IBERSOL – SGPS, SA

Publicly Listed Company

Registered office: Praça do Bom Sucesso, 105/159, 9th floor, Porto

Share Capital Euros 30.000.000

Commercial Registry: Oporto under number 501669477

Fiscal number: 501669477

Consolidated Report & Accounts
1st Half 2017

- **Consolidated Turnover of 204.4 million euros**
- **Turnover without Eat Out Group (EOG) of 129.2 million euros**
  Increase of 19.4% over the adjusted 1st half of 2016

- **Consolidated EBITDA reached 25.7 million euros**
- **Adjusted EBITDA without EOG of 18.0 million euros**
  Ebitda increased 29.2% over the adjusted 1st half of 2016

- **Consolidated net profit of 9.7 million euros**
- **Consolidated net profit without EOG of 9.0 million euros**
  Increase of 58.6% when compared to the adjusted 1st half of 2016

Consolidated Management Report

Activity

Consolidated turnover in the first half of 2017 amounted to EUR 204.4 million (EUR 129.2 million without Eat Out Group) compared to EUR 108.1 million in the same period of the previous year, broken down as follows:

Turnover	1st H17 w/EOG		EOG	TOTAL 1st H17	
	euro million	% Ch. 17/16	euro million	euro million	% Ch. 17/16
Sales of Restaurants	127,64	19,6%	73,09	200,73	88,0%
Sales of Merchandise	1,25	25,8%	0,00	1,25	25,8%
Services Rendered	0,28	-28,6%	2,10	2,38	510,2%
Net Sales & Services	129,16	19,4%	75,19	204,35	89,0%

In the second quarter, the market maintained its favorable momentum of the first quarter, plus a positive calendar effect and the contribution of the Eat Out Group acquisition at the end of October, which allowed Ibersol to achieve an increase restaurant sale of 88.0%.

Eliminating the effect of the Eat Out Group acquisition, restaurant sales growth in the first half was 19.6%. In Iberia, favorable growth has remained, especially in Portugal, where it adds the effect of the change in the VAT rate of the restaurants, on 1 July 2016, which is estimated at 4.5% on the half. On the other hand, in Angola, since the second quarter, there was a reversal of the growth trend.

Eat Out Group acquisition contributed to the services rendered growth, through royalty's revenues from franchisees.

All segments show a positive trend in like for like, especially in counters, with the largest contribution in value, with particular emphasis on KFC and Burger King, influenced by a higher number of units in operation and gains in market share.

SALES IN RESTAURANTS	1st H17 w/EOG		EOG	TOTAL 1st H17	
	euro million	% Ch. 17/16	euro million	euro million	% Ch. 17/16
Restaurants	36,94	10,6%	8,96	45,90	37,5%
Counters	76,59	21,9%	16,29	92,89	47,8%
Concessions &Catering	14,10	34,1%	47,84	61,94	488,8%
Total Sales	127,64	19,6%	73,09	200,73	88,0%

The "Catering and Concessions" business reached the better performance, benefited from a larger number of great catering events and the traffic increase in the concession areas, namely the airports in which they operate.

The contribution of the Eat Out Group equity restaurants sales amounts to 73.09 million, with special emphasis on the approximately 48 million sales in concessions.

During the semester, we closed 27 restaurants, 11 equities and 16 franchises.

The closures of the equity restaurants resulted from the end of the concession period of 7 units in Spain (6 of which at Fuerteventura Airport) and 4 due to non-renewal option of the respective contracts (Pans Plaza Norte, PH, Carnaxide, Òkilo and Pasta Caffé Vila Real).

Continuing the process of evaluation of the franchisees network, 8 units of Santamaria and 8 Pans in Spain were closed.

With regard to the expansion plan for this year, we opened 8 new units, 6 equities and 2 franchise units, were already completed.

Following the Burger King openings we launched 3 restaurants, at Chaves, Évora and Palmela. In addition, a new KFC restaurant opened at Porto city and 2 new concessions, located at Santa Maria airport in Azores and the train station at Lérida. There was an expansion of Ribs' franchise network in Spain, with the opening of two new units.

At the end of the quarter, the total number of restaurants was 648 (499 equity and 149 franchises), as shown below:

Nº of Restaurants	2016 31-Dec	Openings	Transfer	Closings	2017 30-Jun
PORTUGAL	307	5		3	309
Own Stores	306	5		3	308
Pizza Hut	93			1	92
Okilo+MIIT	5			1	4
Pans+Roulotte	46				46
Burger King	66	3			69
KFC	18	1			19
Pasta Caffé	10			1	9
Quiosques	8				8
Coffee Shops	30				30
Catering	7				7
Concessions & Other	23	1			24
Franchise Stores	1				1
SPAIN	340	3		24	319
Own Stores	188	1	0	8	181
Pizza Móvil	34		-3		31
Pizza Hut	0		3		3
Burger King	33				33
Pans	38			1	37
Ribs	9				9
FrescCo	3				3
Concessions	71	1		7	65
Franchise Stores	152	2		16	138
Pizza Móvil	16				16
Pans	67			8	59
Ribs	25	2			27
Fresco	8				8
SantaMaria	36			8	28
ANGOLA	10				10
KFC	9				9
Pizza Hut	1				1
Other Locations - Franchise Stores	10				10
FrescCo India	2				2
Pans Italy	8				8
Total Own stores	504	6	0	11	499
Total Franchise stores	163	2	0	16	149
TOTAL	667	8	0	27	648

The consolidated net income of 1H amounted to 9.7 million euros, 0.9 million euros higher than the same period of 2016. According to the report for the first halt of 2016, the result for that period included 3.1 million euros of non-recurring income.

For comparative purposes with the first half of last year we will take as reference the adjusted accounts for the first half of 2016, in which we segregated the effect of financial compensation for the traffic losses, caused by the implementation of tolls on the ex-Scuts.

In the first half of 2017 the result is strongly influenced by the consolidation of Eat Out Group.
In order to better understanding the 1H 2017 indicators, we consider the two perimeters, with and without consolidation of the Eat Out Group:

	2017		2016	
	1st Half17	1st Half17 (without EOG)	1st Half16	1st Half16 (adjusted)
Operating income				
Sales	201.971.411	**128.884.567**	107.750.310	**107.750.310**
Rendered services	2.379.694	**278.528**	389.995	**389.995**
Other operating income	4.935.446	**1.445.071**	4.628.060	**2.230.302**
Total operating income	209.286.551	**130.608.166**	112.768.365	**110.370.607**
Total operating costs	197.694.560	**120.594.178**	101.855.269	**101.855.269**
Operating Income	11.591.991	**10.013.988**	10.913.096	**8.515.338**
EBITDA	**25.664.215**	**18.033.818**	**16.355.446**	**13.957.688**
Net financing cost	2.454.568	**1.840.069**	-579.756	**990.567**
Gains (losses) in joint controlled subsidiaries - Equity method	25.201	**25.201**	1.880	**1.880**
Profit before tax	**9.162.624**	**8.199.120**	**11.494.732**	**7.526.651**
Income tax expense	-518.312	**-767.081**	2.707.545	**1.874.248**
Net profit	**9.680.936**	**8.966.201**	**8.787.187**	**5.652.403**

Net income for the 1H17 amounted to 9.7 million euros, an increase of 10.2% compared to 8.8 million euros in the same period of 2016. Not considering the Eat Out Group in the consolidation perimeter, net income grew 58.6%.

Gross margin corresponds to 77.0% of turnover (1H16: 75.6%), reflecting an improvement by consolidation of EOG's business, which by its typology have a higher gross margin, namely the contribution of the franchise business.
Without considering Eat Out Group contribution, the gross margin was 75.3% (1H16: 75.6%). The effect of the VAT rate reduction in the gross margin was absorbed by the increase in the weight of counters and catering events in total sales, characterized by lower margins and an increase in promotional aggressiveness levels, in which it highlights the partnership with “Cartão Continente”, the main loyalty card in Portugal.

