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
9M2016
(not audited)

- **Consolidated Turnover of 332.5 million euros**
- **Turnover without Eat Out Group (EOG) of 206.6 million euros**
  Increase of 16.4% over the adjusted 9M of 2016

- **Consolidated EBITDA reached 49.8 million euros**
- **Adjusted EBITDA without EOG of 34.0 million euros**
  Ebitda increased 14.7% over the adjusted 9M of 2016

- **Consolidated net profit of 21.8 million euros**
- **Consolidated net profit without EOG of 17.4 million euros**
  Increase of 16.7% when compared to the adjusted 9M of 2016

Consolidated Management Report

Activity

Consolidated turnover for the nine months of the year amounted to EUR 332.5 million (EUR 206.6 million without Eat Out Group) compared to EUR 177.5 million in the same period of the previous year, broken down as follows:

Turnover	9M 2017 w/EOG		EOG	TOTAL 9M H17	
	euro million	% Ch. 17/16	euro million	euro million	% Ch. 17/16
Sales of Restaurants	204,37	16,5%	122,63	327,00	86,3%
Sales of Merchandise	1,82	19,1%	0,00	1,82	19,1%
Services Rendered	0,42	-7,2%	3,28	3,70	724,0%
Net Sales & Services	206,60	16,4%	125,91	332,51	87,4%

Eliminating the effect of the Eat Out Group acquisition, restaurant sales growth in the first nine months was 16.5%. 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 2.5% on first nine months. 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 with gains in market share, especially in counters.

SALES IN RESTAURANTS	9M 2017 w/EOG		EOG	TOTAL 9M H17	
	euro million	% Ch. 17/16	euro million	euro million	% Ch. 17/16
Restaurants	59,75	9,7%	13,43	73,18	34,4%
Counters	121,20	18,0%	25,85	147,05	43,2%
Concessions &Catering	23,42	27,6%	83,35	106,77	481,8%
Total Sales	204,37	16,5%	122,63	327,00	86,3%

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 122.6 million, with special emphasis on the approximately 83 million sales in concessions.

During the semester, we closed 33 restaurants, 13 equities and 20 franchises.

The closures of the equity restaurants resulted from the end of the concession period of 9 resturants 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, 10 units of Santamaria and 9 Pans in Spain were closed.

Following the expansion plan for this year, we opened 14 new units, 10 equities and 4 franchise units.

At the end of the 3rd quarter, the total number of restaurants was 648 (501 equity and 147 franchises), as shown below:

Nº of Restaurants	2016 31-Dec	Openings	Transfer	Closings	2017 30-Sep
PORTUGAL	**307**	**9**		**3**	**313**
Own Stores	**306**	**9**		**3**	**312**
Pizza Hut	93			1	92
Okilo+MIIT	5			1	4
Pans+Roulotte	46				46
Burger King	66	6			72
KFC	18	2			20
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**	**5**		**30**	**315**
Own Stores	**188**	**1**	**0**	**10**	**179**
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		9	63
Franchise Stores	**152**	**4**		**20**	**136**
Pizza Móvil	16				16
Pans	67	2		9	60
Ribs	25	2		1	26
Fresco	8				8
SantaMaria	36			10	26
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**	**10**	**0**	**13**	**501**
Total Franchise stores	**163**	**4**	**0**	**20**	**147**
TOTAL	**667**	**14**	**0**	**33**	**648**

Results

The consolidated net income of 9M amounted to 21.8 million euros, 3.8 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 nine months of last year we will take as reference the adjusted accounts for the same period 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 this year the result is strongly influenced by the consolidation of Eat Out Group.
In order to better understanding the 9M 2017 indicators, we consider the two perimeters, with and without consolidation of the Eat Out Group:

	2017		2016	
	Total 9M17	9M17 (without EOG)	Total 9M16	9M16 (adjusted)
Operating income				
Sales	328.811.926	**206.183.457**	177.028.181	**177.028.181**
Rendered services	3.699.549	**416.654**	449.328	**449.328**
Other operating income	7.170.275	**2.170.855**	5.252.225	**2.854.467**
Total operating income	339.681.750	**208.770.966**	182.729.734	**180.331.976**
Custos Operacionais				
Cost of sales	76.132.002	**50.359.699**	42.925.591	**42.925.591**
External supplies and services	110.685.505	**62.055.999**	53.317.217	**53.317.217**
Personnel costs	100.168.032	**60.458.907**	52.331.750	**52.331.750**
Amortisation, depreciation and impairment losses	21.042.868	**12.227.826**	8.355.461	**8.355.461**
Other operating costs	2.873.195	**1.870.623**	2.096.525	**2.096.525**
Total operating costs	310.901.602	**186.973.054**	159.026.544	**159.026.544**
Operating Income	28.780.148	**21.797.912**	23.703.190	**21.305.432**
EBITDA	**49.823.016**	**34.025.738**	**32.058.651**	**29.660.893**
Net financing cost	3.668.939	**2.728.967**	77.503	**1.647.826**
Gains (losses) in joint controlled subsidiaries - Equity method	24.126	**24.126**	4.405	**4.405**
Profit before tax	**25.135.335**	**19.093.071**	**23.630.092**	**19.662.011**
Income tax expense	3.290.877	**1.721.266**	5.605.163	**4.771.866**
Net profit	**21.844.458**	**17.371.805**	**18.024.929**	**14.890.145**

Not considering the Eat Out Group in the consolidation perimeter, net income grew 16.7%.

Gross margin corresponds to 77.1% of turnover (9M16: 75.8%), 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 75.6% (9M16: 75.8%). The partial 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.

Staff costs: increased 91.4%, as the sales evolution, representing 30.1% of turnover.

Without EOG, this increase was 15.5%, lower than the 16.5% activity increase. In the 9M17 represented 29.3% of the turnover, (9M6: 29.5%). Sales increase, the dilution of structure costs and VAT 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 107.6%, representing 33.3% of turnover (9M16: 30,0%). 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 16.4%, representing 30.0% of turnover, similar than in the same period of 2016.

Other operating income amounted to 7.1 million euros, with a relevant contribution by Eat Out Group, 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 0.7 million euros results almost entirely from the occasional consulting services rendered in the same period of the previous year.

The **other operating costs** amounted to around 2.9 million euros, due to costs associated with closures (0.7 million euros), impairment losses in current assets (0.3 million euros) and 1 million euros in fees and taxes.
Without EOG, decrease of 10.8% compared to the previous year.

Therefore, **EBITDA** amounted to 49.8 million euros, an increase of 68% over 9M16.
The EBITDA without Eat Out Group, increased 4.4 million euros and amounted to 34.0 million euros, ie 16.7% over 9M16 adjusted.

Consolidated **EBITDA** margin stood at 15.0% of turnover and 16.5% without Eat Out Group, compared with 16.7% at the same period of the previous year (adjusted).

Consolidated **EBIT** margin is 8.7%of turnover, corresponding to an operating income of 28.8 million euros.

Without Eat Out Group, **EBIT** margin is 10.6%, lower than in the same period of 2016, corresponding to an operating income of EUR 21.8 million. Should be noted the increase of the depreciations value, which represented 5.9% of turnover (4.7% in 9M16). This increase in 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** was around 3.7 million euros, around 3.6 million euros higher than 9M16, which benefited from non-recurring income of 1.6 million euros.

Average cost of loans in the first nine months of 2017, which stood at 2.5%, substantially lower than 9M16, due to the dilution of the weight of the debt in Angola, due to the financing for the acquisition of Eat Out Group.

The **income tax** for the period amounts to 3.3 million euros, which represents an effective rate of 24.0%. In the first nine months of the year, tax benefits were recognized at 2.7 million euros, resulting from RFAI application in the income statement of 2016.

