.A.	Porto	80%	80%
Ibersol Madeira e Açores Restauração, S.A.	Funchal	100%	100%
Ibersol - Hotelaria e Turismo, S.A.	Porto	100%	100%
Iberking Restauração, S.A.	Porto	100%	100%
Iberaki Restauração, S.A.	Porto	100%	100%
Restmon Portugal, Lda	Porto	61%	61%
Vidisco, S.L.	Vigo - Espanha	100%	100%
Inverpeninsular, S.L.	Vigo - Espanha	100%	100%
Ibergourmet Produtos Alimentares, S.A.	Porto	100%	100%
Ferro & Ferro, Lda.	Porto	100%	100%
Asurebi SGPS, S.A.	Porto	100%	100%
Charlotte Develops, SL	Madrid-Espanha	100%	100%
Firmoven Restauração, S.A.	Porto	100%	100%
IBR - Sociedade Imobiliária, S.A.	Porto	98%	98%
Eggon SGPS, S.A.	Porto	100%	100%
Anatir SGPS, S.A.	Porto	100%	100%
Lurca, SA	Madrid-Espanha	100%	100%
Q.R.M.- Projectos Turísticos, S.A	Porto	100%	100%
Sugestões e Opções-Actividades Turísticas, S.A	Porto	100%	100%
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%
Gravos 2012, S.A.	Porto	98%	98%
Companies controlled jointly			
UQ Consult - Serviços de Apoio à Gestão, S.A.	Porto	50%	50%

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

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

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.

As the group already had control of this subsidiary there is no goodwill in this acquisition according to the policy defined in Note 2.2.a).

	% 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	(1)	
Non-controlling interest	-		
Acquisition price	225.000		

(1) amount recorded in goodwill in 2014, reclassified to equity in 2015.

5.2.2. Disposals

In the years ended December 31, 2015 and 2014 there were no disposals of subsidiaries.

6. INFORMATION PER SEGMENT

Ibersol Administration monitors the business based on the following segmentation:

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

The results per segment for the year ended December 31, 2015 and 2014 were as follows:

31 December 2015	**Restaurants**	**Counters**	**Concessions and Catering**	**Other, write off and adjustments**	**Total Group**
Inter-segment client	-	-	-	-	-
External client	69.141.017	119.125.556	25.052.360	388.670	213.707.603
Total sales and services	**69.141.017**	**119.125.556**	**25.052.360**	**388.670**	**213.707.603**
Royalties	3.030.938	5.399.306	230.784	-	8.661.029
Operating cash-flow (EBITDA)	**8.691.986**	**20.775.364**	**3.228.431**	**-**	**32.695.781**
Amortisation, depreciation and impairment losses	3.216.009	6.031.808	4.879.339	246.629	14.373.786
Operating income (EBIT)	**5.475.977**	**14.743.556**	**-1.650.908**	**-246.629**	**18.321.995**

31 December 2014	Restaurants	Counters	Concessions and Catering	Other, write off and adjustments	Total Group
Inter-segment client	-	-	-	-	-
External client	66.951.519	97.323.530	22.809.607	382.239	187.466.894
Total sales and services	**66.951.519**	**97.323.530**	**22.809.607**	**382.239**	**187.466.894**
Royalties	2.820.296	4.105.080	201.332	-	7.126.709
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**

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

	Year ending on 31 December 2015				
	Restaurants	**Counters**	**Concessions and Catering**	**Other, write off and adjustments**	**Group**
Depreciation (Note 8)	2.484.312	4.889.933	1.276.421	233.115	8.883.781
Amortization (Note 9)	362.056	565.119	503.715	13.514	1.444.404
Impairment of fixed tangible assets (Note 8)	369.641	463.867	1.948.056	-	2.781.564
Impairment of intangible assets (Note 9)	-	-	1.151.148	-	1.151.148
Impairment of accounts receivable (Note 14)	-32.442	- 13.958	78.189	-	31.789

	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 intangible assets (Note 9)	-	-	1.301.200	-	1.301.200
Impairment of accounts receivable (Note 14)	305.390	98.050	-25.828	-	377.612

The following assets, liabilities and investments were applicable to the segments in the year ending on 31 December 2015 and 2014:

	Year ending on 31 December 2015				
	Restaurants	**Counters**	**Concessions and Catering**	**Other, write off and adjustments**	**Group**
Assets	**62.722.766**	**127.693.545**	**28.924.042**	**8.618.218**	**227.958.572**
Liabilities	**13.350.216**	**28.521.294**	**8.464.307**	**52.457**	**50.388.274**
Net investment (Notes 8 and 9)	**3.816.583**	**21.300.336**	**1.308.856**	**-**	**26.425.775**

	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**

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

	YEAR 2015		YEAR 2014	
	Assets	Liabilities	Assets	Liabilities
Deferred taxes	3.294.546	10.046.125	531.418	7.702.843
Current taxes	144.108	1.390.543	9.859	1.257.399
Current bank loans	-	18.125.529	-	14.803.757
Non current bank loans	-	25.309.774	-	24.028.060
Derivative financial instrument	-	181.602	-	-
Financial investments - joint controlled subsidi:	402.591	-	370.058	-
Other financial investments	2.417.891	-	2.448.856	-
Other financial assets	7.098.836	-	-	-
Provisions	-	828.705	-	-
Total	13.357.972	55.882.278	3.360.191	47.792.059

On December 31, 2015 and 2014 income and non-current assets by geography is presented as follows:

31 DECEMBER 2015	**Portugal (1)**	**Espanha**	**Grupo**
Restaurants	164.017.917	46.811.097	210.829.014
Merchandise	619.490	1.614.348	2.233.838
Rendered services	285.793	358.958	644.751
Total sales and services	**164.923.200**	**48.784.403**	**213.707.603**
Tangible fixed and intangible assets	134.313.368	18.751.645	153.065.013
Goodwill	7.605.482	32.903.527	40.509.009
Deferred tax assets	2.869.377	425.169	3.294.546
Financial investments - joint controlled subsidiaries	2.417.891	-	2.417.891
Other financial investments	402.591	-	402.591
Other financial assets	7.098.836	-	7.098.836
Other non-current assets	-	1.408.996	1.408.996
Total non-current assets	**154.707.545**	**53.489.337**	**208.196.882**

31 DECEMBER 2014	Portugal (1)	Espanha	Grupo
Restaurants	142.361.743	42.270.638	184.632.381
Merchandise	637.518	1.534.337	2.171.855
Rendered services	304.130	358.528	662.658
Total sales and services	**143.303.391**	**44.163.503**	**187.466.894**
Tangible fixed and intangible assets	127.044.436	18.559.268	145.603.704
Goodwill	7.691.061	32.903.527	40.594.588
Deferred tax assets	127.689	403.729	531.418
Financial investments - joint controlled subsidiaries	2.448.856	-	2.448.856
Other financial investments	370.058	-	370.058
Other financial assets	-	-	-
Other non-current assets	-	1.487.814	1.487.814
Total non-current assets	**137.682.100**	**53.354.338**	**191.036.438**

(1) Due to the small size of its operations Angola is included in Portugal segment.

7. UNUSUAL AND NON-RECURRING FACTS

No unusual and non-recurring facts took place during the years 2015 and 2014.