Staff costs: increased 89.7%, as the sales evolution, representing 31.7% of turnover.
Without EOG, this increase was 15.4%, lower than the 19.4% activity increase. In the 1H17 represented 30.5% of the turnover, 1.1pp less than 1H16 (31.6%). Sales increase, the dilution of

structure costs and VAT reduction gains, compensated the effect of the increase in the minimum wage in Portugal and training costs incurred for the new units opening.

External Supplies and services: increase of 103.4%, representing 34.1% of turnover (1H16: 31,7%). For this increase, it should be noted the incorporation of a substantial component of the franchise business and the increase of activity in concessions, characterized by higher rents.
Without EOG, increase of 16.1%, representing 30.8% of turnover, 0.9 pp less than in the same period of 2016.

Other operating income amounted to 4.9 million euros, with a relevant contribution by Eat Out Group of 3.5 million euros, corresponding to supplier contributions and an added value generated in a restaurant transfer in the amount of 0.8 million euros.
Without EOG, the decrease of around 0.8 million euros results almost entirely from the occasional consulting services provided in the same period of the previous year.

The **other operating costs** amounted to around 2.0 million euros, due to costs associated with closures (0.7 million euros) and 0.7 million euros in fees and taxes.
Without EOG, decrease of 5.7% compared to the previous year.

Therefore **EBITDA** amounted to 25.7 million euros, an increase of 57% over 1H16
Ebitda without Eat Out Group, increased 4.1 million euros and amounted to 18.0 million euros, ie 29.2% over 1H16.

Consolidated **EBITDA** margin stood at 12.6% of turnover and 14.0% without Eat Out Group, compared with 12.9% at 1H16.

Consolidated **EBIT** margin was 11.6 million euros, representing 5.7% of turnover.

Without Eat Out Group, **EBIT** margin of 7.8% (1H16: 7.9%), corresponding to an operating profit of EUR 10.0 million euros. Should be noted the increase of the depreciations value, which represented 6.2% of turnover (5.0% in 1H16). This increase in the value of depreciation, results from a refurbishment and more frequent image updates and a development predominantly based on drives opening, with higher levels of investment.

Consolidated **Net Financing cost** were around 2.4 million euros, around 3 million euros higher than 1H16, which benefited from non-recurring income of 1.6 million euros.

Average cost of loans in the first half of 2017, which stood at 2.5%, substantially lower than 1H16, due to the dilution of the weight of the debt in Angola, due to the financing agreement for the acquisition of Eat Out Group.

The **income tax** for the period amounts to 2.2 million euros, which represents an effective rate of 24.5%. In the first half of the year, tax benefits were recognized at 2.8 million euros, resulting from RFAI application in the income statement of 2016.

Financial Situation

Total Assets amounted to 421 million euros and equity stood at 160 million euros, representing 38% of assets.

CAPEX reached 13 million euros with an investment of 2.7 million euros in the new central unit production in Portugal. The remaining investments were incurred in the expansion, around 6 million euros and in the refurbishment and reconversion of some restaurants in Portugal and Spain.

Net debt at 30th June 2017 amounted to 103 million euros, 6.4 million euros lower than at the end of 2016.

Treasury Stock

By resolution of the General Assembly held on 26th May 2017, the share capital increased from 24,000,000 to 30,000,000 euros through the incorporation of reserves. This operation was registered at the Commercial Registry of Oporto at 4th July 2017.

During the first half of 2017 no transactions of treasury stock were registered. As a result of the capital increase, the company held 2,999,981 own shares, representing 9.9996% of the share capital, acquired by 11.179.348 euros, corresponding to an average price per share of Euro 3.73.

Risks and Uncertainties

Keeping the evolution of consumption in the Iberian, the risk of the activity is associated with the levels of quotas to be allocated in tenders for concessions exploration.

In Angola, the evolution of consumption and the devaluation of AKZ represent the main uncertainties, despite the small size of the group's business in this country. In addition, the limitations on the amount of foreign currency, available by BNA for payments abroad, significantly increased the foreign exchange risk of the operation in Angola.

Outlook

In the second semester sales growth is expected to continue and maintaining margins. In Portugal the sales growth in the first semester has an impact of around 7%, which will not occur in the second half.

The expansion plan will result in the opening at least of 12 new restaurants in Portugal until the end of the year and in the continuity of the remodeling plan, including Pans and Pizza Hut. In the 3rd quarter and to date, the openings of 3 Burger King (Vila Real, Lagos and Setúbal) and 1 KFC in Amadora have already been completed.

As far as Eat Out Group is concerned, the integration process will be continued and special attention will be given to the following phases of the contests at the Barcelona and Gran Canaria airports, currently under evaluation. This quarter, a unit was awarded at the Madrid airport, which will be completed by the end of this year.

In Angola, the development of business will be closely linked to the country's political and economic evolution. The pressure facing the Angolan currency indicates that there may be a devaluation scenario at the end of this year and a consequent drop in consumption.

Subsequent Events

On 4th July 2017 a capital increase was registered in the Commercial Registry by the incorporation of reserves in the amount of 6.000.000 euros, represented by shares with a par value of 1 euro each.
On 22nd August, the announcement of the operation to allocate the new shares was announced to the Market and it is expected that the listing will take place on 6th September.

Porto, 31st August 2017

António Carlos Vaz Pinto de Sousa

António Alberto Guerra Leal Teixeira

Juan Carlos Vázquez-Dodero

Declaration of Conformity

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

(i) the consolidated financial statements of Ibersol SGPS SA, referring to the first half of 2017 were drawn up in compliance with applicable accounting rules and provide a true and suitable picture of the assets and liabilities, financial situation and results of Ibersol SGPS, SA and the companies included in consolidation perimeter, and

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

Porto, 31st August 2017

António Carlos Vaz Pinto Sousa	Chairman of the Boards of Director
António Alberto Guerra Leal Teixeira	Member of the Board of Directors
Juan Carlos Vázquez-Dodero	Member of the Board of Directors

Qualified Shareholdings

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

Shareholders	nº shares	% share capital
ATPS - SGPS, S.A. (*)		
Directly	13.178.041	54,91%
António Alberto Guerra Leal Teixeira	1.680	0,01%
António Carlos Vaz Pinto Sousa	1.680	0,01%
Total attributable	**13.181.401**	**54,92%**
Banco BPI, S.A.		
Fundo Pensões Banco BPI	480.000	2,00%
Total attributable	**480.000**	**2,00%**
Magallanes Iberian Equity FI		
Funds	686.573	2,86%
Total attributable	**686.573**	**2,86%**
Bestinver Gestion GGIIC		
Funds	3.014.650	12,56%
Total attributable	**3.014.650**	**12,56%**
Norges Bank		
Directly	**779.303**	3,25%
FMR LLC		
Fidelity Managemment & Research Company	**732.000**	3,05%
Azvalor Asset Management SGIIC SA		
Funds	514.686	2,14%
Total attributable	**514.686**	**2,14%**

(*)*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.*

In the first semester, the company increased its capital from 24,000,000 to 30,000,000 shares by incorporation of reserves as per resolution of the General Meeting, and the process of admission to listing of the new shares and their attribution to Shareholders is underway. For this purpose, we consider only the shares that are in the stock market, or 24 million.

Corporate Governing Bodies Information

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

Board of Directors	Date	Acquisictions		Sales		Balance at
		shares	av pr	shares	av pr	30.06.2017
António Alberto Guerra Leal Teixeira						
DUNBAR- SERVIÇOS E GESTÃO SA (1)						9.996
Ibersol SGPS, SA						1.680
António Carlos Vaz Pinto Sousa						
CALUM- SERVIÇOS E GESTÃO SA (2)						9.996
Ibersol SGPS, SA						1.680
(1) DUNBAR- SERVIÇOS E GESTÃO SA						
ATPS- S.G.P.S., SA (3)						2.840
(2) CALUM- SERVIÇOS E GESTÃO SA						
ATPS- S.G.P.S., SA (3)						2.840
(3) ATPS- S.G.P.S ., SA						
Ibersol SGPS, SA						13.178.040

Transactions made by persons discharging managerial responsabilities

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

No transactions were reported by persons discharging managerial responsabilities and people closely connected with them during the first half of 2017.

