



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 Quarter 2018 (not audited)

- **Consolidated Turnover of 100.3 million euros**
Increase of 6.3% over 1st quarter of 2017
- **Consolidated EBITDA reached 11.1 million euros**
Ebitda increased 6.0% over 1st quarter of 2017.
- **Consolidated net profit of 3.5 million euros**
Increase of 70.3% when compared to the 1st quarter of 2017.

Consolidated Management Report

Activity

The positive evolution of the demand in the Iberian, coupled with the effects of the openings during 2017, contributed to the maintenance of the growth trend during this period and to minimize the impact of turnover reduction in Angola, due to the devaluation of AKZ and the consumption decrease.

Consolidated turnover of 100.3 million euros, compared to 94.3 million euros in the first quarter of 2017.

Benefiting from the Easter anticipation, the calendar effect in this quarter which is estimated at around 2%, contributed to achieve a 98.5 million euros of restaurant sales, which represents a growth of 6.3%.

SALES IN RESTAURANTS	TOTAL 2018	
	euro million	% Ch. 18/17
Restaurants	24,43	9,4%
Counters	47,23	5,2%
Concessions&Catering	26,81	5,7%
Total Sales	98,47	6,3%

All segments show a positive trend with an increase in the *like-for-like* and market share gains.

The restaurants segment grew more than the market, with a special highlight for Pizza Hut performance.

In the counters segment, the brands which we operate maintained the trend observed last year with market share gains and growth rates influenced by a higher number of units operating. Even including KFC's activity in Angola, this segment achieved a 5.2% growth of sales.

The "Concessions and Catering" business continue to benefit from the traffic increase in the concession areas, achieving a 5.7% sales growth over the same period.

During the quarter, we closed 6 restaurants, 2 equities and 4 franchises continuing the process of evaluation of the franchisees network. The closure of the KFC restaurant in Portugal resulted from the option of not renewing the rent contract and it was decided to close a Pans unit in Spain.

Following the strategy of expansion in new concessions, we opened the first unit at Barajas airport in Madrid and the opening of three new restaurants, PH and KFC in Portugal and a Pans in Spain. In addition, the openings of two franchised restaurants in Spain of Pans and Ribs.

At the end of the quarter, the total number of restaurants was 646 (504 equity and 142 franchises), as shown below:

N° of Restaurants	2017			2018	
	31.Dec	Openings	Transfer	Closings	31.Mar
PORTUGAL	316	2		1	317
Equity Restaurants	315	2		1	316
Pizza Hut	91	1			92
Oklo+MIT	4				4
Pans+Roulotte	46				46
Burger King	77				77
KFC	22	1		1	22
Pasta Caffè	9				9
Quiosques	8				8
Coffee Shops	27				27
Catering	7				7
Concessions & Other	24				24
Franchise Restaurants	1				1
SPAIN	312	4		5	311
Equity Restaurants	177	2	0	1	178
Pizza Móvil	31				31
Pizza Hut	3				3
Burger King	33				33
Pans	36	1		1	36
Ribs	9				9
FrescoCo	3				3
Concessions	63	1			64
Franchise Restaurants	135	2		4	133
Pizza Móvil	16				16
Pans	58	1		1	58
Ribs	28	1		1	28
Fresco	8			1	7
SantaMaria	25			1	24
ANGOLA	10				10
KFC	9				9
Pizza Hut	1				1
Other Locations - Franchise Restaurants	8			0	8
FrescoCo India	0				0
Pans Italy	8				8
Total Equity Restaurants	502	4	0	2	504
Total Franchise Restaurants	144	2	0	4	142
TOTAL	646	6	0	6	646

Results

The consolidated net income of 1Q amounted to Eur 3.5 million euros. Excluding the effect of the application of IAS29, the net result would be 2.9 million euros, 0.9 million euros higher than the same period of 2017, which represents a growth of 42.3%.

Gross margin was 77.2% of turnover, 0.2p.p higher than the previous year (1Q17: 77.0%), reflecting the maintenance of the levels of promotional aggressiveness that have occurred in this market.

In terms of the remaining cost structure, which has been under increasing pressure, it was possible to achieve a growth below turnover, reducing the weight of staff and external supplies costs.