8. TANGIBLE FIXED ASSETS

In the years ending on 31 December 2015 and 2014, the following movements took place in the value of tangible fixed assets, depreciation and accumulated impairment losses:

	Land	Buildings	Equipment	Other tangible fixed Assets	Tangible Assets in progress (1)	Total
1 January 2014						
Cost	5.263.616	132.381.815	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	**5.263.616**	**94.911.162**	**15.955.512**	**2.743.209**	**2.246.141**	**121.119.640**
31 December 2014						
Initial net amount	5.263.616	94.911.162	15.955.512	2.743.209	2.246.141	121.119.640
Changes in consolidat perimeter	-	-	-	-	-	-
Currency conversion	71.797	348.974	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	1.972.876	83.903	-	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	**7.308.289**	**96.225.784**	**15.364.408**	**3.646.655**	**9.564.864**	**132.110.000**
31 December 2014						
Cost	7.444.433	138.429.980	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	**7.444.433**	**96.089.640**	**15.364.408**	**3.646.655**	**9.564.864**	**132.110.000**

	Land	Buildings	Equipment	Other tangible fixed Assets	Tangible Assets in progress (1)	Total
31 December 2015						
Initial net amount	7.444.433	96.089.640	15.364.408	3.646.655	9.564.864	132.110.000
Changes in consolidat perimeter	-	-	-	-	-	-
Currency conversion	-455.293	-993.314	-319.677	-73.998	-779.806	-2.622.088
Additions	833.571	14.095.614	6.587.413	2.520.021	131.654	24.168.273
Decreases	0	275.933	169.302	13.776	0	459.012
Transfers	4.140.938	2.453.987	1.375.694	635.587	-8.504.897	101.310
Depreciation in the year	-	3.845.385	4.181.118	857.312	-	8.883.815
Deprec. by changes in the perim.	-	-	-	-	-	-
Impairment in the year	-	2.929.579	-	-	-	2.929.579
Impairment reversion	-	-148.054	-	-	-	-148.054
Final net amount	**11.963.649**	**104.743.084**	**18.657.418**	**5.857.177**	**411.815**	**141.633.143**
31 December 2015						
Cost	11.963.649	150.435.664	76.028.676	19.707.381	411.815	258.547.187
Accumulated depreciation	-	36.522.989	56.954.512	13.802.872	-	107.280.372
Accumulated impairment	-	9.169.591	416.747	47.333	-	9.633.671
Net amount	**11.963.649**	**104.743.084**	**18.657.418**	**5.857.177**	**411.815**	**141.633.143**

(1) changes in 2014 are due to KFC restaurants in Angola. In 2015 refer to KFC restaurants in Angola and Burger King in Portugal, whose opening took place this year

Investments for the year 2014 on fixed assets in the amount of about 13 million are related to the opening of new units and renovation of the existing ones, in Portugal and in Spain. In 2015, with the amount of about 24 million euros, refer mainly to KFC restaurants openings in Angola, and Burger King and Pizza Hut in Portugal.

In 2015 and 2014, for SOL units, a number of restaurants located in different highways and ex-scuts (highways that used to have no cost to its users), impairment tests were carried out, since there was evidence. Additionally impairment tests were carried out in 2015 for the remaining restaurants of Ibersol with evidences of impairment.

In 2014, the tests performed resulted in the need to register an impairment in the amount of 3.476.131 euros regarding SOL units, 2.174.931 euros of which refers to tangible assets, and 1.301.200 euros of intangible assets, as follows:

	Year 2014		
UNIT	Recoverable amount (use value)	Assets account value	Impairment losses
Sol units (1 unit)	-4.037	278.798	278.798
Sol units (1 unit)	2.078.680	1.852.690	-
Sol units (7 units)	4.196.803	7.394.136	3.197.333
TOTAL	6.271.446	9.525.624	3.476.131

The following assumptions were used in 2014 impairment tests:

Growth rate in perpetuity	
Portugal	3,00% (1% real + 2% inflação)
Discount rate for 5 years period/perpetuity	
Portugal	7,7%/6,8%

As a result from the changes during the year 2015, particularly in SOL units, in which the context of expectations formulated in 2014 did not materialize, the tests performed to Ibersol restaurants with evidences of impairment, resulted in the need to register an impairment in the amount of 4.080.727 euros, 2.929.579 euros of which refers to tangible assets, and 1.151.148 euros of intangible assets, as follows:

Year 2015			
UNIT	Recoverable amount (use value)	Assets account value	Impairment losses
Sol units (7 units)	914.105	4.013.310	3.099.204
Pizza Hut (1 unit)	-	125.786	125.786
Pasta Caffe (1 unit)	-	110.348	110.348
Miit (2 units)	125.406	589.234	463.827
Pizza Movil (2 units)	71.074	352.635	281.561
TOTAL	1.110.585	5.191.312	4.080.727

The following assumptions were used in 2015 impairment tests:

Growth rate in perpetuity		
	Portugal	3,00% (1% real + 2% inflação)
	Spain	3,00% (1% real + 2% inflação)
Discount rate		
	Portugal	6,80%
	Spain	6,00%

The discount rate is presented net of taxes and was calculated based on the WACC (Weighted Average Cost of Capital).

SOL units impairment tests assumptions

The growth rate of sales of each unit depends on the expected evolution of traffic in the different sections of highways and capture rate of the service areas particularly the restaurants. The decision to start charging tolls on highways (ex-scuts), affected very negatively the exploitation of service areas (gas stations and restaurants) due to the sharp decline in traffic and, simultaneously, to the change of consumer habits. In the last two years we began a traffic recovery, although at a slow pace and very differentiated from sector to sector.

The critical variables of this business (SOL units) are identical to all other restaurants: the number of transactions and income per transaction.

The income per transaction, that had suffered a substantial decrease in 2012, has been recovering with a tendency to stabilize. The evolution of the number of transactions, in some locations, has not increase the same way as other food businesses because it depends on specific circumstances:
- traffic evolution and alternative conditions in the different sections;
- capture traffic from units located in those sectors.

Whereas the capture seems to have been influenced by factors difficult to measure:
- Weight of the "low costs" in the fuel sale offer;
- Extension the convenience stores of gas stations;
- Pace of recovery of the consumer habits in the service areas.

Over the course of time the traffic evolution in each section is starting to show a consistent trend, however the evolution of customer acquisition rate is, as mentioned, a variable that has evolved in a less consistent way, due to factors whose impact it has proved difficult to anticipate with a reasonable degree of security, since the previous year's behaviour analysis does not allows adequately foresee of the future evolution.

Regarding these fluctuations, the base scenario of each year, which is translated in the annual budget, has been suffering adjustments that had been reflected in the referred impairments, although it seeks to adopt a realistic perspective for the long term projection.

In 2014, the sensitivity analysis of the discount rate is presented as follows:

Discount rate	Impairment	Additional impairment	Notes
5,85%	2.748.538		
6,35%	3.126.871		
6,85%	3.476.131		Impairment recorded value
7,35%	3.798.761	322.630	
7,85%	4.096.980	620.849	(1)
8,35%	4.458.541	982.410	
8,85%	4.876.131	1.400.000	(1)

(1) for a discounted rate in perpetuity change of 1% and 2% would result in a further loss of 620.000 euros and 1.400.000 euros respectively.