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

Consolidated Financial Statements

30th June 2017

IBERSOL S.G.P.S., S.A.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION ON 30th JUNE 2017 AND 31st DECEMBER 2016
(values in euros)

ASSETS	Notes	30/06/2017	31/12/2016
Non-current			
Tangible fixed assets	7	178 780 789	179 388 621
Goodwill	8	111 156 658	111 156 658
Intangible assets	8	13 989 121	14 990 885
Deferred tax assets		7 536 753	8 555 186
Financial investments - joint controlled subsidiaries		2 442 832	2 417 631
Available-for-sale financial assets		470 568	440 541
Other financial assets	14	9 110 746	10 438 768
Other non-current assets	15	6 531 413	6 574 793
Total non-current assets		**330 018 880**	**333 963 083**
Current			
Stocks		10 968 315	11 547 211
Cash and bank deposits		40 696 024	39 588 532
Income tax receivable		2 340 595	2 332 391
Other financial assets	14	9 884 479	7 041 574
Other current assets	15	26 924 450	28 584 565
Total current assets		**90 813 863**	**89 094 273**
Total Assets		**420 832 743**	**423 057 355**

EQUITY AND LIABILITIES	Notes	30/06/2017	31/12/2016
EQUITY			
Capital and reserves attributable to shareholders			
Share capital	9	30 000 000	24 000 000
Own shares		-11 179 348	-11 179 348
Conversion Reserves		-1 993 776	-2 002 180
Other Reserves & Retained Results		132 749 947	117 522 486
Net profit in the year		9 500 549	23 387 471
		159 077 372	**151 728 429**
Non-controlling interest		513 786	333 399
Total Equity		**159 591 158**	**152 061 828**
LIABILITIES			
Non-current			
Loans		113 698 036	130 457 713
Deferred tax liabilities		9 683 786	10 187 932
Provisions		4 594 724	3 412 128
Derivative financial instrument		74 062	114 935
Other non-current liabilities		193 616	208 040
Total non-current liabilities		**128 244 224**	**144 380 748**
Current			
Loans		49 314 657	36 333 949
Accounts payable to suppliers and accrued costs		64 514 210	69 304 753
Income tax payable		392 621	2 349 654
Other current liabilities	15	18 775 873	18 626 423
Total current liabilities		**132 997 361**	**126 614 779**
Total Liabilities		**261 241 585**	**270 995 527**
Total Equity and Liabilities		**420 832 743**	**423 057 355**

The Board of Directors,

IBERSOL S.G.P.S., S.A.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE, 2017 AND 2016
(values in euros)

	Notes	30/06/2017	30/06/2016
Operating Income			
Sales	5	201 971 411	107 750 310
Rendered services	5	2 379 694	389 995
Other operating income	6	4 935 446	4 628 060
Total operating income		209 286 551	112 768 365
Operating Costs			
Cost of sales		47 051 812	26 383 403
External supplies and services		69 683 075	34 261 692
Personnel costs		64 827 356	34 174 983
Amortisation, depreciation and impairment losses of TFA and IA	7 and 8	14 072 224	5 442 350
Other operating costs		2 060 093	1 592 841
Total operating costs		197 694 560	101 855 269
Operating Income		11 591 991	10 913 096
Net financing cost	16	2 454 568	-579 756
Gains (losses) in joint controlled subsidiaries - Equity method		25 201	1 880
Profit before tax		**9 162 624**	**11 494 732**
Income tax expense	17	-518 312	2 707 545
Net profit		**9 680 936**	**8 787 187**
Other comprehensive income:			
Change in currency conversion reserve (net of tax and that can be recycled for results)		8 404	-1 126 625
TOTAL COMPREHENSIVE INCOME		**9 689 340**	**7 660 562**
Net profit attributable to:			
Owners of the parent		9 500 549	8 872 365
Non-controlling interest		180 387	-85 177
		9 680 936	8 787 187
Total comprehensive income attributable to:			
Owners of the parent		9 508 953	7 745 740
Non-controlling interest		180 387	-85 177
		9 689 340	7 660 562
Earnings per share:	9		
Basic		**0,35**	**0,33**
Diluted		**0,35**	**0,33**

The Board of Directors,

IBERSOL S.G.P.S., S.A.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND TRIMESTER OF 2017 AND 2016
(values in euros)

	Notes	2nd TRIMESTER (unaudited)	
Operating Income			
Sales	5	108 966 974	54 942 956
Rendered services	5	1 061 071	240 025
Other operating income	6	2 894 105	658 495
Total operating income		112 922 150	55 841 476
Operating Costs			
Cost of sales		25 363 527	13 452 716
External supplies and services		37 724 851	17 540 655
Personnel costs		33 295 846	17 364 915
Amortisation, depreciation and impairment losses of TFA and IA	7 e 8	7 392 378	2 724 675
Other operating costs		1 339 631	407 556
Total operating costs		105 116 233	51 490 517
Operating Income		7 805 917	4 350 959
Net financing cost	16	1 160 639	471 270
Gains (losses) in joint controlled subsidiaries - Equity method		19 836	10 189
Profit before tax		**6 665 114**	**3 889 878**
Income tax expense		-964 558	966 312
Net profit		**7 629 672**	**2 923 566**
Other comprehensive income:			
Change in currency conversion reserve (net of tax and that can be recycled for results)		54 106	-167 575
TOTAL COMPREHENSIVE INCOME		**7 683 778**	**2 755 991**
Net profit attributable to:			
Owners of the parent		7 503 303	2 959 206
Non-controlling interest		126 369	-35 639
		7 629 672	2 923 566
Total comprehensive income attributable to:			
Owners of the parent		7 557 409	2 791 631
Non-controlling interest		126 369	-35 639
		7 683 778	2 755 991
Earnings per share:	9		
Basic		**0,26**	**0,14**
Diluted		**0,26**	**0,14**

The Board of Directors,

IBERSOL S.G.P.S., S.A.
Statement of Alterations to the Consolidated Equity
for the six months period ended 30th June, 2017 and 2016
(value in euros)

	Note	Assigned to shareholders								
	Note	Share Capital	Own Shares	Conversion Reserves	Legal Reserves	Other Reserves & Retained Results	Net Profit	Total parent equity	Interests that do not control	Total Equity
Balance on 1 January 2016		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
Changes in the period:										
Application of the consolidated profit from 2015:										
Transfer to reserves and retained results						10 582 266	-10 582 266	-		-
Share capital increase		4 000 000			-4 000 001					
Change on interest that do not control						260 522		260 522	-260 522	-
Conversion reserves - Angola				-1 126 625				-1 126 625		-1 126 625
Net consolidated income in the six month period ended on 30 June 2016							8 872 365	8 872 365	-85 177	8 787 188
Total changes in the period		-	-	-1 126 625	-	10 842 788	-1 709 901	8 006 262	-345 699	7 660 563
Net profit							**8 872 365**	**8 872 365**	**-85 177**	**8 787 188**
Total comprehensive income								7 745 740	-85 177	7 660 563
Transactions with capital owners in the period										
Application of the consolidated profit from 2015:										
Paid dividends						-1 800 000		-1 800 000	-3 798 270	-5 598 270
		-	-	-	-	-1 800 000	-	-1 800 000	-3 798 270	-5 598 270
Balance on 30 June 2016		**20 000 000**	**-11 179 644**	**-1 977 064**	**4 000 001**	**116 414 920**	**8 872 365**	**136 130 578**	**977 718**	**137 108 296**
Balance on 1 January 2017		24 000 000	-11 179 348	-2 002 180	-	117 522 486	23 387 471	151 728 429	333 399	152 061 828
Changes in the period:										
Application of the consolidated profit from 2016:										
Transfer to reserves and retained results						23 387 471	-23 387 471	-		-
Share capital increase		6 000 000				-6 000 000				
Conversion reserves - Angola				8 404				8 404		8 404
Net consolidated income in the six month period ended on 30 June 2017							9 500 549	9 500 549	180 387	9 680 936
Total changes in the period		6 000 000	-	8 404	-	17 387 471	-13 886 922	9 508 953	180 387	9 689 340
Net profit							**9 500 549**	**9 500 549**	**180 387**	**9 680 936**
Total comprehensive income								9 508 953	180 387	9 689 340
Transactions with capital owners in the period										
Application of the consolidated profit from 2016:										
Paid dividends						-2 160 010		-2 160 010		-2 160 010
		-	-	-	-	-2 160 010	-	-2 160 010	-	-2 160 010
Balance on 30 June 2017		**30 000 000**	**-11 179 348**	**-1 993 776**	**-**	**132 749 947**	**9 500 549**	**159 077 372**	**513 786**	**159 591 158**