Including the effect of the increase in the minimum wage, **Staff costs** increased 5.6%, slightly lower than the 6.3% activity increase, representing 33.2% of the turnover (1Q17: 33.4%).

External Supplies and services: increase of 5.4%, representing 33.6% of turnover, 0.3 pp less than in 1Q 2017.

Other operating income increased 3.9%. **Other operating costs** increased 0.8 million, mainly due to the exchange differences in the Angolan subsidiary at the 1Q18, as result of the AKZ depreciation against foreign currencies which affected some liabilities denominated in Euros and indexed by some hedging assets denominated in USD.

Therefore **EBITDA** amounted to 11.1 million euros, an increase of 6.0% over 1Q17. Activity in Angola was deeply affected by the devaluation of AKZ, about 40%, only reflected in 15% in sales price, with an important impact on Ebitda.

Consolidated **EBITDA** margin stood at 11.1% of turnover at the same level as the first quarter of 1Q17.

Consolidated **EBIT** margin increased from 4.0% of turnover in 1Q17 to 4.8% in the 1Q18, corresponding to an operating result of 4.8 million euros.

Consolidated **Financial Results** were negative by 0.8 million euros, around 0.5 million euros less than 1Q17, partly due to the conversion in Euros of the financial costs of the Angolan subsidiary associated with local currency financing.

Average cost of loans, which stood at 1.9%, substantially lower than 1Q17, due to the dilution of the weight of the debt in Angola.

Financial Situation

Total Assets amounted to 433 million euros and equity stood at 188 million euros, representing 44% of assets.

CAPEX reached 3.3 million euros. About half for the investment in the new restaurants and the remaining for the refurbishment and reconversion of some restaurants.

Net debt at 31th March 2018 amounted to 73.3 million euros, 9.7 million euros lower than at the end of 2017.

Treasury Stock

During the first quarter of 2018 there has not been registered transactions of own shares. On the 31st March the company held 2.999.938 treasury stock, representing 9.9998% of the share capital, acquired by 11.179.969 euros, corresponding to an average price per share of 3.73€.

Outlook

In Portugal, it is expected that the sales growth trend of the last periods will be attenuated, while in Spain the evolution will be more moderate.

Last week the auction for the allocation of restaurants at Malaga airport took place, in which the proposals we made allowed us to be well positioned to obtain a share of around 24% - about double the current one - according to the "nota publicación resultado subasta" of the Aena website, although the official award notice has not yet been made. As planned, the transition from restaurant operations at the Barcelona airport that we stopped operating, took place at the beginning of May.

In Angola, AKZ's devaluation may continue, which will lead to a general increase in prices, which will probably result in a decrease in consumption with the inherent drop in transactions and the inability to increase prices at the pace of devaluation, so that profitability of our operations will continue to decline sharply.

In terms of openings, we will try to remain the rhythm of the expansion plans of recent years.

An agreement between Pizza Hut and Telepizza was recently announced, under which Pizza Hut will assign the rights associated with a master franchise in the Iberian Peninsula and throughout Latin America and South America, exception Brazil. As result, Ibersol will become directly related to Telepizza and only indirectly to Pizza Hut.

Ibersol will maintain the operation of the existing restaurants on the contracted terms and will have to agree with Telepizza the future development of new locations and renewals of the contracts, when they occur.

The business is still dependent on approvals from different authorities. Despite this fact we are in negotiations with Telepizza to define the future relationship framework.

Porto, 4th June 2018

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 quarter of 2018 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 three months of the year and the evolution of business performance and the position of all the companies included in consolidation.