In 2014, the sensitivity analysis of the sales growth rate is presented as follows:

Sales growth in the period	Impairment	Additional impairment	Notes
over 2% of the base	843.678		
over 1% of the base	1.876.073		
base: between 2% and 6% (*)	3.476.131		impairment recorded value
less 1% of the base	5.155.898	1.679.767	
less 2% of the base	6.773.503	3.297.372	

*according to the location and the traffic development trend of 2014

In 2015, the sensitivity analysis of the discount rate is presented as follows:

Discount rate	Impairment	Additional impairment	Notes
5,80%	3.791.703		
6,30%	3.922.192		
6,80%	4.080.721		Impairment recorded value
7,30%	4.130.080	49.359	(1)
7,80%	4.224.054	143.333	(1)

(1) for a discounted rate in perpetuity change of 0.5% and 1% would result in a further loss of 49.000 euros and 143.000 euros respectively.

In 2015, the sensitivity analysis of the sales growth rate is presented as follows:

Sales growth in the period	Impairment	Additional impairment	Notes
over 2% of the base	2.492.664		
over 1% of the base	3.343.331		
base: between 2% and 6% (*)	4.080.721		impairment recorded value
less 1% of the base	4.747.327	666.606	
less 2% of the base	5.556.998	1.476.277	

*according to the location and the traffic development trend of 2015

In the years ended on 31 December 2015 and 2014, the following assets were used under a financial lease:

	2015		2014	
	Gross Amount	Accumulated depreciation	Gross Amount	Accumulated depreciation
Land and buildings	4.168	104	-	-
Equipment	638.400	44.459	-	-
Other tangible fixed assets	53.517	3.345	-	-
	696.086	47.908	-	-

In the years 2015 new lease agreements were signed with the amount of 696.086 eur.

About 151 thousand euros were capitalized in the year 2015 related to bank loans expense in Angola, the accumulated value at December 31, 2015 was of about 679 thousand euros.

9. INTANGIBLE ASSETS AND GOODWILL

Goodwill and intangible assets are broken down as follows:

	Dec-15	Dec-14
Goodwill	40.509.009	40.594.588
Intangible assets	11.431.869	13.493.705
	51.940.878	**54.088.293**

In the years ending on 31 December 2015 and 2014, 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 2014					
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**
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**

	Goodwill	Industrial property (2)	Other intangible Assets	Intangible Assets in progress (1)	Total
31 December 2015					
Initial net amount	40.594.588	10.397.012	608.722	2.487.970	54.088.293
Changes in consolidat. Perimeter	-	-	-	-	-
Currency conversion	-	-77.506	-	-37.454	-114.960
Additions	-	2.242.182	109.736	442.757	2.794.675
Decreases	-	7.075	71.086	-	78.161
Transfers	-85.579	66.401	-	-2.134.239	-2.153.417
Amortization in the year	-	1.141.796	302.608	-	1.444.404
Amortiz. by changes in the perimeter	-	-	-	-	-
Impairment in the year	-	1.151.148	-	-	1.151.148
Impairment reversion	-	-	-	-	-
Final net amount	**40.509.009**	**10.328.070**	**344.764**	**759.034**	**51.940.878**
31 December 2015					
Cost	42.370.687	23.375.701	5.918.825	759.034	72.424.247
Accumulated amortization	-	9.386.529	5.534.246	-	14.920.775
Accumulated impairment	1.861.678	3.661.102	39.815	-	5.562.594
Net amount	**40.509.009**	**10.328.070**	**344.764**	**759.034**	**51.940.878**

(1) in 2014, 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. In 2015, this amount was classified to other current debtors (Note 15).
(2) 2015 additions refers mainly to the extension of the term of the franchisee agreement concluded with Burger King.

Industrial property includes concessions and territorial rights of the group.

On 31 December 2015, the group's concessions, territorial rights and related lifetime are shown below:

Territorial Rights	No of years	Termination Date
Pans & Company	10	2016 (1)
Burger King	20	2035 (2)

Concession Rights	No of years	Termination Date
Área Serviços da Lusoponte	33	2032
Marina Expo	28	2026
Área Serviço Repsol 2ª Circular	18	2017
Marina de Portimão	60	2061
Área de serviço A8 Torres Vedras	20	2021
Área Serviço Aeroporto	20	2021
Pizza Hut Setúbal	14	2017
Pizza Hut Foz	10	2020
Pizza Hut e Pasta Caffé Cais Gaia	20	2024
Área Serviço Modivas	28	2031
Áreas Serviço Barcelos	30	2036
Áreas Serviço Alvão	30	2036
Áreas Serviço Lousada (Felgueiras)	24	2030
Áreas Serviço Vagos	24	2030
Áreas Serviço Aveiro	24	2030
Áreas Serviço Ovar	24	2030
Áreas Serviço Gulpilhares (Vilar do Para	24	2030
Áreas Serviço Talhada (Vouzela)	25	2031
Áreas Serviço Viseu	25	2031
Áreas Serviço Matosinhos	24	2030
Áreas Serviço Maia	26	2032

(1) contract renewed on March 01, 2016, expiring on December 31, 2021;
(2) in December 2015 was anticipated the renewal of this contract now ends for 2035.

With the same assumptions of the discount rate and growth (note 8) it was concluded that there is no additional impairment charges for intangible assets, in addition to the amounts referred in the note of tangible fixed assets.

The distribution of goodwill allocated to segments is presented as follows:

	Dec-15	Dec-14
Restaurants	11.104.988	11.104.988
Counters	25.349.831	25.349.831
Concessions and Catering	3.874.469	3.874.469
Other, write off and adjustments	179.721	265.300
	40.509.009	**40.594.588**

Changes in 2015 with the amount of 85.579 eur recorded in goodwill in 2014, reclassified to equity in 2015.

Goodwill allocation considering subsidiaries acquisition is made as follows:

CFU	Segment
Lurca	Counters
Vidisco	Restaurants
Iberusa	58% Restaurants, 17% Counters e 25% Concessions and Catering
QRM (catering)	Concessions and Catering
Iberking	Counters
Gravos	unallocated
Angola	Counters

Based on the Discounted Cash Flow (DCF) method, use value evaluations were made that sustain the recoverability of Goodwill.

With the same assumptions of the discount rate and growth (note 8) the impairment test are sustained by historical performance, the development expectations of the markets and the strategic development plans of each business.

With a reasonable change in key assumptions, impairment tests did not reveal evidence of impairment losses therefore sensitivity analyzes were not performed for goodwill.

10. FINANCIAL INVESTMENTS

The details on financial investments on 31 December 2015 and 2014 are as follows:

	Dec-15	Dec-14
Financial investments:		
Financial investments - joint controlled subsidiaries (2)	2.417.891	2.448.856
Other financial investments (1)	402.591	370.058
	2.820.482	**2.818.914**
Accumulated impairment losses	-	-
	2.820.482	**2.818.914**

(1) other financial investments concern investments (bellow 20%) in non listed companies.

(2) jointly controlled subsidiary UQ Consult, as described in Note 5, with the following breakdown:

	Dec-15	Dec-14
Goodwill (1)	2.168.982	2.168.982
Equity (2)	248.909	279.874
	2.417.891	2.448.856

(1) with evidence of impairment, tests were performed to the jointly controlled subsidiary UQ Consult, as follows:

Goodwill	2.168.982
Other net assets	248.909
Total	2.417.891
Impaiment test	**2.904.059**

With the same assumptions of the discount and growth rate set out in note 8, there is no impairment.