The Board of Directors,

IBERSOL S.G.P.S., S.A.
Consolidated Cash Flow Statements
for the six months period ended 30 June, 2017 and 2016
(value in euros)

	Note	Six months period ending on June 30 2017	2016
Cash Flows from Operating Activities			
Receipts from clients		205 276 364	107 467 096
Payments to supliers		-120 116 066	-65 764 614
Staff payments		-51 921 410	-25 184 310
Payments/receipt of income tax		250 158	-705 510
Other paym./receipts related with operating activities		-3 568 360	1 100 551
Flows from operating activities (1)		**29 920 686**	**16 913 213**
Cash Flows from Investment Activities			
Receipts from:			
Financial investments		10 320	
Tangible fixed assets		5 028	2 770
Intangible assets			
Investment benefits			4 608
Interest received		646 803	1 943 062
Payments for:			
Financial Investments		40 348	22 562
Other financial assets		1 518 108	6 451 791
Tangible fixed assets		17 712 071	10 983 947
Intangible assests		659 301	974 326
Loans to shareholders		500 000	
Flows from investment activities (2)		-19 767 677	-16 482 186
Cash flows from financing activities			
Receipts from:			
Loans obtained		1 000 000	9 970 128
Sale of own shares			
Payments for:			
Loans obtained		5 101 588	2 326 945
Amortisation of financial leasing contracts		927 293	75 773
Interest and similar costs		3 068 645	1 316 293
Dividends paid		2 160 010	5 598 270
Flows from financing activities (3)		-10 257 536	652 847
Change in cash & cash equivalents (4)=(1)+(2)+(3)		**-104 527**	**1 083 874**
Perimeter changes effect			
Exchange rate differences effect		-1 424	-540 267
Cash & cash equivalents at the start of the period		37 782 889	14 425 207
Cash & cash equivalents at end of the period		**37 676 938**	**14 968 814**

The Board of Directors,

IBERSOL SGPS, S.A.

ANNEX TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED ON 30 JUNE 2017

(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 648 units in the restaurant segment through the brands Pizza Hut, Pasta Caffé, Pans & Company, Ribs, FresCo, SantaMaria, 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 499 units which it operates and 149 units under a franchise contract. Of this universe, 319 are headquartered in Spain, of which 181 are own establishments and 138 are franchised establishments, and 10 in Angola.

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

Ibersol SGPS parent company is ATPS - SGPS, S.A ..

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 2017, mainly with the international standard nº. 34 – Interim Financial Report.

The consolidated financial statements have been prepared in accordance with the historical cost principle, changed to fair value in the case of derivative financial instruments.

The accounting policies applied on 30 June 2017 are identical to those applied for preparing the financial statements of 30 June and 31 December 2016, except for the exchange currency differences included in other income / other operating costs and excluded from net financing cost.

3. IMPORTANT ACCOUNTING ESTIMATES AND JUDGMENTS

There where no substantial differences between accounting estimates and judgments applied on 31 December 2016 and the accounting values considered in the six months period ended on the 30 June 2017.

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

4.1. The following group companies were included in the consolidation on 30th June 2017 and 30th June and 31 December 2016:

	Company	Head Office	% Shareholding Jun/17	Jun/16	Dec/16
Parent company					
	Ibersol SGPS, S.A.	Porto	parent	parent	parent
Subsidiary companies					
	Iberusa Hotelaria e Restauração, S.A.	Porto	100%	100%	100%
	Ibersol Restauração, S.A.	Porto	100%	100%	100%
(d)	Ibersande Restauração, S.A.	Porto	100%	80%	100%
	Ibersol Madeira e Açores Restauração, S.A.	Funchal	100%	100%	100%
	Ibersol - Hotelaria e Turismo, S.A.	Porto	100%	100%	100%
	Iberking Restauração, S.A.	Porto	100%	100%	100%
	Iberaki Restauração, S.A.	Porto	100%	100%	100%
	Restmon Portugal, Lda	Porto	61%	61%	61%
	Vidisco, S.L.	Vigo - Spain	100%	100%	100%
	Inverpeninsular, S.L.	Vigo - Spain	100%	100%	100%
	Ibergourmet Produtos Alimentares, S.A.	Porto	100%	100%	100%
	Ferro & Ferro, Lda.	Porto	100%	100%	100%
	Asurebi SGPS, S.A.	Porto	100%	100%	100%
	Charlotte Develops, SL	Madrid - Spain	100%	100%	100%
	Firmoven Restauração, S.A.	Porto	100%	100%	100%
	IBR - Sociedade Imobiliária, S.A.	Porto	100%	100%	100%
	Eggon SGPS, S.A.	Porto	100%	100%	100%
	Anatir SGPS, S.A.	Porto	100%	100%	100%
	Lurca, SA	Madrid - Spain	100%	100%	100%
(c)	Q.R.M.- Projectos Turísticos, S.A	Porto	-	100%	-
	Sugestões e Opções-Actividades Turísticas, S.A	Porto	100%	100%	100%
	Resboavista- Restauração Internacional, Lda	Porto	100%	100%	100%
	José Silva Carvalho Catering, S.A	Porto	100%	100%	100%
(a)	Iberusa Central de Compras para Restauração ACE	Porto	100%	100%	100%
(b)	Vidisco, Pasta Café Union Temporal de Empresas	Vigo - Spain	100%	100%	100%
	Maestro - Serviços de Gestão Hoteleira, S.A.	Porto	100%	100%	100%
	SEC - Eventos e Catering, S.A.	Porto	100%	100%	100%
	IBERSOL - Angola, S.A.	Luanda - Angola	100%	100%	100%
	HCI - Imobiliária, S.A.	Luanda - Angola	100%	100%	100%
(c)	Gravos 2012, S.A.	Porto	100%	100%	100%
	Lusinver Restauracion, S.A.	Vigo - Espanha	100%	-	100%
	The Eat Out Group S.L.U.	Barcelona - Spain	100%	-	100%
	Pansfood, S.A.U.	Barcelona - Spain	100%	-	100%
	Foodstation, S.L.U	Barcelona - Spain	100%	-	100%
(e)	Dehesa de Santa Maria Franquicias, S.L.	Barcelona - Spain	50%	-	50%
	Pansfood Italia, S.R.L.	Barcelona - Spain	100%	-	100%
Companies controlled jointly					
	UQ Consult - Serviços de Apoio à Gestão, S.A.	Porto	50%	50%	50%

(a) Company consortium agreement that acts as the Purchasing and Logistics Centre and provides the respective restaurants with raw materials and maintenance services.
(b) Union Temporal de Empresas which was founded in 2005 and that during the year functioned as the Purchasing Centre in Spain by providing raw materials to the respective restaurants.
(c) Company merged into subsidiary José Silva Carvalho Catering, S.A. in July 2016, with effect from January 1, 2016.
(d) As a result of the acquisition of the Eat Out Group, the Group now holds 100% of its subsidiary Ibersande, through its 20% share in Pansfood, S.A.U ..
(e) Although the parent company owns 50% of the voting rights, there is control of the subsidiary Dehesa.

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.

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

4.2. Alterations to the consolidation perimeter

4.2.1. Acquisition of new companies

The group did not buy any subsidiary in the six months period ended on 30 June 2017.