Porto, 4th June 2018

António Carlos Vaz Pinto Sousa
António Alberto Guerra Leal Teixeira
Juan Carlos Vázquez-Dodero

Chairman of the Boards of Director
Member of the Board of Directors
Member of the Board of Directors

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

Consolidated Financial Statements

31st March 2018

IBERSOL S.G.P.S., S.A.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION ON 31st MARCH 2018 AND 31st DECEMBER 2017
(values in euros)

ASSETS	Notes	31/03/2018	31/12/2017
Non-current			
Tangible fixed assets	7	191 642 512	197 972 217
Goodwill	8	92 862 786	92 862 786
Intangible assets	8	34 223 382	35 115 966
Deferred tax assets		7 164 372	7 164 371
Financial investments - joint controlled subsidiaries		2 411 447	2 420 386
Available-for-sale financial assets		238 133	233 108
Other financial assets	14	15 475 314	17 823 906
Other non-current assets	15	6 573 977	6 335 385
Total non-current assets	6	<u>350 591 923</u>	<u>359 928 125</u>
Current			
Stocks		10 518 825	12 089 907
Cash and bank deposits		40 472 095	34 902 883
Income tax receivable		2 921 468	5 046 070
Other financial assets	14	6 733 930	5 162 755
Other current assets	15	21 605 583	19 823 562
Total current assets		<u>82 251 901</u>	<u>77 025 177</u>
Total Assets		<u>432 843 824</u>	<u>436 953 302</u>
EQUITY AND LIABILITIES			
EQUITY			
Capital and reserves attributable to shareholders			
Share capital	9	30 000 000	30 000 000
Own shares		-11 179 969	-11 179 969
Conversion Reserves		-5 058 955	-2 012 886
Other Reserves & Retained Results		171 089 604	140 240 143
Net profit in the year		3 477 815	30 849 460
		<u>188 328 495</u>	<u>187 896 748</u>
Non-controlling interest		294 623	723 445
Total Equity		<u>188 623 118</u>	<u>188 620 193</u>
LIABILITIES			
Non-current			
Loans		100 228 048	107 687 759
Deferred tax liabilities		16 411 136	16 296 869
Provisions		4 489 724	4 489 724
Derivative financial instrument		235 455	235 455
Other non-current liabilities		171 980	179 192
Total non-current liabilities		<u>121 536 343</u>	<u>128 888 999</u>
Current			
Loans		35 827 120	33 326 982
Accounts payable to suppliers and accrued costs		68 353 883	67 522 339
Income tax payable		1 020 049	324 744
Other current liabilities	15	17 483 311	18 270 045
Total current liabilities		<u>122 684 363</u>	<u>119 444 110</u>
Total Liabilities		<u>244 220 706</u>	<u>248 333 109</u>
Total Equity and Liabilities		<u>432 843 824</u>	<u>436 953 302</u>

The Board of Directors,

IBERSOL S.G.P.S., S.A.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH, 2018 AND 2017
(values in euros)

	<u>Notes</u>	<u>31/03/2018</u>	<u>31/03/2017</u>
Operating Income			
Sales	5	98 837 401	93 004 437
Rendered services	5	1 448 376	1 318 623
Other operating income	6	2 120 201	2 041 341
Total operating income		<u>102 405 978</u>	<u>96 364 401</u>
Operating Costs			
Cost of sales		22 833 048	21 688 285
External supplies and services		33 669 544	31 958 224
Personnel costs		33 282 851	31 531 510
Amortisation, depreciation and impairment losses of TFA and IA	7 e 8	6 288 833	6 679 846
Other operating costs		1 531 106	720 462
Total operating costs		<u>97 605 382</u>	<u>92 578 327</u>
Operating Income		<u>4 800 596</u>	<u>3 786 074</u>
Net financing cost	16	838 962	1 293 929
Gains (losses) in joint controlled subsidiaries - Equity method		-8 939	5 365
Gains (losses) on Net monetary position	7 e 8	575 659	-
Profit before tax		<u>4 528 354</u>	<u>2 497 510</u>
Income tax expense	17	1 034 714	446 246
Net profit		<u>3 493 640</u>	<u>2 051 264</u>
Other comprehensive income:			
Change in currency conversion reserve (net of tax and that can be recycled for results)		-3 046 069	-45 702
TOTAL COMPREHENSIVE INCOME		<u>447 571</u>	<u>2 005 562</u>
Net profit attributable to:			
Owners of the parent		3 477 815	1 997 246
Non-controlling interest		15 825	54 018
		<u>3 493 640</u>	<u>2 051 264</u>
Total comprehensive income attributable to:			
Owners of the parent		431 746	1 951 544
Non-controlling interest		15 825	54 018
		<u>447 571</u>	<u>2 005 562</u>
Earnings per share:			
Basic	9	<u>0,13</u>	<u>0,07</u>
Diluted		<u>0,13</u>	<u>0,07</u>