(2) reconciliation of equity and net income of the joint venture UQ Consult, is presented as follows:

	Dec-15	Dec-14
Equity	497.819	559.742
	50%	50%
	248.909	279.874
Net profit	-61.924	-97.868
	50%	50%
	-30.962	-48.935

On 31st December 2015 and 2014, the Balance Sheet, the Profit and Loss Account and Cash Flows statement of the of the jointly controlled interest UQ Consult in group Ibersol, were as follows

Balance sheet	Dec-15	Dec-14
Tangible and intangible assets	637.820	682.821
Receivables from third parties	875.158	915.702
Cash and cash equivalents	76.278	19.172
Accruals and deferrals	163.980	196.258
Total assets	1.753.236	1.813.953
Equity	497.819	559.742
Long term term debts	127.811	-
Short term debts	858.310	981.880
Accruals and deferrals	269.296	272.331
Total liabilities	1.255.417	1.254.211
Total equity and liabilities	1.753.236	1.813.953

Profit and loss account	Dec-15	Dec-14
Operating income	2.445.317	2.439.434
Operating costs	-2.459.029	-2.551.495
Net financing cost	-29.678	-21.724
Pre-tax income	-43.390	-133.785
Income tax	-18.534	35.917
Net profit	-61.924	-97.868

Cash flows statement	2015	2014
Flows from operating activities	154.519	141.961
Flows from investment activities	-38.155	-52.503
Flows from financing activities	-109.258	-21.640
Change in cash & cash equivalents	7.106	67.818

11. OTHER FINANCIAL ASSETS

The breakdown of other financial assets is presented as follows:

	Dec-15	Dec-14
Treasury bonds	7.098.836	-
	7.098.836	-

The amount of financial assets refers to the acquisition of Angola treasury bonds, resettable in accordance with the variation of the National Bank of Angola (BNA) exchange rate for the purchase of United States dollars, with rates interest coupon of default by maturity, with the following conditions:

	1st acquisition	2nd acquisition	3rd acquisition
Issue data	04-11-2015	24-11-2015	02-12-2015
Due date	27-10-2017	01-12-2017	24-11-2017
BNA exchange rate	134,634	134,642	134,638
Amount	2.073	2.070	2.073
Acquisition price	2.367.350 €	2.364.065 €	2.367.421 €
Gross annual return	7%	7%	7%

12. OTHER NON-CURRENT ASSETS

The details on other non-current assets on 31 December 2015 and 2014 are as follows:

	Dec-15	Dec-14
Other debtors:		
Deposits (1)	693.974	703.550
Credits granted (2)	849.364	942.776
Other non-current assets	**1.543.338**	**1.646.326**
Accumulated impairment losses	134.342	158.512
	1.408.996	**1.487.814**

(1) balance of long term deposits and securities from Spain subsidiaries, resulting from lease agreements.

(2) Spain franchising debts concerning granted financing in subsidiary Vidisco, with a payment agreement.

The future (contractual) Cash Flows concerning these liabilities on 31 December 2015 are broken down as follows:

	FC 2017	FC 2018	FC 2019	FC 2020	FC 2021/24	FC 2025
Loan	27.693	29.475	31.371	33.388	146.123	8.762
Financial lease	46.002	44.763	56.308	55.462	235.675	-

With no history of non-payment, Ibersol assigned a rating of "compliance with difficulties" to the Vidisco franchisee because the payment period exceed 60 days and there was a renegotiation of payment terms in 2014.

13. STOCKS

On 31 December 2015 and 2014, stocks were broken down as follows:

	Dec-15	Dec-14
Raw material and consumables	7.602.010	5.892.549
Merchandise	184.042	119.759
	7.786.052	**6.012.308**
Accumulated impairment losses	74.981	74.981
Net stocks	**7.711.071**	**5.937.327**

The increase in the value of stocks is essentially the result of the need to supply restaurants in Angola.

14. CASH AND CASH EQUIVALENTS

On 31st December 2015 and 2014, cash and cash equivalents are broken as follows:

	Dec-15	Dec-14
Cash	694.890	604.978
Bank deposits	13.775.286	12.960.898
Treasury applications	906	906
Cash and bank deposits in the balance sheet	14.471.082	13.566.782
Bank overdrafts	-45.875	-95.169
Cash and cash equivalents in the cash flow statement (1)	14.425.207	13.471.613

(1) there are no significant cash and cash equivalents unavailable for use by the Ibersol group. Of this amount 2.671.851 eur are deposited in Angola existing restrictions on its use outside the country, authorization from BNA (Angola central bank) and access to the purchase of foreign currency is required.

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 17).

The amount of other payments / receipts relating to operating activities in the consolidated cash flow statement include, essentially, payments to Social Security, VAT and related to other debtors and creditors.

15. OTHER CURRENT ASSETS AND INCOME TAX RECEIVABLE

Other current assets on 31st December 2015 and 2014 are broken down as follows:

	Dec-15	Dec-14
Clients (1)	3.688.266	3.733.279
State and other public entities (2)	203.710	219.434
Other debtors (3)	4.876.466	3.331.421
Advances to suplliers	94.089	321.639
Accruals and income (4)	1.591.708	1.042.710
Deferred costs (5)	1.781.688	1.693.763
Other current assets	**12.235.927**	**10.342.246**
Accumulated impairment losses	1.442.527	1.386.568
	10.793.400	**8.955.678**

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

(2) Current balance of recoverable VAT amounts (175.984 euros in 2015).

(3) Balance refers mainly to meal vouchers (delivered by customers), advances and balances suppliers, debts to suppliers, recovery of costs and the marketing contributions and rappel debt. Additionally, it includes the amount reclassified from intangible assets in progress (Note 9) amounting to 2.071.479 eur corresponding to the amount paid for the concessions with no opening and that will be returned in 2016.

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

	Dec-15	Dec-14
Interest	129.080	84.548
Suppliers contracts	1.089.404	566.487
Other	373.224	391.674
	1.591.708	**1.042.710**

(5) Deferred costs are broken down as follows:

	Dec-15	Dec-14
Rents and condominium fees	1.112.940	1.034.534
External supplies and services	249.786	138.004
Expenses with raw material	121.209	207.878
Other	297.753	313.347
	1.781.688	**1.693.763**

Financial assets impairment is broken down as follows:

	Dec-15		Dec-14	
	With Impairment	Without Impairment	With Impairment	Without Impairment
Clients c/a	1.023.033	2.665.233	977.285	2.755.994
Other debtors	419.493	4.456.973	409.282	2.922.139
	1.442.527	**7.122.205**	**1.386.567**	**5.678.133**

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

	Dec-15	Dec-14
Debt not due	3.131.152	1.431.193
Debt due:		
For less than 1 month	952.865	789.238
From one to three months	742.384	1.381.945
Over three months	2.295.803	2.075.756
	7.122.205	5.678.133

Group main activity is carried out with sales paid in cash or credit or debit card (Note 3b). The measurement of credit quality of the outstanding assets without impairment is not relevant.

In catering, usually customers pay by advance in the hiring of the event. The amount of other clients corresponds mainly to airlines from Lisbon airport concessions and the catering services contract to a grantor. And in other debtors, the balance is mainly made up of debtors suppliers, debts to suppliers for the recovery of costs and the marketing contributions and rappel, witch are not at risk because they are covered by liabilities on the same suppliers.