In the year ended 31 December 2016, the Ibersol group acquired the following subsidiaries:

Company	Entry date	Head Office	% Shareholding	
			2016	2015
The Eat Out Group S.L.U.	31-Out-16	Barcelona - Spain	100,00%	-
Pansfood, S.A.U.	31-Out-16	Barcelona - Spain	100,00%	-
Foodstation, S.L.U	31-Out-16	Barcelona - Spain	100,00%	-
Dehesa de Santa Maria Franquicias, S.L.	31-Out-16	Barcelona - Spain	50,00%	-
Pansfood Italia, S.R.L.	31-Out-16	Barcelona - Spain	100,00%	-

The above acquisitions had the following impact on the consolidated statement of financial position on December 31, 2016:

	Date of acquisition	Dec-16
Acquired net assets		
Tangible and intangible assets (Notes 8 and 9)	32.360.743	32.654.939
Stocks	2.706.371	2.646.062
Deferred tax assets	5.941.376	5.601.456
Other assets	18.937.159	19.012.245
Cash & bank deposits	3.640.340	5.523.047
Provisions (Nota 19)	-1.000.000	-1.000.000
Loans	-16.982.720	-25.794.395
Deferred tax liabilities	-679.372	-863.895
Other liabilities	-37.602.707	-31.153.618
	7.321.190	6.625.841
Goodwill (Note 9)	70.647.649	
Interests that do not control	-868.839	
Acquisition price	77.100.000	
Payments	77.100.000	
Amounts payable in the future	-	
	77.100.000	
Net cash-flows from acquisition		
Payments made	77.100.000	
Cash & cash equivalents acquired	3.640.340	
	73.459.660	

The goodwill of the Eat Out Group in the amount of 70.647.649 euro was determined based on provisional amounts of the net assets acquired.

The impacts of the acquisitions on the consolidated statement of comprehensive income were as follows:

	Jun/17
Operating income	78 831 765
Operating costs	-77 253 762
Financial income	-614 500
Investments income	-
Income before taxes	963 503
Tax income	-248 769
Net Income	714 734

The incorporation of the acquired subsidiaries in these statements results in significant changes in the consolidated statement of comprehensive income at June 30, 2017, compared to the same period in 2016.

4.2.2. Disposals

In the six months period ended on 30 June 2017 and in the year ended December 31, 2016 there were no disposals of subsidiaries.

5. INFORMATION PER SEGMENT

Ibersol Administration monitors the business based on the following segmentation:

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

The results per segment in the six months period ended 30 June 2017 and 2016 were as follows:

30 June 2017	**Restaurants**	**Counters**	**Concessions and Catering**	**Other, write off and adjustments**	**Total Group**
Inter-segment client	-	-	-	-	-
External client	48 008 555	93 702 996	62 024 567	614 986	204 351 105
Total sales and services	**48 008 555**	**93 702 996**	**62 024 567**	**614 986**	**204 351 105**
Royalties	1 709 603	3 675 667	793 139	-	6 178 409
Rents and Condominium	5 430 584	9 618 877	18 288 646	-	33 338 108
Coste of sales	9 875 236	24 838 930	12 337 646	-	47 051 812
Operating cash-flow (EBITDA)	**6 097 540**	**13 164 757**	**6 401 918**	-	**25 664 215**
Amortisation, depreciation and impairment losses	3 034 657	6 112 361	4 867 297	57 908	14 072 224
Operating income (EBIT)	**3 062 883**	**7 052 396**	**1 534 621**	**-57 908**	**11 591 991**

30 June 2016	Restaurants	Counters	Concessions and Catering	Other, write off and adjustments	Total Group
Inter-segment client	-	-	-	-	-
External client	34 417 524	62 862 493	10 699 674	160 614	108 140 305
Total sales and services	**34 417 524**	**62 862 493**	**10 699 674**	**160 614**	**108 140 305**
Royalties	1 535 736	2 924 655	112 932	-	4 573 323
Rents and Condominium	3 967 773	5 421 698	1 756 200		11 145 671
Coste of sales	6 866 224	16 835 302	2 681 877	-	26 383 403
Operating cash-flow (EBITDA)	**3 516 049**	**8 676 077**	**4 163 320**	**-**	**16 355 446**
Amortisation, depreciation and impairment losses	1 290 106	3 169 299	863 294	119 651	5 442 350
Operating income (EBIT)	**2 225 943**	**5 506 778**	**3 300 026**	**-119 651**	**10 913 096**

On June 30, 2017 and 2016 income and non-current assets by geography is presented as follows:

30 JUNE 2017	**Portugal (1)**	**Spain**	**Grupo**
Restaurants	101 753 703	98 926 023	200 679 726
Merchandise	602 796	688 889	1 291 685
Rendered services	103 185	2 276 509	2 379 694
Total sales and services	**102 459 684**	**101 891 421**	**204 351 105**
Tangible fixed and intangible assets	147 045 704	45 724 206	192 769 910
Goodwill	7 605 482	103 551 176	111 156 658
Deferred tax assets	2 574 549	4 962 204	7 536 753
Financial investments - joint controlled subsidiaries	2 442 832	-	2 442 832
Available-for-sale financial assets	470 568	-	470 568
Other financial assets	9 110 746	-	9 110 746
Other non-current assets	-	6 531 413	6 531 413
Total non-current assets	**169 249 881**	**160 768 999**	**330 018 880**

30 JUNE 2016	**Portugal (1)**	**Spain**	**Grupo**
Restaurants	82 382 153	24 374 890	106 757 043
Merchandise	234 000	759 267	993 267
Rendered services	118 687	271 308	389 995
Total sales and services	**82 734 840**	**25 405 465**	**108 140 305**
Tangible fixed and intangible assets	133 368 913	18 155 265	151 524 178
Goodwill	7 605 482	32 903 527	40 509 009
Deferred tax assets	2 869 377	387 313	3 256 690
Financial investments - joint controlled subsidiaries	2 419 771	-	2 419 771
Available-for-sale financial assets	425 153	-	425 153
Other financial assets	15 085 648	-	15 085 648
Other non-current assets	-	1 364 243	1 364 243
Total non-current assets	**161 774 344**	**52 810 348**	**214 584 692**

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

6. UNUSUAL AND NON-RECURRING FACTS AND SEASON ACTIVITY

On the six months period ended on 30 June 2016, in operating income, from the agreement with Ascendi, is a non-current income of 2.397.758 eur corresponding to compensation for loss of traffic by charging tolls on former Scuts. It was also agreed not to install the Guimarães Service Areas, Fafe and Paredes have been returned to their respective concession rights that led to the receipt of contractual interest in the amount of 1.570.323 eur (Note 16). Furthermore, non-current consulting services in the amount of 951 thousand euros were provided to third parties.

In the restaurant segment season activity is characterized by lower sales in the first two quarters of the year. In addition sales for the first six months of the year are influenced by the Easter calendar as well as the pace of openings or closures of the group restaurants. The previous years have evidenced that, in comparable perimeter and with an equal distribution of openings and closings, in the period that understands the first semester of the year, sales are about 46% of annual volume.