Financial Situation

Total Assets amounted to 440 million euros and equity stood at 172 million euros, representing 39% of assets.

CAPEX reached 20 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 11 million euros and in the refurbishment and reconversion of some restaurants in Portugal and Spain.

Net debt at 30th September 2017 amounted to 80 million euros, 30 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. In the process of listing the new shares, the company acquired 57 shares, at an average price of € 10.9, corresponding to the fractions resulting from the application of the attribution factor of the new shares.

At 30th September 2017, the company held 2,999,938 own shares, representing 9.9998% of the share capital, acquired by 11.179.969 euros, corresponding to an average price per share of 3.73 euros.

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 fourth quarter 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 rest of the year.

The expansion plan will result in the opening at least of 7 new restaurants in Portugal until the end of the year. In the 4th quarter and to date, the openings of 1 Burger King (Gaia) have already been completed.

As far as Eat Out Group is concerned, special attention will be given to the following phases of the Barcelona Airport tender, currently under evaluation. In November, the tender of Gran Canaria was finalized with an auction in which EOG won a lot. The tender for the Málaga airport has been published, and proposals will be presented next January. This year we will also open the unit that was awarded to us in the Madrid Airport.

In Angola, the development of business will be closely linked to the country's political and economic evolution. The outlook points to a strong possibility of a devaluation of the currency and consequently a fall in consumption.

Porto, 28 November 2017

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António Carlos Vaz Pinto de Sousa

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António Alberto Guerra Leal Teixeira

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Juan Carlos Vázquez-Dodero

Declaration of Conformity

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

(i) the consolidated financial statements of Ibersol SGPS SA, referring to the trimester 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.

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

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

Consolidated Financial Statements

30th September 2017

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

ASSETS	Notes	30/09/2017	31/12/2016
Non-current			
Tangible fixed assets	7	178 959 873	179 388 621
Goodwill	8	111 156 658	111 156 658
Intangible assets	8	13 671 047	14 990 885
Deferred tax assets		7 496 966	8 555 186
Financial investments - joint controlled subsidiaries		2 441 757	2 417 631
Available-for-sale financial assets		486 092	440 541
Other financial assets	14	8 376 056	10 438 768
Other non-current assets	15	6 522 718	6 574 793
Total non-current assets		**329 111 167**	**333 963 083**
Current			
Stocks		11 935 949	11 547 211
Cash and bank deposits		56 997 474	39 588 532
Income tax receivable		2 312 650	2 332 391
Other financial assets	14	12 227 161	7 041 574
Other current assets	15	27 398 554	28 584 565
Total current assets		**110 871 788**	**89 094 273**
Total Assets		**439 982 955**	**423 057 355**

EQUITY AND LIABILITIES	Notes	30/09/2017	31/12/2016
EQUITY			
Capital and reserves attributable to shareholders			
Share capital	9	30 000 000	24 000 000
Own shares		-11 179 969	-11 179 348
Conversion Reserves		-1 982 767	-2 002 180
Other Reserves & Retained Results		132 749 947	117 522 486
Net profit in the year		21 474 681	23 387 471
		171 061 892	**151 728 429**
Non-controlling interest		703 176	333 399
Total Equity		**171 765 068**	**152 061 828**
LIABILITIES			
Non-current			
Loans		110 459 520	130 457 713
Deferred tax liabilities		9 539 028	10 187 932
Provisions		4 594 724	3 412 128
Derivative financial instrument		74 062	114 935
Other non-current liabilities		186 404	208 040
Total non-current liabilities		**124 853 738**	**144 380 748**
Current			
Loans		46 924 641	36 333 949
Accounts payable to suppliers and accrued costs		73 205 233	69 304 753
Income tax payable		2 722 201	2 349 654
Other current liabilities	15	20 512 074	18 626 423
Total current liabilities		**143 364 149**	**126 614 779**
Total Liabilities		**268 217 887**	**270 995 527**
Total Equity and Liabilities		**439 982 955**	**423 057 355**