The Board of Directors,

IBERSOL S.G.P.S., S.A.
Statement of Alterations to the Consolidated Equity
for the three months period ended 31st March, 2018 and 2017
(value in euros)

Note	Assigned to shareholders						Interests that do not control	Total Equity
	Share Capital	Own Shares	Conversion Reserves	Other Reserves & Retained Results	Net Profit	Total parent equity		
Balance on 1 January 2017	24 000 000	-11 179 348	-2 002 180	117 522 486	23 387 471	151 728 428	333 399	152 061 827
Changes in the period:								
Application of the consolidated profit from 2016:								
Transfer to reserves and retained results				23 387 471	-23 387 471	-		-
Conversion reserves - Angola			-45 702			-45 702		-45 702
Net consolidated income in the three month period ended on 31 March 2017					1 997 246	1 997 246	54 018	2 051 264
Total changes in the period	-	-	-45 702	23 387 471	-21 390 225	1 951 544	54 018	2 005 563
Net profit					1 997 246	1 997 246	54 018	2 051 264
Total comprehensive income						1 951 544	54 018	2 005 562
Transactions with capital owners in the period								
Application of the consolidated profit from 2016:								
Paid dividends						-		-
	-	-	-	-	-	-	-	-
Balance on 31 March 2017	24 000 000	-11 179 348	-2 047 882	140 909 956	1 997 246	153 679 971	387 417	154 067 389
Balance on 1 January 2018	30 000 000	-11 179 969	-2 012 886	140 240 143	30 849 460	187 896 748	723 445	188 620 193
Changes in the period:								
Application of the consolidated profit from 2017:								
Transfer to reserves and retained results				30 849 460	-30 849 460	-		-
Conversion reserves - Angola			-3 046 069			-3 046 069		-3 046 069
Net consolidated income in the three month period ended on 31 March 2018					3 477 815	3 477 815	15 825	3 493 640
Total changes in the period	-	-	-3 046 069	30 849 460	-27 371 645	431 746	15 825	447 571
Net profit					3 477 815	3 477 815	15 825	3 493 640
Total comprehensive income						431 746	15 825	447 571
Transactions with capital owners in the period								
Application of the consolidated profit from 2017:								
Paid dividends						-	-444 647	-444 647
	-	-	-	-	-	-	-444 647	-444 647
Balance on 31 March 2018	30 000 000	-11 179 969	-5 058 955	171 089 603	3 477 815	188 328 494	294 623	188 623 117

The Board of Directors,

IBERSOL S.G.P.S., S.A.
Consolidated Cash Flow Statements
for the three months period ended 31 March, 2018 and 2017
(value in euros)

	Note	Three months period ending on March 31	
		2018	2017
Cash Flows from Operating Activities			
Receipts from clients		98 605 782	95 113 198
Payments to suppliers		-57 474 706	-58 178 876
Staff payments		-24 777 618	-23 762 185
Payments/receipt of income tax		2 114 429	-35 910
Other paym./receipts related with operating activities		-4 389 117	-5 709 535
Flows from operating activities (1)		14 078 770	7 426 692
Cash Flows from Investment Activities			
Receipts from:			
Financial investments		204 944	4 180
Tangible fixed assets			2 778
Intangible assets			
Investment benefits			
Interest received		295 175	227 493
Payments for:			
Financial Investments		36 229	20 225
Other financial assets		777 417	552 061
Tangible fixed assets		5 242 980	10 727 617
Intangible assests		307 177	432 763
Flows from investment activities (2)		-5 863 684	-11 498 215
Cash flows from financing activities			
Receipts from:			
Loans obtained		2 496 815	2 000 000
Sale of own shares			
Payments for:			
Loans obtained		3 179 065	6 796 069
Amortisation of financial leasing contracts			38 527
Interest and similar costs		980 205	1 129 228
Dividends paid		444 647	
Acquisition of own shares			
Flows from financing activities (3)		-2 107 102	-5 963 824
Change in cash & cash equivalents (4)=(1)+(2)+(3)		6 107 984	-10 035 347
Perimeter changes effect			
Exchange rate differences effect		-1 052 514	-38 448
Cash & cash equivalents at the start of the period		34 882 539	37 782 889
Cash & cash equivalents at end of the period		39 938 009	27 709 094