7. TANGIBLE FIXED ASSETS

In the six months period ended 31 June 2017 and in the year ending on 31 December 2016, entries in the value of tangible fixed assets, depreciation and accumulated impairment losses were as follows:

	Land	Buildings	Equipment	Other tangible fixed Assets	Tangible Assets in progress (1)	Total
1 January 2016						
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**	**141.633.142**
31 December 2016						
Initial net amount	11.963.649	104.743.084	18.657.418	5.857.177	411.815	141.633.142
Changes in consolidat perimeter	-	61.509.602	37.914.100	956.299	239.525	100.619.526
Currency conversion	-756.850	-1.723.366	-756.531	-224.851	-19.440	-3.481.038
Additions	135.242	16.405.428	8.187.617	2.615.018	1.215.586	28.558.891
Decreases	-	863.164	236.294	47.292	105.686	1.252.436
Transfers	-	100.636	5.806	11.681	-234.617	-116.494
Depreciation in the year	74.637	8.041.000	5.062.093	1.082.763	-	14.260.493
Deprec. by changes in the perim.	-	38.817.273	28.953.945	1.042.245	-	68.813.463
Impairment in the year	-	751.562	41.432	24.750	-	817.744
Impairment by changes in the perim.	-	2.080.269	687.570	4.407	-	2.772.246
Impairment reversion	-	-90.976	-	-	-	-90.976
Final net amount	**11.267.404**	**130.573.092**	**29.027.075**	**7.013.867**	**1.507.183**	**179.388.621**
31 December 2016						
Cost	11.342.041	222.786.283	118.519.498	22.193.978	1.507.183	376.348.985
Accumulated depreciation	74.637	81.893.238	88.409.796	15.115.597	-	185.493.267
Accumulated impairment	-	10.319.953	1.082.628	64.515	-	11.467.096
Net amount	**11.267.404**	**130.573.092**	**29.027.075**	**7.013.867**	**1.507.183**	**179.388.621**

	Land	Buildings	Equipment	Other tangible fixed Assets	Tangible Assets in progress (1)	Total
30 June 2017						
Initial net amount	11 267 404	130 573 092	29 027 075	7 013 867	1 507 183	179 388 621
Changes in consolidat perimeter	-	-	-	-	-	-
Currency conversion	-573	-1 476	-798	-179	-7	-3 033
Additions	-	5 783 785	3 267 245	741 692	2 864 947	12 657 669
Decreases	-	492 256	-62 876	28 933	127 274	585 587
Transfers	-	4 440	2 854	7 795	-15 160	-71
Depreciation in the year	16 889	7 687 781	4 309 002	663 134	-	12 676 806
Deprec. by changes in the perim.	-	-	-	-	-	-
Impairment in the year	-	-	-	-	-	-
Impairment by changes in the perim.	-	-	-	-	-	-
Impairment reversion	-	-	-	-	-	-
Final net amount	**11 249 942**	**128 179 804**	**28 050 250**	**7 071 108**	**4 229 689**	**178 780 791**
30 June 2017						
Cost	11 341 454	226 592 910	121 375 513	22 851 766	4 229 689	386 391 334
Accumulated depreciation	91 512	88 745 622	92 312 026	15 721 745	-	196 870 904
Accumulated impairment	-	9 667 484	1 013 238	58 914	-	10 739 636
Net amount	**11 249 942**	**128 179 804**	**28 050 250**	**7 071 108**	**4 229 689**	**178 780 791**

(1) amounts essentially related to the industrial kitchen in Portugal, whose (re) opening took place this semester.

The 2016 investments of approximately 28.6 million in tangible fixed assets, relate to the opening of new units and remodelling of existing ones in Portugal and Spain.

In the six month period ended June 30, 2017, an investment of approximately 2.7 million euros was made in the industrial kitchen in Portugal. The remaining investment mainly concerns the opening of three Burguer King, one KFC, the concession at Santa Maria Airport (Azores) and a unit in the group Eat Out.

8. INTANGIBLE ASSETS AND GOODWILL

Goodwill and intangible assets are broken down as follows:

	Jun/17	Dec/16
Goodwill	111 156 658	111 156 658
Intangible assets	13 989 122	14 990 885
	125 145 780	**126 147 543**

In the six months period ended 30 June 2017 and in the year ending on 31 December 2016, entries in the value of intangible assets, amortization and accumulated impairment losses were as follows:

	Goodwill	Industrial property	Other intangible Assets	Intangible Assets in progress	Total
1 January 2016					
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**	**51.940.880**
31 December 2016					
Initial net amount	40.509.009	10.328.070	344.764	759.034	51.940.880
Changes in consolidat. perimeter	-	12.915.831	9.314.758	-	22.230.589
Currency conversion	-	-94.715	-	-127.949	-222.664
Additions	70.647.649	1.914.708	54.868	132.476	72.749.701
Decreases	-	-49.444	50.066	66.883	67.505
Transfers	-	3.150	-	-3.150	-
Amortization in the year	-	1.291.011	288.783	-	1.579.794
Amortiz. by changes in the perimeter	-	12.108.385	6.754.442	-	18.862.827
Impairment in the year	-	-	-	-	-
Impairment by changes in the perim.	-	7.562	33.274	-	40.836
Impairment reversion	-	-	-	-	-
Final net amount	**111.156.658**	**11.709.530**	**2.587.825**	**693.528**	**126.147.543**
31 December 2016					
Cost	113.018.336	37.987.818	14.894.091	693.528	166.593.773
Accumulated amortization	-	22.609.624	12.264.391	-	34.874.015
Accumulated impairment	1.861.678	3.668.664	41.875	-	5.572.216
Net amount	**111.156.658**	**11.709.530**	**2.587.825**	**693.528**	**126.147.543**

	Goodwill	Industrial property	Other intangible Assets	Assets in progress	Total
30 June 2017					
Initial net amount	111 156 658	11 709 530	2 587 825	693 528	126 147 543
Changes in consolidat. perimeter	-	-	-	-	-
Currency conversion	-	-103	-	-104	-207
Additions	-	264 603	86 999	57 944	409 546
Decreases	-	1 662	5 253	-	6 915
Transfers	-	-	-	-	-
Amortization in the year	-	931 734	472 453	-	1 404 187
Amortiz. by changes in the perimeter	-	-	-	-	-
Impairment in the year	-	-	-	-	-
Impairment by changes in the perim.	-	-	-	-	
Impairment reversion	-	-	-	-	-
Final net amount	**111 156 658**	**11 040 634**	**2 197 118**	**751 368**	**125 145 780**
30 June 2017					
Cost	113 018 336	38 213 207	14 960 592	751 368	166 943 503
Accumulated amortization	-	23 503 909	12 721 599	-	36 225 508
Accumulated impairment	1 861 678	3 668 664	41 875	-	5 572 216
Net amount	**111 156 658**	**11 040 634**	**2 197 118**	**751 368**	**125 145 780**

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

	Jun/17	Dec/16
Eat Out	70 647 649	70 647 649
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	179 721
	111 156 658	**111 156 658**

As it's still in the period of analysis and review, goodwill of the acquisition of the Eat-Out business has not yet been distributed by Ibersol's segments.

9. INCOME PER SHARE

Income per share in the six months period ended 30 June 2017 and 2016 was calculated as follows:

	Jun/17	Jun/16
Profit payable to shareholders	9 500 549	8 872 365
Mean weighted number of ordinary shares issued	30 000 000	30 000 000
Mean weighted number of own shares	-2 999 881	-2 999 881
	27 000 119	27 000 119
Basic earnings per share (€ per share)	0,35	0,33
Earnings diluted per share (€ per share)	0,35	0,33
Number of own shares at the end of the year	2 999 881	2 999 881

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

At the Annual General Meeting of May 26, 2017, an increase in the share capital to 30 million euros was approved by the incorporation of free reserves amounting to 6 million euros. This increase in share capital results in an increase of 599.976 own shares.

10. DIVIDENDS

At the General Meeting of 26th May 2017, the company decided to pay a gross dividend of 0,10 euro per share (0,10 euro in 2016), representing a total value of 2.160.010 euro for outstanding shares (1.800.000 euro in 2016), settled on June 23, 2017.

11. CONTINGENT ASSETS AND LIABILITIES

The group has contingent liabilities regarding bank and other guarantees and other contingencies related with its business operations (as licensing, advertising fees, food hygiene and safety and employees, and the rate of success of these processes is historically high in Ibersol). It is not expected that there will be significant liabilities arising from contingent liabilities.

On 30th June 2017 and 31st December 2016, responsibilities not recorded by the companies and included in the consolidation consist mainly of bank guarantees given on their behalf, as shown below:

	Jun/17	Dec/16
Bank guarantees	25 014 954	18 424 430

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

In addition, Ibersol SGPS provided guarantees to the subsidiaries in the amount of 2.750.000 USD.

12. COMMITMENTS

There are no commitments related to investments on the date of approval of these Financial Statements.