The Board of Directors,

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

	Notes	30/09/2017	30/09/2016
Operating Income			
Sales	5	328 811 926	177 028 181
Rendered services	5	3 699 549	449 328
Other operating income	6	7 170 275	5 252 225
Total operating income		339 681 750	182 729 734
Operating Costs			
Cost of sales		76 132 002	42 925 591
External supplies and services		110 685 505	53 317 217
Personnel costs		100 168 032	52 331 750
Amortisation, depreciation and impairment losses of TFA and IA	7 e 8	21 042 868	8 355 461
Other operating costs		2 873 195	2 096 525
Total operating costs		310 901 602	159 026 544
Operating Income		28 780 148	23 703 190
Net financing cost	16	3 668 939	77 503
Gains (losses) in joint controlled subsidiaries - Equity method		24 126	4 405
Profit before tax		**25 135 335**	**23 630 092**
Income tax expense	17	3 290 877	5 605 163
Net profit		**21 844 458**	**18 024 929**
Other comprehensive income:			
Change in currency conversion reserve (net of tax and that can be recycled for results)		19 413	-1 167 468
TOTAL COMPREHENSIVE INCOME		**21 863 871**	**16 857 461**
Net profit attributable to:			
Owners of the parent		21 474 681	18 086 698
Non-controlling interest		369 777	-61 769
		21 844 458	18 024 929
Total comprehensive income attributable to:			
Owners of the parent		21 494 094	16 919 230
Non-controlling interest		369 777	-61 769
		21 863 871	16 857 461
Earnings per share:	9		
Basic		**0,80**	**0,67**
Diluted		**0,80**	**0,67**

The Board of Directors,

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

	Notes	3rd TRIMESTER (unaudited)	
Operating Income			
Sales	5	126 840 515	69 277 871
Rendered services	5	1 319 855	59 333
Other operating income	6	2 234 829	624 165
Total operating income		130 395 199	69 961 369
Operating Costs			
Cost of sales		29 080 190	16 542 188
External supplies and services		41 002 430	19 055 525
Personnel costs		35 340 676	18 156 767
Amortisation, depreciation and impairment losses of TFA and IA	7 e 8	6 970 644	2 913 111
Other operating costs		813 102	503 684
Total operating costs		113 207 042	57 171 275
Operating Income		17 188 157	12 790 094
Net financing cost	16	1 214 371	657 259
Gains (losses) in joint controlled subsidiaries - Equity method		-1 075	2 525
Profit before tax		**15 972 711**	**12 135 360**
Income tax expense	17	3 809 189	2 897 618
Net profit		**12 163 522**	**9 237 742**
Other comprehensive income:			
Change in currency conversion reserve (net of tax and that can be recycled for results)		11 009	-40 843
TOTAL COMPREHENSIVE INCOME		**12 174 531**	**9 196 899**
Net profit attributable to:			
Owners of the parent		11 974 132	9 214 333
Non-controlling interest		189 390	23 408
		12 163 522	9 237 742
Total comprehensive income attributable to:			
Owners of the parent		11 985 141	9 173 490
Non-controlling interest		189 390	23 408
		12 174 531	9 196 899
Earnings per share:	9		
Basic		**0,44**	**0,34**
Diluted		**0,44**	**0,34**