December 31, 2015 accounts receivable not due without impairment, is presented as follows:

	amount	Default history
Franchise clients	218.174	with default history
Franchise clients	109.608	no default history
Catering clients	325.996	no default history
Catering clients	10.240	with default history
Other clients	46.433	no default history
Other clients	40.445	with default history
Other debtors c/c	308.777	n/a
Ascendi - assets in progress transfer	2.071.479	n/a
	3.131.152	

Impairment losses in the year 2015 and 2014 regarding other current assets are broken down as follows:

Dec-15	Starting balance	Cancellation	Losses in the Year (note 26)	Impairment reversion (note 26)	Closing balance
Clients c/ a	977.285	-	116.279	-70.532	1.023.033
Other debtors	409.282	24.170	-13.958	-	419.494
Other debtors (Note 12)	158.512	-24.170	-	-	134.342
	1.545.080	-	102.321	-70.532	1.576.869

Dec-14	Starting balance	Transfer	Losses in the Year (note 26)	Impairment reversion (note 26)	Closing balance
Clients c/ a	863.361	-	157.368	-43.444	977.285
Other debtors	304.107	-	105.175	-	409.282
Other debtors (Note 12)	-	-	158.512	-	158.512
	1.167.468	-	421.055	-43.444	1.545.080

On 31st December 2015, income tax receivable amounts to 144.108 euros (9.859 euros in 2014), presented as follows:

	Dec-15	Dec-14
Other witholding taxes	141.588	2.341
Income tax (Restmon)	2.519	7.518
	144.108	9.859

16. SHARE CAPITAL

On 31st December 2015 and 2014, 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 2015 and 2014 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 parent individual financial statements, which show the available amount of 60.207.070 euros.

There are no limits to Ibersol's ability to assign or use Group assets and settle Group liabilities, other than those which result directly from the law.

An additional breakdown of the reserves item in the balance sheet was made in order to align the consolidated statement of equity changes and the consolidated statement of financial position of the group Ibersol.

In the years ending on 31 December 2015 and 2014, the non-controlling interests were as follows:

	Dec-15	Dec-14
Ibersande	4.905.211	4.754.197
IBR Imobiliária, S.A.	244.783	243.881
Gravos 2012	16.548	16.626
Restmon	-26.307	-19.270
Others	-18.548	-18.548
	5.121.687	**4.976.886**

Movements in the year in 2015 and 2014 in non-controlling interests were as follows:

	2015	2014
1st January	4.976.886	4.957.161
Increases (1)	144.800	159.146
Decreases (2)	-	-139.421
31st December	5.121.686	4.976.886

(1) changes in the non-controlling interests in 2015 and 2014 are relate to non-controlling interest income of the year.
(2) concerning the 2014 purchase of 18% of the subsidiary Gravos 2012, S.A. to non-controlling interests, as mentioned in Note 5.2.1.

On 31st December 2015 and 2014, the Balance Sheet, the Profit and Loss Account and Cash Flows statement of the of the non-controlling interest Ibersande in group Ibersol, were as follows:

Balance sheet	Dec-15	Dec-14
Non-current assets	20.246.752	20.541.655
Current assets	7.703.636	6.607.781
Total assets	27.950.388	27.149.436
Equity (1)	24.526.055	23.770.984
Non-current liabilities	76.508	-
Current liabilities	3.347.825	3.378.452
Total liabilities	3.424.333	3.378.452
Total equity and liabilities	27.950.388	27.149.436

Profit and loss account	Dec-15	Dec-14
Operating income	14.109.109	13.748.422
Operating costs	-13.586.152	-13.339.102
Net financing cost	341.384	371.438
Pre-tax income	864.341	780.758
Income tax	-149.268	18.355
Net profit (1)	715.073	799.113

Cash flows statement	2015	2014
Flows from operating activities	777.712	758.869
Flows from investment activities	305.783	-59.509
Flows from financing activities	-8.116	-1.848
Change in cash & cash equivalents	1.075.379	697.512

(1) reconciliation of equity and profit of the uncontrolled interest Ibersande, is presented as follows:

	Dec-15	Dec-14
Equity	24.526.055	23.770.984
	20%	20%
	4.905.211	4.754.197
Net profit	715.073	799.113
	20%	20%
	143.015	159.823

17. LOANS

On 31 December 2015 and 2014, current and non-current loans were broken down as follows:

Non-current	Dec-15	Dec-14
Bank loans	16.572.686	15.278.060
Commercial paper programmes	8.250.000	8.750.000
Financial leasing	487.088	-
	25.309.774	**24.028.060**

Current	Dec-15	Dec-14
Bank overdrafts	45.875	95.169
Bank loans	6.677.673	3.741.568
Commercial paper programmes	11.250.000	10.750.000
Derivative financial instrument (1)	-	217.020
Financial Leasing	151.981	-
	18.125.529	**14.803.757**
Total loans	**43.435.303**	**38.831.817**
Average interest rate	**3,8%**	**4,3%**

(1) reclassified to note 20 in 2015.

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-15	Dec-14
From 1 to 2 years	12.277.387	10.110.558
From 2 to 5 years	12.427.096	13.902.757
> 5 years	118.203	14.746
	24.822.686	**24.028.060**

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 2015 and 2014 were as follows:

	Dec-15	Dec-14
EUR	29.089.215	31.280.550
USD	2.000.000	3.125.000
AOA	1.747.708.332	610.208.343

At the end of the year the Group had 21,6 million euros of unissued commercial paper programmes and available but not disposable credit lines.

There are no covenants on loans or commercial paper contracted as of December 31, 2015 and 2014.

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

	Dec-15	Dec-14
Outstanding capital:		
Up to 1 year	151.981	-
Over 1 year and until 5 years	487.088	-
	639.069	-

The future (contractual) Cash Flows concerning the above stated financial liabilities on 31 December 2015 are broken down as follows:

	FC 2016	FC 2017	FC 2018	FC 2019	FC 2020	FC 2021/28
Bank loans	6.677.673	9.277.387	3.703.803	2.595.007	564.933	431.556
Commercial paper programmes	11.250.000	3.000.000	3.250.000	2.000.000	-	-
Financial Leasing	151.981	154.113	156.290	124.014	52.671	-
Interest	2.014.443	1.532.822	556.097	237.024	70.186	10.577

18. DEFERRED TAXES

18.1. Deferred tax liabilities

Deferred tax liabilities on 31st December 2015 and 2014, according to the temporary differences that generated them, are broken down as follows:

Deferred tax liabilities	**Dec-15**	**Dec-14**
Amortization and depreciation standardization (1)	9.159.985	9.936.832
Tangible fixed assets and intangible asset impairment losses (2)	-	-2.986.362
Temporary differences in Spain (3)	718.378	645.100
Other temporary differences	167.762	107.273
	10.046.125	**7.702.843**

(1) the deferred tax homogenization depreciation corresponds to the difference in depreciation between the individual and consolidated accounts which by 2010 were prepared on different criteria. This value will reduce over the years.
(2) reclassification of 2.986.362 eur for deferred tax assets, leaving the compensation in deferred tax liabilities.
(3) relate mainly to UTE income of the year, with the incorporation in its subsidiaries carried out with the postponement of a year, in compliance with the regulations in force in Spain.

18.2. Deferred tax assets

Deferred tax assets on 31st December 2015 and 2014, according to the temporary differences that generate them, are broken down as follows:

Deferred tax assets	**Dec-15**	**Dec-14**
Reportable fiscal losses	122.890	259.367
Tangible fixed assets and intangible asset impairment losses (1)	3.019.368	-
Other temporary differences	152.288	272.051
	3.294.546	**531.418**

(1) reclassification of 2.986.362 eur of deferred tax liabilities.