13. IMPAIRMENT

Changes during the six months period ended on 30 June 2017 and in the year 2016, under the heading of asset impairment losses were as follows:

	Jun/17						
	Starting balance	Perimeter variation	Cancellation	Impairment assets disposals	Impairment in the year	Impairment reversion	Closing balance
Tangible fixed assets	11 467 097	-	-	-727 460	-	-	10 739 637
Goodwill	1 861 678	-	-	-	-	-	1 861 678
Intangible assets	3 710 538	-	-	-	-	-	3 710 538
Stocks	74 981	-	-	-	-	-	74 981
Other current assets	2 753 877	-11	-55 607	-	241 241	-66 366	2 873 134
	19 868 171	-11	-55 607	-727 460	241 241	-66 366	19 259 968

	Dec-16						
	Starting balance	Perimeter variation	Cancellation	Impairment assets disposals	Impairment in the year	Impairment reversion	Closing balance
Tangible fixed assets	9.633.672	2.772.246	-	-1.665.589	817.744	-90.976	11.467.097
Goodwill	1.861.678	-	-	-	-	-	1.861.678
Intangible assets	3.700.917	40.836	-	-31.215	-	-	3.710.538
Stocks	74.981	-	-	-	-	-	74.981
Other current assets	1.442.527	2.022.906	-588.973	-	33.885	-156.467	2.753.877
Other non current assets	134.342	-	-134.342	-	-	-	-
	16.848.116	4.835.988	-723.315	-1.696.804	851.629	-247.443	19.868.171

14. FINANCIAL RISK MANAGEMENT

14.1 Financial risk factors

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

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

a) Market risk

i) Currency exchange risk
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 in a growing phase. 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 $ 1.250.000, 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 light of the current limitations on payments abroad, the Group adopted a policy of monthly monitoring of credit balances in foreign currency and its full coverage with the acquisition of Treasury Bonds of the Republic of Angola, indexed to the USD.

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

Jun/17

Euro exchange rates (x foreign currency per 1 Euro)	Rate on June, 30 2017	Average interest rate June 2017
Kwanza de Angola (AOA)	184,502	186,289

Dec-16

Euro exchange rates (x foreign currency per 1 Euro)	Rate on December, 31 2016	Average interest rate year 2016
Kwanza de Angola (AOA)	184,468	181,554

Due to the foreign currency hedge liabilities policy with assets indexed to the USD, the impact of an exchange variation during the period would not have had a significant effect on first semester profit.

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.

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 fixing interest rates of at least 50% of the outstanding amount.

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 6,25 million euros (commercial paper programmes) loan has the maturity of the underlying interest and the repayment plan identical to the terms of the loan. Financing contracted at the end of year 2016 will be subject to settlement operations during the year 2017, with swaps amounting to € 32 million in the second quarter.

Based on simulations performed on 30 June 2017, an increase of 100 basis points in the interest rate, maintaining other factors constant, would have a negative impact in the net profit of 510.000 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 services and merchandise to franchised, representing less than 4% 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 June 30, 2017, is not significant, with the exception of the above mentioned Treasury Bonds of the Republic of Angola in the amount of 19 million euro, subject to country risk.

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

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.

On the six months period ended on 30 June 2017, current liabilities reached 134 million euros, compared with 91 million euros in current assets. This disequilibrium is, on one hand, a financial characteristic of this business and, on the other hand, due to the use of commercial paper programmes in witch the Group considers the maturity date as the renewal date, regardless of its initial stated periods. It is expected in the year 2017 to maintain the commercial paper programmes (27.450.000 euros) short term debt. However, the expected operating cash flows and, if necessary, contracted credit lines, on the amounts of which have not yet been used, are sufficient to settle current liabilities.

Even with reduced use of the group has contracted a significant amount of short-term lines. On June 30, 2017, the use of short term liquidity cash flow support was about 2%. Investments in term deposits and other application of 50 million euros, match 30% of liabilities paid.

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

	to June 2018	from June 2018 to 2028
Bank loans and overdrafts	49 314 657	113 698 036
Other non-current liabilities	-	193 616
Accounts payable to suppliers and accrued costs	54 857 955	-
Accrued costs	10 121 897	-
Total	114 294 509	113 891 652

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 30th June 2017 and 31st December 2016 the gearing ratio was of 39% and 42%, respectively, as follows:

	jun/17	Dec-16
Bank loans	163 012 693	166 791 662
Other financial assets	-18 995 225	-17 480 341
Cash and bank deposits	-40 696 024	-39 588 532
Net indebtedness	103 321 444	109 722 788
Equity	159 591 158	152 061 828
Total capital	262 912 602	261 784 616
Gearing ratio	39%	42%

14.2 Estimated fair value

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

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

15. OTHER ASSETS AND LIABILITIES

15.1 Other current assets and liabilities

Other current assets and liabilities on 30 June 2017 and 31st December 2016 are broken down as follows:

Other current assets	**Jun/17**	**Dec/16**
Clients	11 042 426	11 933 322
State and other public entities	913 959	1 542 489
Other debtors	5 327 184	5 206 424
Loans to shareholders	500 000	-
Advances to suplliers	752 255	236 513
Advances to financial investments debt	1 650 000	2 900 000
Accruals and income	6 877 519	6 677 919
Deferred costs	2 734 240	2 841 775
Other current assets	**29 797 583**	**31 338 442**
Accumulated impairment losses	2 873 133	2 753 877
	26 924 450	**28 584 565**

Other current liabilities	**Jun/17**	**Dec/16**
Other creditors	10 121 897	10 933 132
State and other public entities	7 096 195	7 035 937
Deferred income	1 557 781	657 354
	18 775 873	18 626 423

15.2 Other non-current assets

The balance of other non-current assets is mainly long term deposits and securities from Spain subsidiaries, resulting from lease agreements.

16. NET FINANCING COST

Net financing cost on 30th June 2017 and 2016 are broken down as follows:

	2017	2016
Interest paid	2 244 447	1 093 656
Interest earned (1)	-557 408	-1 952 083
Currency exchange differences	-43 701	-14 544
Payment discounts obtained	-5 150	-4 447
Other financial costs and income	816 380	297 662
	2 454 568	-579 756

(1) 2016 balance is essentially Aenor's compensation interest. It was agreed not to install the Service Areas of Guimarães, Fafe and Paredes and the respective concession rights that gave rise to the receipt of contractual interest in the amount of 1.570.323 (Note 6).

17. INCOME TAX

Income taxes recognized as of June 30, 2017 and 2016 are detailed as follows:

	Jun/17	Jun/16
Current income tax	2 755 757	2 645 740
Insufficiency (excess) of tax estimate (1)	-2 767 138	-9 670
Deferred taxes	-506 931	71 475
	-518 312	2 707 545

(1) Essentially resulting from the tax benefit (RFAI) considered in the delivery of the income tax return for the year 2016, since all the criteria and parameters relevant to their use were fulfilled.

The effective tax rate on profits (excluding RFAI impact) was 24.5% and 23.6%, respectively, as at 30 June 2017 and 2016, as follows:

	Jun/17	Jun/16
Pre-tax profit	9 162 624	11 494 732
Income tax	2 248 826	2 717 215
Effective tax rate	24,5%	23,6%

18. TRANSACTIONS WITH RELATED PARTIES

The related parties of Ibersol group are:

- António Carlos Vaz Pinto de Sousa – 2.100 shares (*) (**)
- António Alberto Guerra Leal Teixeira – 2.100 shares (*) (**)
- ATPS, SGPS, SA – 16.472.250 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.

(**) Including the shares corresponding to the rights of the deliberate capital increase deliberated on May 26, 2017 and registered in the respective registry office on July 4, 2017.

- 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, 840.640 and 1.309.579 euros.

- Administrators

The company shareholder ATPS-S.G.P.S., S.A., which signed a service-rendering contract with the subsidiary Ibersol Restauração, S.A.. 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 António Alberto Guerra Leal Teixeira, manage the group without incur in any additional charge. The company does not pay directly to its administrators any remuneration.