The Board of Directors,

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

	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
		Assigned to shareholders								
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	9					260 522		260 522	-260 522	-
Conversion reserves - Angola				-1 167 468				-1 167 468		-1 167 468
Acquisition/ (sale) of own shares			1 201					1 201		1 201
Net consolidated income in the nine month period ended on 30 September 2016							18 086 698	18 086 698	-61 769	18 024 929
Total changes in the period		-	-	-1 167 468	-	10 842 788	7 504 432	17 180 953	-322 291	16 858 662
Net profit							**18 086 698**	**18 086 698**	**-61 769**	**18 024 929**
Total comprehensive income								18 087 899	-61 769	18 026 130
Transactions with capital owners in the period										
Application of the consolidated profit from 2015:										
Paid dividends	10					-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 September 2016		**20 000 000**	**-11 179 644**	**-2 017 907**	**4 000 001**	**116 414 920**	**18 086 698**	**145 305 269**	**1 001 126**	**146 306 394**
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	9			19 413				19 413		19 413
Acquisition/ (sale) of own shares			-621					-621		-621
Net consolidated income in the nine month period ended on 30 September 2017							21 474 681	21 474 681	369 777	21 844 458
Total changes in the period		6 000 000	- 621	19 413	-	17 387 471	-1 912 790	21 493 473	369 777	21 863 250
Net profit							**21 474 681**	**21 474 681**	**369 777**	**21 844 458**
Total comprehensive income								21 494 094	369 777	21 863 871
Transactions with capital owners in the period										
Application of the consolidated profit from 2016:										
Paid dividends	10					-2 160 010		-2 160 010		-2 160 010
		-	-	-	-	-2 160 010	-	-2 160 010	-	-2 160 010
Balance on 30 September 2017		**30 000 000**	**-11 179 969**	**-1 982 767**	**-**	**132 749 947**	**21 474 681**	**171 061 892**	**703 176**	**171 765 068**

The Board of Directors,

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

	Note	Nine months period ending on September 30	
		2017	**2016**
Cash Flows from Operating Activities			
Receipts from clients		332 146 083	177 101 390
Payments to supliers		-184 548 568	-102 050 640
Staff payments		-76 998 068	-38 833 311
Payments/receipt of income tax		-1 306 475	-2 645 864
Other paym./receipts related with operating activities		-8 536 016	-1 774 715
Flows from operating activities (1)		**60 756 956**	**31 796 860**
Cash Flows from Investment Activities			
Receipts from:			
Financial investments		19 049	590 332
Tangible fixed assets		5 731	4 964
Intangible assets			
Investment benefits			4 608
Interest received		920 448	2 111 585
Payments for:			
Financial Investments		64 600	10 094 296
Other financial assets		3 126 100	8 700 525
Tangible fixed assets		24 358 808	16 805 224
Intangible assests		801 542	1 341 376
Flows from investment activities (2)		-27 405 822	-34 229 932
Cash flows from financing activities			
Receipts from:			
Loans obtained		4 535 475	13 348 261
Sale of own shares			1 201
Payments for:			
Loans obtained		21 571 360	3 780 748
Amortisation of financial leasing contracts		1 378 987	75 773
Interest and similar costs		4 247 737	1 977 395
Dividends paid		2 160 010	5 598 270
Acquisition of own shares		621	
Flows from financing activities (3)		-24 823 240	1 917 276
Change in cash & cash equivalents (4)=(1)+(2)+(3)		**8 527 894**	**-515 796**
Perimeter changes effect			
Exchange rate differences effect		1 424	-551 779
Cash & cash equivalents at the start of the period		37 782 889	14 425 207
Cash & cash equivalents at end of the period		**46 312 207**	**13 357 632**

The Board of Directors,

IBERSOL SGPS, S.A.

ANNEX TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD ENDED ON 30 SEPTEMBER 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 501 units which it operates and 147 units under a franchise contract. Of this universe, 315 are headquartered in Spain, of which 179 are own establishments and 136 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 September 2017 are identical to those applied for preparing the financial statements of 30 September 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 nine months period ended on the 30 September 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 September 2017 and 30th September and 31 December 2016:

Company	Head Office	% Shareholding		
		Sep/17	Sep/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	-	-	-
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 meet 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 nine months period ended on 30 September 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 7 and 8)	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	-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 8)	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:

	Sep/17
Operating income	131 102 710
Operating costs	-124 120 471
Financial income	-939 973
Investments income	-
Income before taxes	6 042 266
Tax income	-1 569 611
Net Income	4 472 655