Prudently the group did not recognise deferred tax assets in the amount of 73.124 euros referring to fiscal losses of 348.209 euros which may be deducted from future taxable income.

Fiscal reports and its deferred tax assets by jurisdiction are:

Limit year of use	2017	2018	2026	2027	unlimited	Total
Start year	2012	2013	2014	2015		
Portugal						
with deferred tax (21%)						-
without deferred tax	84.121	66.878	28.523	22.080		201.602
Spain						
with deferred tax (28%)					438.894	438.894
without deferred tax						
	84.121	66.878	28.523	22.080	438.894	640.496
Deferred tax assets						
Portugal						-
Spain					122.890	122.890
					122.890	122.890

Other temporary differences	
Swap (Portugal)	40.860
Tangible fixed assets and intangible asset impairment losses	3.019.368
Impairment of debt accounts (Spain)	43.953
Exc.amort.subsidiaries Lurca (Spain)	67.474
	3.171.656

For use in subsequent years (by 2018) there are 27.848 euros of tax benefits (CFEI) on December, 31st 2015.

Tax rates of the jurisdictions in which the Group is present are:

Portugal	21%
Spain	28%
Angola	30%

Why are not met or are not significant, they were not recognized deferred tax assets relating to:

(a) use of future income deferred tax assets higher than the profits arising from the reversal of existing taxable temporary differences.
(b) the entity has suffered a tax loss in either the current period or the preceding period in the tax jurisdiction to which it relates the active deferred tax.

In the year 2015 changes in deferred tax were as follows:

	Assets	**Liabilities**	**Income and loss account (Note 28)**
Starting balance	531.418	7.702.843	
Temporary differences in the year	-205.241	-579.581	
Reclassification of liabilities to assets - Impairment of assets	2.986.362	2.986.362	
Tax rate change in the year (Spain)	-17.993	-63.499	
Closing balance	3.294.546	10.046.125	419.846

19. PROVISIONS

On 31 December 2015 and 2014, provisions were broken down as follows:

	Dec-15	Dec-14
Legal processes	5.257	5.257
Income tax (1)	828.705	-
Other	28.000	26.861
Provisions	**861.962**	**32.118**

(1) provision concerning 2014 income tax calculation for tax benefits in the process of confirmation of their implementation.

20. DERIVATIVE FINANCIAL INSTRUMENT

On December 31, 2015 and 2014 the detail of Ibersol derivative financial instruments is presented as follows:

	Dez-15	Dez-14
Swap (1)	181.602	-
Derivative financial instruments	**181.602**	-

(1) amount reclassified from the 2014 loans.

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.

This derivative is classified as a level 2 category and its technical valuation based on a market approach (MTM).

As the derivative financial instrument was not registered under hedge accounting, its changes in fair value are reflected in the income of the year (35.418 euros, Note 27).

21. OTHER NON-CURRENT LIABILITIES

On 31st December 2015 and 2014, the item “Other non-current liabilities” may be broken down as follows:

	Dec-15	Dec-14
Other creditors (1)	239.713	268.561
Financial investments debt	-	-
Other non-current liabilities	239.713	268.561

(1) includes 225.976 euros referring to the debt for the purchase of Vidisco;

On 31 December 2015 the future (contractual) Cash Flows associated to these liabilities are broken down as follows:

	FC 2017	FC 2018	FC 2019	FC 2020	FC 2021	FC 2022/2023
Other creditors	42.585	28.848	28.848	28.848	28.848	81.736
Financial investments debt	-	-	-	-	-	-

22. ACCOUNTS PAYABLE TO SUPPLIERS AND ACCRUED COSTS

On 31st December 2015 and 2014, accounts payable to suppliers and accrued costs were broken down as follows:

	Dec-15	Dec-14
Suppliers c/ a	18.294.882	19.093.772
Suppliers - invoices pending approval	2.503.411	1.749.007
Suppliers of fixed assets c/ a	11.033.651	6.303.369
Total accounts payable to suppliers	31.831.944	27.146.148

	Dec-15	Dec-14
Accrued costs - Payable insurance	74.294	40.865
Accrued costs - Payable remunerations	4.712.230	4.484.987
Accrued costs - Performance bonus	927.286	746.991
Accrued costs - Payable interest	148.443	117.740
Accrued costs - External services	3.076.374	3.081.901
Accrued costs - Other	627.597	915.468
Total acrrued costs	9.566.224	9.387.952
Total accounts payable to suppl.and accrued costs	41.398.168	36.534.100

23. OTHER CURRENT LIABILITIES AND INCOME TAX PAYABLE

On 31st December 2015 and 2014, the item “Other current liabilities” may be broken down as follows:

	Dec-15	Dec-14
Other creditors (1)	1.986.777	1.603.073
State and other public entities (2)	6.020.854	5.587.781
Deferred income (3)	709.493	1.374.807
	8.717.124	8.565.661

(1) amount due to services provided by third parties and accounts payable to personnel.

(2) balance due mainly to payable VAT amounts (3.553.073 euros) and Social Security (1.883.934 euros).

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

	Dec-15	Dec-14
Contracts with suppliers (1)	547.603	1.232.690
Franchising rights	9.811	38.457
Investment subvention	144.610	96.191
Other	7.469	7.469
	709.493	1.374.807

(1) the value of contracts with suppliers corresponds to revenue obtained from suppliers in 2015 and in 2014 and referring to subsequent years.

Income tax payable in the years ending on 31 December 2015 and 2014 are broken down as follows:

	Dec-15	Dec-14
RETGS (1)	1.099.991	813.403
Inverpeninsular group (2)	217.498	88.227
Other (3)	73.054	355.769
	1.390.543	1.257.399

(1) figures are detailed as follows:

	2015	2014
Payments on account (PEC)	-101.355	-82.239
Payments on account	-1.652.622	-851.829
Withholding taxes	-	-66.974
Income tax - parent	24.154	68.527
Income tax - Special taxation (RETGS)	2.829.814	1.745.918
Total	1.099.991	813.403

(2) subsidiaries fiscal and tax Group, headquarter in Spain;
(3) excluded from the special taxation of corporate groups (RETGS), income tax to be paid by subsidiaries Ibersol Angola and Iberusa ACE.

24. EXTERNAL SERVICES AND SUPPLIES

External services and supplies in the years ending on 31 December 2015 and 2014 are broken down as follows:

	2015	2014
Electricity, water, fuel and other fluids	9.360.805	8.635.389
Rents and rentals	18.365.141	17.850.429
Condominium	3.691.778	3.875.803
Communications	448.419	499.371
Insurance	421.776	401.159
Short-lasting toolsandutensils and office materials	1.275.435	1.018.999
Royalties	8.661.029	7.126.709
Travel and accommodations and merchandise transport	1.341.904	1.243.512
Services fees	1.474.513	1.280.836
Conservation and repairs	4.541.013	4.339.766
Advertising and propaganda	8.194.284	6.827.030
Cleaning, hygiene and comfort	2.048.343	1.798.093
Specialised works	4.389.196	4.049.063
Other ESS'	1.947.575	1.802.743
	66.161.210	60.748.902

Costs increase is primarily associated with increased activity. The increase in energy prices and marketing campaigns justify the additional increments of items "Electricity, water, fuel and other fluids" and "Advertising and propaganda".