- Loans to shareholders

In the six-month period ended 30 June 2017, Ibersol SGPS made a remunerated loan of 500.000 eur to the shareholder ATPS, the repayment of which took place on 03 July 2017.

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

Standards that have been published and are mandatory for the accounting periods beginning on or after 1 January 2017, and were already endorsed by the EU:

a) IFRS 9 (new), 'Financial instruments' (effective for annual periods beginning on or after 1 January 2018). 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. The impact of this standard is being assessed by Ibersol's management.

b) IFRS 15 (new), 'Revenue from contracts with customers' (effective for annual periods beginning on or after 1 January 2018). 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." The impact of this standard is being assessed by Ibersol's management.

Standards (new and amendments) and interpretations that have been published and are mandatory for the accounting periods beginning on or after 1 January 2017, but are not yet endorsed by the EU:

a) IAS 7 (amendment), 'Cashflow statement – Disclosure initiative' (effective for annual periods beginning on or after 1 January 2017). This amendment is still subject to endorsement by the European Union. This amendment introduces an additional disclosure about the changes in liabilities arising from financing activities, disaggregated between cash changes and non-cash changes and how it reconciles with the reported cash flows from financing activities, in the Cash Flow Statement. Its application is not expected to have significant impacts.

b) IAS 12 (amendment),'Income taxes – Recognition of deferred tax assets for unrealised losses' (effective for annual periods beginning on or after 1 January 2017). This amendment is still subject to endorsement by the European Union. This amendment clarifies how to account for deferred tax assets related to assets measured at fair value, how to estimate future taxable profits when temporary deductible differences exist and how to assess recoverability of deferred tax assets when restrictions exist in the tax law. Its application is not expected to have significant impacts.

c)IAS 40 (amendment), 'Transfers of Investment property' (effective for annual periods beginning on or after 1 January 2018). This amendment is still subject to endorsement by the European Union. This amendment clarifies when assets are transferred to, or from investment properties, the evidence of the change in use is required. A change of management intention in isolation is not enough to support a transfer. This change is not applicable to the entity.

d)IFRS 2 (amendment), 'Classification and measurement of share-based payment transactions' (effective for annual periods beginning on or after 1 January 2018). This amendment is still subject to endorsement by the European Union. This amendment clarifies the measurement basis for cash-settled, share-based payments and the accounting for modifications to a share-based payment plan that change the classification an award from cash-settled to equity-settled. It also introduces an exception to the principles in IFRS 2 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority This change is not applicable to the entity.

e) IFRS 4 (amendment), 'Insurance contracts (Applying IFRS 4 with IFRS 9)' transactions' (effective for annual periods beginning on or after 1 January 2018). This amendment is still subject to endorsement by the European Union. This amendment allows companies that issue insurance contracts the option to recognise in Other Comprehensive Income, rather than Profit or Loss the volatility that could rise when IFRS 9 is applied before the new insurance contract standard is issued. Additionally, it is given an optional temporary exemption from applying IFRS 9 until 2021, to the companies whose activities are predominantly connected with insurance, not being applicable at consolidated level. This change is not applicable to the entity.

f) Amendments to IFRS 15, f) 'Revenue from contracts with customers' (effective for annual periods beginning on or after 1 January 2018). These amendments are still subject to endorsement by European Union. These amendments refer to additional guidance for determining the performance obligations in a contract, the timing of revenue recognition from a license of intellectual property, the review of the indicators for principal versus agent classification, and to new practical expedients to simplify transition. Its application is not expected to have significant impacts.

g) IFRS 16 (new), 'Leases' (effective for annual periods beginning on or after 1 January 2019). This standard is still subject to endorsement by European Union. This new standard replaces the IAS 17 with a significant impact on the accounting by lessees that are now required to recognise a lease liability reflecting future lease payments and a "right-of-use asset" for all lease contracts, except for certain short-term leases and for low-value assets. The definition of a lease contract also changed, being based on the "right to control the use of an identified asset". The impact of this standard is being assessed by Ibersol's management.

h) IFRS 17 (new), 'Insurance contracts' Leases' (effective for annual periods beginning on or after 1 January 2021). This standard is still subject to endorsement by European Union. This new standard replaces IFRS 4 and applies to all entities issuing insurance contracts, reinsurance contracts and investment contracts with discretionary participation characteristics. IFRS 17 is based on the current measurement of technical liabilities at each reporting date. The current measurement can be based on a complete "building block approach" or "premium allocation approach". The recognition of the technical margin is different depending on whether it is positive or negative. IFRS 17 is of retrospective application. This change is not applicable to the entity.

i) Annual Improvement 2014 – 2016 (generally effective for annual periods beginning on or after 1 January 2017). These improvements are still subject to endorsement by European Union. The 2014-2016 annual improvements impacts: IFRS 1, IFRS 12 and IAS 28. Its application is not expected to have significant impacts.

Interpretations:

a) IFRIC 22 (new), 'Foreign currency transactions and advance consideration' (effective for annual periods beginning on or after 1 January 2018).This interpretation is still subject to endorsement by European Union.An Interpretation of IAS 21 'The effects of changes in foreign exchange rates' it refers to the determination of the "date of transaction" when an entity either pays or receives consideration in advance for foreign currency denominated contracts". The date of transaction determines the exchange rate used to translate the foreign currency transactions. Its application is not expected to have significant impacts.

b) IFRIC 23 (new), 'Uncertainty over income tax treatment' (effective for annual periods beginning on or after 1 January 2019). This interpretation is still subject to endorsement by European Union. This is an interpretation of IAS 12 - 'Income tax', referring to the measurement and recognition requirements to be applied when there is uncertainty as to the acceptance of an income tax treatment by the tax authorities. In the event of uncertainty as to the position of the tax authority on a specific transaction, the entity shall make its best estimate and record the income tax assets or liabilities under IAS 12, and not under IAS 37 - "Provisions, contingent liabilities and contingent assets ", based on the expected value or the most probable value. The application of IFRIC 23 may be retrospective or retrospective modified. Its application is not expected to have significant impacts.

20. SUBSEQUENT EVENTS

The capital increase by incorporation of reserves amounting to 6 million eur, represented by shares with a nominal value of 1 eur / each, was registered in the respective registry office on July 4, 2017. The announcement of the operation of the new shares was made to the share market on August 22, 2017, and admission to listing is expected to occur on September 6th.

In addition to the above there are no subsequent events to 30th June 2017 that may have a material impact in these financial statements presented.

21. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors and authorised for emission on 31st August 2017.

Review Report on the Consolidated Financial Statements

(Free translation from the original in Portuguese)

Introduction

We have reviewed the accompanying consolidated financial statements of Ibersol, S.G.P.S., S.A. (the Company), which comprise the consolidated statement of financial position as at 30 June 2017 (which shows total assets of Euro 420,832,743 and total shareholder's equity of Euro 159,591,158, including a net profit of 9,500,549, the consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, and the accompanying explanatory notes to these consolidated financial statements.

Management's responsibility

The Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Accounting Standard 34 – Interim Financial Reporting as adopted by the European Union, as well as to create and maintain appropriate systems of internal control to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the accompanying consolidated financial statements. We conducted our review in accordance with ISRE 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity and other technical and ethical standards and recommendations issued by the Institute of Statutory Auditors. Those standards require that we conduct the review in order to conclude whether anything has come to our attention that causes us to believe that the consolidated financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34 – Interim Financial Reporting as adopted by the European Union.

A review of financial statements is a limited assurance engagement. The procedures performed mainly consist of making inquiries and applying analytical procedures, and evaluating the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (ISA). Accordingly, we do not express an opinion on these consolidated financial statements.

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Conclusion

Based on our review, nothing has come to our attention that causes us to believe that accompanying consolidated financial statements of Ibersol, S.G.P.S., S.A. as at 30 June 2017 are not prepared, in all material respects, in accordance with International Accounting Standard 34 – Interim Financial Reporting as adopted by the European Union.

Porto, 31 August 2017

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Hermínio António Paulos Afonso, R.O.C.

(This is a translation, not to be signed)