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

4.2.2. Disposals

In the nine months period ended on 30 September 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 nine months period ended 30 September 2017 and 2016 were as follows:

30 September 2017	**Restaurants**	**Counters**	**Concessions and Catering**	**Other, write off and adjustments**	**Total Group**
Inter-segment client	-	-	-	-	-
External client	76 408 685	148 420 008	106 854 273	828 510	332 511 475
Total sales and services	**76 408 685**	**148 420 008**	**106 854 273**	**828 510**	**332 511 475**
Royalties	2 843 846	5 839 375	1 331 242	-	10 014 464
Rents and Condominium	8 204 876	14 711 469	31 679 897	-	54 596 242
Coste of sales	15 497 815	39 239 468	21 394 719	-	76 132 002
Operating cash-flow (EBITDA)	**11 985 496**	**23 647 308**	**14 190 212**	-	**49 823 016**
Amortisation, depreciation and impairment losses	5 294 945	11 130 302	4 288 019	329 602	21 042 868
Operating income (EBIT)	**6 690 551**	**12 517 006**	**9 902 193**	**-329 602**	**28 780 148**

30 September 2016	Restaurants	Counters	Concessions and Catering	Other, write off and adjustments	Total Group
Inter-segment client	-	-	-	-	-
External client	56 086 272	102 700 197	18 430 573	260 467	177 477 509
Total sales and services	**56 086 272**	**102 700 197**	**18 430 573**	**260 467**	**177 477 509**
Royalties	2 564 709	4 794 896	230 931	-	7 590 536
Rents and Condominium	6 004 869	8 430 530	3 128 822		17 564 221
Coste of sales	10 917 134	27 567 027	4 441 429	-	42 925 591
Operating cash-flow (EBITDA)	**8 519 084**	**17 719 928**	**5 819 639**	**-**	**32 058 651**
Amortisation, depreciation and impairment losses	2 000 675	4 871 733	1 301 237	181 815	8 355 461
Operating income (EBIT)	**6 518 409**	**12 848 195**	**4 518 402**	**-181 815**	**23 703 191**

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

30 SEPTEMBER 2017	**Portugal (1)**	**Spain**	**Grupo**
Restaurants	166 833 118	160 021 778	326 854 896
Merchandise	895 996	1 061 034	1 957 030
Rendered services	149 793	3 549 756	3 699 549
Total sales and services	**167 878 907**	**164 632 568**	**332 511 475**
Tangible fixed and intangible assets	149 790 190	42 840 730	192 630 920
Goodwill	7 605 482	103 551 176	111 156 658
Deferred tax assets	2 574 550	4 922 416	7 496 966
Financial investments - joint controlled subsidiaries	2 441 757	-	2 441 757
Available-for-sale financial assets	486 092	-	486 092
Other financial assets	8 376 056	-	8 376 056
Other non-current assets	-	6 522 718	6 522 718
Total non-current assets	**171 274 127**	**157 837 040**	**329 111 167**

30 SEPTEMBER 2016	**Portugal (1)**	**Spain**	**Grupo**
Restaurants	139 369 712	36 132 420	175 502 132
Merchandise	400 469	1 125 580	1 526 049
Rendered services	175 730	273 598	449 328
Total sales and services	**139 945 911**	**37 531 598**	**177 477 509**
Tangible fixed and intangible assets	135 514 649	17 776 200	153 290 849
Goodwill	7 605 482	32 903 527	40 509 009
Deferred tax assets	2 869 377	393 196	3 262 573
Financial investments - joint controlled subsidiaries	2 422 297	-	2 422 297
Available-for-sale financial assets	436 655	60 000	496 655
Financial Investment Advances	-	10 000 000	10 000 000
Other financial assets	17 327 331	-	17 327 331
Other non-current assets	-	1 344 183	1 344 183
Total non-current assets	**166 175 791**	**62 477 106**	**228 652 897**

(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 nine months period ended on 30 September 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 an increase of sales in the months of July, August and December, witch leads to a greater activity on the third trimester of the year compared with the first semester. The previous years have evidenced that, in comparable perimeter and with an equal distribution of openings and closings, in the period that understands the nine first months of the year, sales are about 75% of annual volume and, with the dilution effect of the fixed costs with the increase of the activity, the operating income represents about 85%.