25. PERSONNEL COSTS

Employee expense in the years ending on 31st December 2015 and 2014 are broken down as follows:

	2015	2014
Salaries and wages	49.390.502	43.960.737
Social security contributions	11.610.747	10.760.014
Work accident insurance	538.865	475.563
Social action costs	7.932	8.450
Personnel meals	2.353.961	2.121.377
Other personnel costs (1)	576.367	597.988
	64.478.374	57.924.129
Average number of employees	5.624	4.927

(1) Other personnel costs include compensation, employee recruitment and training and medicine.

26. OTHER OPERATING INCOME AND COSTS

Other operating costs in the years ending on 31st December 2015 and 2014 are broken down as follows:

	2015	2014
Direct/indirect taxes not assigned to operating activities	635.363	562.577
Losses in fixed assets	497.424	354.434
Membership fees	31.601	32.710
Impairment adjustments	116.279	421.055
Donations	35.693	35.368
Samples and inventory offers	37.329	23.886
Stock losses	-	19.967
Bad debts	-	25.959
Compensation	21.537	68.387
Other operating costs	8.144	4.135
	1.383.370	1.548.479

Other operating income in the years ending on 31 December 2015 and 2014 are broken down as follows:

	2015	2014
Supplementary income (1)	1.962.398	1.778.452
Operating grants	155.530	167.883
Impairment adjustments reversion	70.532	43.444
Investment grants	34.317	90.682
Gains in fixed assets	250	85.051
Other operating gains	8.747	7.400
	2.231.774	2.172.911

(1) mainly revenues related to contracts with suppliers.

27. NET FINANCING COST

Net financing cost in the years ending on 31st December 2015 and 2014 are broken down as follows:

	2015	2014
Interest paid	1.261.542	1.469.109
Interest earned	-72.663	-93.348
Currency exchange differences (1)	2.366.406	-130.457
Payment discounts obtained	-9.321	-6.364
Other financial costs and income	733.787	601.513
	4.279.751	1.840.453

(1) the devaluation of Kwanza (AOA) against major currencies, with particular emphasis on the USD led to potential unfavorable exchange rate differences in Angola for updating assets and liabilities in foreign currency.

The detail of other financial costs and income, is presented as follows:

	2015	2014
Bank services	313.533	250.483
Financial instruments - cash flow hedge (Nota 20)	-35.418	78.826
Commercial paper programmes charges	238.408	263.895
Other commissions (1)	218.320	9.041
Other financial cost and gains	-1.056	-731
	733.787	601.513

(1) amount related mainly to guarantees bank charges and financing charges of the subsidiary Ibersol Angola.

28. INCOME TAX

Income tax recognised in the years 2015 and 2014 are broken down as follows:

	Dec-15	Dec-14
Current taxes	3.704.062	2.771.018
Deferred taxes (Note 18)	-419.846	-1.640.563
	3.284.216	1.130.455

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:

	2015	2014
Pre-tax profit	**14.011.282**	**9.045.689**
Tax calculated at the appliacble tax rate in Portugal (22,5%/24,5%)	**3.152.538**	**2.216.194**
Fiscal effect caused by:		
Correction deferred tax	-81.492	-1.160.585
Credit tax investment (CFEI) effects	-249.182	-152.789
Special tax (independent)	123.870	132.483
Tax pours	130.622	-
Write-off deferred tax (assets)	116.534	-
Other effects	91.325	95.152
Income Tax Expenses	3.284.216	1.130.455

The income tax rate was of 23%.In 2014 of 12%, lower than the nominal rate, mainly due to the update of deferred tax, by changes in income tax rate.

29. INCOME PER SHARE

Income per share in the years ending on 31st December 2015 and 2014 was calculated as follows:

	Dec-15	Dec-14
Profit payable to shareholders	10.582.266	7.756.088
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)	0,59	0,43
Earnings diluted per share (€ per share)	0,59	0,43
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.

30. FINANCIAL ASSETS AND LIABILITIES

At the end of the year 2015 and 2014, financial assets and liabilities were broken down as follows:

Financial Assets	Category	Accounting Value 2015	2014	Valuation Method
Other non-current assets	Accounts receivable	1.408.996	1.487.814	Amortized cost
Other financial assets	Fair value with changes in results	7.098.836	-	Cost
Financial assets available for sale	Available for sale	402.591	370.058	Cost
Cash and cash equivalents	Accounts receivable	14.471.082	13.566.782	Amortized cost
Clients	Accounts receivable	3.688.266	3.733.279	Amortized cost
State and other public entities	Accounts receivable	347.818	229.293	Amortized cost
Other debtors	Accounts receivable	4.876.466	3.331.421	Amortized cost
Advances to suppliers	Accounts receivable	94.089	321.639	Amortized cost
		32.388.144	23.040.286	

Financial Liabilites	Category	Accounting Value 2015	2014	Valuation Method
Loans	Other liabilities	42.796.234	38.831.817	Amortized cost
Financial leasing	Other liabilities	639.069	-	Amortized cost
Suppliers	Other liabilities	31.831.944	27.146.148	Amortized cost
State and other public entities	Other liabilities	7.411.397	6.845.180	Amortized cost
Other creditors	Other liabilities	2.226.490	1.871.634	Amortized cost
		84.905.134	74.694.779	

Only Financial Assets (such as Clients and Other Debtors) presents impairment losses, as Note 15. On 31st December 2015 and 2014, gains or losses related with these financial assets and liabilities were as follows:

	Profit/ (Loss) Dec-15	Dec-14
Accounts receivable	-31.789	-377.612
Assets available for sale	-	-
Assets at amortised cost	-	-
	-31.789	**-377.612**

The interest of financial assets and liabilities were as follows:

	Interest	
	Dec-15	Dec-14
Accounts receivable	-	-
Assets available for sale	-	-
Liabilities at amortised cost	1.261.542	1.469.109
	1.261.542	**1.469.109**

The exchange rate differences of financial assets and liabilities were as follows:

	Exchange rate	
	Dec-15	Dec-14
Accounts receivable	-	-
Assets available for sale	-	-
Liabilities at amortised cost	2.366.406	-130.457
	2.366.406	**-130.457**

31. DIVIDENDS

At the General Meeting of 30th April 2015, the company decided to pay a gross dividend of 0,055 euros per share (0,055 euros in 2014), representing a total value of 990.000 euros for outstanding shares (990.000 euros in 2014), settled on May 29th, 2015.

32. 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 2015, responsibilities not recorded by the companies and included in the consolidation consist mainly of bank guarantees given on their behalf, as shown below:

	Dec-15	Dec-14
Bank guarantees	1.875.027	1.884.411

On type of coverage, bank guarantees are as follows:

Leases and rents	Fiscal and legal proceedings	Other legal claims	Other supply contracts
1.766.170	68.027	8.731	32.100

The relevant amount comes from the guarantees required by the owners of spaces concession (Ana Airports) or leased (shopping centers).

33. COMMITMENTS

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

34. TRANSACTIONS WITH RELATED PARTIES

The related parties of Ibersol group are:

- António Carlos Vaz Pinto de Sousa – 1.400 shares (*)
- António Alberto Guerra Leal Teixeira – 1.400 shares (*)
- ATPS, SGPS, SA – 10.981.701 shares

(*) ATPS voting rights are also attributable to Antonio Carlos Vaz Pinto de Sousa and António Alberto Guerra Leal Teixeira under subparagraph b) of paragraph 1 of article 20 and paragraph 1 Article 21, both of the Portuguese Market Code, by holding the domain of ATPS, in which they participate indirectly in equal parts by their companies, respectively, CALUM - SERVIÇOS E GESTÃO, S.A. with the NIPC 513799486 and DUNBAR - SERVIÇOS E GESTÃO, S.A with the NIPC 513799257, which together hold the majority of the capital of ATPS.