7. TANGIBLE FIXED ASSETS

In the nine months period ended 30 September 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 September 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	-	12 040 961	4 927 696	1 403 773	867 744	19 240 174
Decreases	-	581 907	6 161	24	127 643	715 735
Transfers	-	1 075 804	2 718	7 795	-1 086 883	-566
Depreciation in the year	25 334	11 766 361	6 136 641	1 021 249	-	18 949 585
Deprec. by changes in the perim.	-	-	-	-	-	-
Impairment in the year	-	-	-	-	-	-
Impairment by changes in the perim.	-	-	-	-	-	-
Impairment reversion	-	-	-	-	-	-
Final net amount	**11 241 497**	**131 340 112**	**27 813 889**	**7 403 983**	**1 160 395**	**178 959 874**
30 September 2017						
Cost	11 341 454	233 540 549	122 690 858	23 515 692	1 160 395	392 248 949
Accumulated depreciation	99 957	92 532 952	93 863 732	16 052 796	-	202 549 436
Accumulated impairment	-	9 667 484	1 013 238	58 914	-	10 739 636
Net amount	**11 241 497**	**131 340 112**	**27 813 889**	**7 403 983**	**1 160 395**	**178 959 874**

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

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 nine month period ended September 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 six Burguer King, two 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:

	Sep/17	Dec/16
Goodwill	111 156 658	111 156 658
Intangible assets	13 671 046	14 990 885
	124 827 704	**126 147 543**

In the nine months period ended 30 September 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 September 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	-	639 002	79 807	82 733	801 542
Decreases	-	3 144	5 253	-	8 397
Transfers	-	-	-	-	-
Amortization in the year	-	1 400 436	712 341	-	2 112 777
Amortiz. by changes in the perimeter	-	-	-	-	-
Impairment in the year	-	-	-	-	-
Impairment by changes in the perim.	-	-	-	-	
Impairment reversion	-	-	-	-	-
Final net amount	**111 156 658**	**10 944 849**	**1 950 038**	**776 157**	**124 827 704**
30 September 2017					
Cost	113 018 336	38 544 403	14 527 670	776 157	166 866 566
Accumulated amortization	-	23 934 222	12 535 757	-	36 469 979
Accumulated impairment	1 861 678	3 665 332	41 875	-	5 568 884
Net amount	**111 156 658**	**10 944 849**	**1 950 038**	**776 157**	**124 827 704**

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

	Sep/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 nine months period ended 30 September 2017 and 2016 was calculated as follows:

	Sep/17	Sep/16
Profit payable to shareholders	21 474 681	18 086 698
Mean weighted number of ordinary shares issued	30 000 000	30 000 000
Mean weighted number of own shares	-2 999 938	-2 999 938
	27 000 062	27 000 062
Basic earnings per share (€ per share)	0,80	0,67
Earnings diluted per share (€ per share)	0,80	0,67
Number of own shares at the end of the year	2 999 938	2 999 938

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, registered in the respective registry office on July, and admitted to listing in September. This increase in share capital results in an increase of 599.976 own shares.

In 2016, it was deliberate to increase the share capital to 24 million, by incorporation of legal reserves. The capital increase implied an increase of 399.980 own shares.

Ibersol acquired 57 own shares in 2017.

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.

Also, in the year 2016, 3.798.270 euros of dividends were paid to a minority shareholder of the subsidiary Ibersande.