- Joint controlled entities – UQ Consult

With respect to the balances and transactions with related entities, the overall value of the balances and transactions of the Group with the joint controlled UQ Consult relates mainly to support services and management information systems, and was, respectively, 664.604 and 2.373. 754 euros.

- Administrators

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 800.000 euros (756.034 euros in 2014), 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. <u>IMPAIRMENT</u>

Movements during the years 2015 and 2014, under the heading of asset impairment losses were as follows:

	Dec-15					
	Starting balance	**Transfer**	**Impairment assets disposals**	**Losses in the Year**	**Impairment reversion**	**Closing balance**
Tangible fixed assets	8.469.432	-	-1.617.285	2.929.579	- 148.054	9.633.672
Goodwill	1.861.678	-	-	-	-	1.861.678
Intangible assets	2.581.631	-	-31.862	1.151.148	-	3.700.917
Stocks	74.981	-	-	-	-	74.981
Other current assets	1.386.567	24.170	-	102.321	-70.532	1.442.527
Other non current assets	158.512	- 24.170	-	-	-	134.342
	14.532.802	-	-1.649.147	4.183.048	-218.586	16.848.116

	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
Goodwill	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

The impairment losses of tangible fixed assets and intangible assets are detailed as follows:

	Year 2015		
	Tangible fixed assets	Intangible assets	Total
Pizza Hut (1 restaurant)	125.786	-	125.786
Pasta caffe (1 restaurant)	110.348	-	110.348
Sol (7 units)	1.948.056	1.151.148	3.099.204
Pizza Móvil (2 restaurants)	281.561	-	281.561
Miit (2 units)	463.827	-	463.827
	2.929.578	1.151.148	4.080.726

	Year 2014		
	Tangible fixed assets	Intangible assets	Total
Pizza Hut (5 restaurants)	633.891	-	633.891
Pans (1 unit)	136.184	-	136.184
Sol (8 units)	2.174.931	1.301.200	3.476.131
Pizza Móvil (3 units)	280.988	-	280.988
Okilo (1 unit)	190.270	-	190.270
	3.416.264	1.301.200	4.717.464

Instatement of assets associated impairment losses are detailed as follows:

	Year 2015
Pizza Hut (2 unidades)	334.131
Pans (2 unidades)	397.675
Pasta Caffe (2 unidades)	196.159
Pizza Móvil (1 unidade)	196.669
Okilo (2 unidades)	343.062
KFC (1 unidade)	181.235
Flor d'Oliveira (1 unidade)	216
	1.649.147

	Year 2014
Pizza Hut (1 unidade)	223.039
Pans (2 unidades)	350.773
Pasta Caffe (2 unidades)	494.089
Pizza Móvil (2 unidades)	299.378
Okilo (1 unidade)	104.552
	1.471.832

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 2015, are as follows:

Standards:

a) Annual Improvements 2011 - 2013. The 2011-2013 annual improvements affects: IFRS 1, IFRS 3, IFRS 13 and IAS 40. t. The adoption of this improvement had no impact in the financial statements.

Interpretations:

a) IFRIC 21 (new), 'Levies'. 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 adoption of this amendment had no impact in the financial statements.

2) The following standards and amendments to existing standards have been published and are mandatory for the accounting periods beginning on or after 1 February 2015, but that the Entity has not early adopted:

Standards:

a) Annual Improvements 2010 - 2012, (generally effective for annual periods beginning on or after 1 February 2015). The 2010-2012 annual improvements affects: IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16 and 38, and IAS 24. It is not expected that its application has significant impacts.

b) IAS 19 (amendment), 'Defined benefit plans – Employee contributions' (effective for annual periods beginning on or after 1 February 2015). This amendment applies to contributions from employees or third parties to defined benefit plans and aims to simplify the accounting when contributions are not associated to the number of years of service. This standard is not applicable to the entity, which has no defined benefit plans.

c) IAS 1 (amendment), 'Disclosure initiative' (effective for annual periods beginning on or after 1 January 2016). This amendment provides guidance on materiality and aggregation, the presentation of subtotals, the structure of financial statements, the disclosure of accounting policies and OCI items presentation when arising from investments measured at equity method. It is not expected that its application has significant impacts.

d) 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 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. This amendment applies prospectively. It is not expected that its application has significant impacts on the consolidated financial statements of future periods.

e) IAS 16 and IAS 41 (amendment), 'Agriculture: bearer plants' (effective for annual periods beginning on or after 1 January 2016). 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. This standard is not applicable to the entity.

f) IAS 27 (amendment), 'Equity method in separate financial statements' (effective for annual periods beginning on or after 1 January 2016). 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. This standard is not applicable to the entity.

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 the European Union. This amendment clarifies that the exemption from the obligation to prepare consolidated financial statements by investment entities applies to an intermediate parent which is a subsidiary of an investment entity. The policy choice to apply the 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 acquisition of interests in joint operations (effective for annual periods beginning on or after 1 January 2016). This amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business, through the application of IFRS 3's principles. It is not expected that its application has significant impacts.

i) Annual Improvements 2012 - 2014, (effective for annual periods beginning on or after 1 January 2016). 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.

j) IFRS 9 (new), 'Financial instruments' (effective for annual periods beginning on or after 1 January 2018). This standard is still subject to endorsement by the 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.

k) IFRS 15 (new), 'Revenue from contracts with customers' (effective for annual periods beginning on or after 1 January 2018). 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.

37. SUBSEQUENT EVENTS

There were no subsequent events as of 31 December 2015 that may have a material impact on these financial statements, besides having negotiated the extension of the Pans franchise agreement to 2021 and have completed Ascendi compensation agreement, concerning the introduction of tolls on former Scuts, which will result in an annual financial contribution linked to the development of traffic.

38. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors and authorised for emission on 5th April 2016.

Responsibility Statement

In accordance with paragraph c) number 1 of article 245 of the Portuguese Securities Market Code the Fiscal Board informs as far as its members know and regarding the elements we assessed, the information contained in the individual and consolidated financial statements of 2015 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, 6th April 2016

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 2015.

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-SROC***, 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 2015 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, SROC.***

The Fiscal Board also examined the compliance of the Corporate Governance Report included in the Management Report in compliance to the nº 5 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 :

a) The management reports, the financial consolidated and individual statements of 2015 and respective annexes, namely the Governance Report, annexed to the Management Report and Consolidated Accounts;

b) The proposal of distribution of year-end results presented by the Board of directors.

Porto, 6th April 2016

The Fiscal Board

The President
Joaquim Alexandre de Oliveira e 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 2015, (which shows total assets of Euros 241,316,543, a total shareholder's equity of Euros 135,046,003 which includes non-controlling interests of Euros 5,121,687 and a net profit of Euros 10,582,266), 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.

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5 Our audit also covered the verification that the financial information included in the Director's report is in consistent with the financial statements, as well as the verification set forth in paragraph 4 and 5 of article 451º of the company's 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 2015, 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.

6 April 2016

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represented by:

Hermínio António Paulos Afonso, R.O.C.