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 September 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:

	Sep/17	Dec/16
Bank guarantees	24 519 817	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 nine months period ended on 30 September 2017 and in the year 2016, under the heading of asset impairment losses were as follows:

	Sep/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	-	-	- 3 332	-	-	3 707 206
Stocks	74 981	-	-	-	-	-	74 981
Other current assets	2 753 877	-11	-67 598	-	363 300	-69 978	2 979 591
	19 868 171	-11	-67 598	-730 792	363 300	-69 978	19 363 092

	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 devaluation of Kwanza is a risk to consider. The financing of the Angolan subsidiary in foreign currency in the amount of $ 1.125.000, 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:

Sep/17

Euro exchange rates (x foreign currency per 1 Euro)	Rate on September, 30 2017	Average interest rate September 2017
Kwanza de Angola (AOA)	184,502	187,196

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 the result for the period.

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 5 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 September 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 738.000 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 September 30, 2017, is not significant, with the exception of the above mentioned Treasury Bonds of the Republic of Angola in the amount of 20,6 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 nine months period ended on 30 September 2017, current liabilities reached 143 million euros, compared with 111 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 (22.000.000 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 September 30, 2017, the use of short term liquidity cash flow support was about 11%. Investments in term deposits and other application of 55 million euros, match 35% of liabilities paid.

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

	to September 2018	from September 2018 to 2028
Bank loans and overdrafts	46 924 641	110 459 520
Other non-current liabilities	-	186 404
Accounts payable to suppliers and accrued costs	63 319 133	-
Accrued costs	12 482 301	-
Total	122 726 075	110 645 924

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 September 2017 and 31st December 2016 the gearing ratio was of 32% and 42%, respectively, as follows:

	set/17	Dec-16
Bank loans	157 384 161	166 791 662
Other financial assets	-20 603 217	-17 480 341
Cash and bank deposits	-56 997 474	-39 588 532
Net indebtedness	79 783 470	109 722 788
Equity	171 765 068	152 061 828
Total capital	251 548 538	261 784 616
Gearing ratio	32%	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 September 2017 and 31st December 2016 are broken down as follows:

Other current assets

	Sep/17	Dec/16
Clients	12 077 998	11 933 322
State and other public entities	670 934	1 542 489
Other debtors	6 312 635	5 206 424
Advances to suplliers	536 832	236 513
Advances to financial investments debt	1 103 000	2 900 000
Accruals and income	6 689 770	6 677 919
Deferred costs	2 986 976	2 841 775
Other current assets	**30 378 145**	**31 338 442**
Accumulated impairment losses	2 979 591	2 753 877
	27 398 554	**28 584 565**

Other current liabilities

	Sep/17	Dec/16
Other creditors	12 482 301	10 933 132
State and other public entities	6 998 854	7 035 937
Deferred income	1 030 919	657 354
	20 512 074	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 September 2017 and 2016 are broken down as follows:

	2017	2016
Interest paid	3 406 360	1 823 166
Interest earned (1)	-900 136	-2 183 239
Currency exchange differences	-126 779	-24 022
Payment discounts obtained	-7 629	-7 947
Other financial costs and income	1 297 123	469 545
	3 668 939	77 503

(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 September 30, 2017 and 2016 are detailed as follows:

	Sep/17	Jun/16
Current income tax	6 407 356	5 416 708
Insufficiency (excess) of tax estimate (1)	-2 707 163	-1 992
Deferred taxes	-409 316	190 447
	3 290 877	5 605 163

(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) on 30 September 2017 and 2016 was of 24%, as follows:

	Sep/17	Jun/16
Pre-tax profit	25 135 335	23 630 092
Income tax	5 998 040	5 607 155
Effective tax rate	24%	24%

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, 759.936 and 1.989.397 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.

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. <u>SUBSEQUENT EVENTS</u>

There are no subsequent events to 30th September 2017 that may have a material impact on the financial statements presented.

21. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors and authorised for emission on 28th November 2017.