The Board of Directors,

IBERSOL SGPS, S.A.
ANNEX TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED ON 31 MARCH 2018

(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 646 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 504 units which it operates and 142 units under a franchise contract. Of this universe, 311 are headquartered in Spain, of which 178 are own establishments and 133 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 2018, mainly with the international standard n.º. 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 31 March 2018 are identical to those applied for preparing the financial statements of 31 March and 31 December 2017, 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 2017 and the accounting values considered in the three months period ended on the 31 March 2018.

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

4.1. The following group companies were included in the consolidation on 31st March 2018 and 2017 and 31 December 2017:

Company	Head Office	% Shareholding		
		Mar/18	Mar/17	Dec/17
Parent company				
Ibersol SGPS, S.A.	Porto	parent	parent	parent
Subsidiary companies				
Iberusa Hotelaria e Restauração, S.A.	Porto	100%	100%	100%
Ibersol Restauração, S.A.	Porto	100%	100%	100%
Ibersande Restauração, S.A.	Porto	100%	100%	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 - Espanha	100%	100%	100%
Inverpeninsular, S.L.	Vigo - Espanha	100%	100%	100%
(d) Ibergourmet Produtos Alimentares, S.A.	Porto	-	-	100%
Ferro & Ferro, Lda.	Porto	100%	100%	100%
Asurebi SGPS, S.A.	Porto	100%	100%	100%
Charlotte Develops, SL	Madrid-Espanha	100%	100%	100%
Firmoven Restauração, S.A.	Porto	100%	100%	100%
IBR - Sociedade Imobiliária, S.A.	Porto	100%	100%	100%
Eggon SGPS, S.A.	Porto	100%	100%	100%
Anatir SGPS, S.A.	Porto	100%	100%	100%
Lurca, SA	Madrid-Espanha	100%	100%	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 - Espanha	100%	100%	100%
Maestro - Serviços de Gestão Hoteleira, S.A.	Porto	100%	100%	100%
SEC - Eventos e Catering, S.A.	Porto	100%	100%	100%
IBERSOL - Angola, S.A.	Luanda - Angola	100%	100%	100%
HCI - Imobiliária, S.A.	Luanda - Angola	100%	100%	100%
(d) Ibergourmet Produtos Alimentares (ex-Gravos 2012, S.A.)	Porto	100%	100%	100%
Lusinver Restauracion, S.A.	Vigo - Espanha	100%	100%	100%
The Eat Out Group S.L.U.	Barcelona - Espanha	100%	100%	100%
Pansfood, S.A.U.	Barcelona - Espanha	100%	100%	100%
Foodstation, S.L.U	Barcelona - Espanha	100%	100%	100%
(c) Dehesa de Santa Maria Franquicias, S.L.	Barcelona - Espanha	50%	50%	50%
(e) Pansfood Italia, S.R.L.	Barcelona - Espanha	-	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) Although the parent company owns 50% of the voting rights, there is control of the subsidiary Dehesa.

(d) As a result of the merger of the subsidiary Ibergourmet into Gravos, that adopts the corporate name of the merged subsidiary.

(e) Dissolution of the company occurred in the first three months of 2018.

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 three months period ended on 31 March 2018.

4.2.2. Disposals

In the three months period ended on 31 March 2018 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 Caffè	Pizza Movil	FresCo	Ribs	StaMaria
Counters	KFC	O'Kilo	Miit	Burguer King	Pans & C. ^a	Coffee Counters
Concessions and catering	Sol (SA)	Concessions	Catering	Convenience stores		Travel

The results per segment in the three months period ended 31 March 2018 and 2017 were as follows:

31 March 2018	Restaurants	Counters	Concessions and Catering	Other, write off and adjustments	Total Group
Inter-segment client	-	-	-	-	-
External client	25 204 099	47 851 052	26 838 387	392 239	100 285 777
Turnover	25 204 099	47 851 052	26 838 387	392 239	100 285 777
Royalties	949 216	1 923 777	327 347	-	3 200 340
Rents and Condominium	2 745 819	4 958 186	8 478 356	-	16 182 361
Coste of sales	5 058 269	12 664 421	5 110 358	-	22 833 048
Operating cash-flow (EBITDA)	3 536 144	6 108 650	1 444 635	-	11 089 429
Amortization, depreciation and impairment losses	1 541 576	3 488 902	1 081 046	177 310	6 288 833
Operating income (EBIT)	1 994 568	2 619 748	363 589	-177 310	4 800 596

31 March 2017	Restaurants	Counters	Concessions and Catering	Other, write off and adjustments	Total Group
Inter-segment client	-	-	-	-	-
External client	23 496 197	45 331 768	25 384 398	110 698	94 323 060
Turnover	23 496 197	45 331 768	25 384 398	110 698	94 323 060
Royalties	820 604	1 783 300	318 928	-	2 922 832
Rents and Condominium	2 704 070	4 725 506	7 266 872	-	14 696 448
Coste of sales	4 773 849	11 967 357	4 947 078	-	21 688 285
Operating cash-flow (EBITDA)	2 787 414	6 347 953	1 330 552	-	10 465 920
Amortization, depreciation and impairment losses	1 543 439	3 027 044	2 102 989	6 373	6 679 846
Operating income (EBIT)	1 243 975	3 320 909	-772 437	-6 373	3 786 074

On March 31, 2018 and 2017 income and non-current assets by geography is presented as follows:

31 MARCH 2018	Portugal (1)	Spain	Grupo
Restaurants	53 678 737	44 337 539	98 016 276
Merchandise	175 202	645 923	821 125
Rendered services	55 402	1 392 974	1 448 376
Total sales and services	53 909 341	46 376 436	100 285 777
Tangible fixed and intangible assets	167 664 772	58 201 122	225 865 894
Goodwill	7 605 482	85 257 304	92 862 786
Deferred tax assets	3 784 263	3 380 109	7 164 372
Financial investments - joint controlled subsidiaries	2 411 447	-	2 411 447
Available-for-sale financial assets	238 133	-	238 133
Other financial assets	15 475 314	-	15 475 314
Other non-current assets	-	6 573 977	6 573 977
Total non-current assets	197 179 411	153 412 512	350 591 923

31 MARCH 2017	Portugal (1)	Spain	Grupo
Restaurants	48 332 237	44 229 145	92 561 382
Merchandise	113 760	329 295	443 055
Rendered services	56 557	1 262 066	1 318 623
Total sales and services	48 502 554	45 820 506	94 323 060
Tangible fixed and intangible assets	144 652 967	47 833 452	192 486 419
Goodwill	7 605 482	103 551 176	111 156 658
Deferred tax assets	2 574 551	5 861 219	8 435 770
Financial investments - joint controlled subsidiaries	2 422 996	-	2 422 996
Available-for-sale financial assets	456 586	-	456 586
Other financial assets	11 025 900	-	11 025 900
Other non-current assets	-	6 500 428	6 500 428
Total non-current assets	168 738 482	163 746 275	332 484 757

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

6. UNUSUAL AND NON-RECURRING FACTS AND SEASON ACTIVITY

No unusual facts took place during the three months period ended 31 March 2018.

In the restaurant segment season activity is characterized by a decrease of sales in the first two quarters of the year. In addition sales for the first three 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 three months of the year, sales are about 22% of annual volume and.

7. TANGIBLE FIXED ASSETS

In the three months period ended 31 March 2018 and in the year ending on 31 December 2017, 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 2017						
Cost	11 342 041	220 212 458	117 019 630	22 193 978	1 500 446	372 268 553
Accumulated depreciation	74 637	80 298 255	87 254 431	15 115 597	-	182 742 920
Accumulated impairment	-	10 319 953	1 082 628	64 515	-	11 467 096
Net amount	11 267 404	129 594 249	28 682 571	7 013 867	1 500 446	178 058 537

31 December 2017						
Initial net amount	11 267 404	129 594 249	28 682 571	7 013 867	1 500 446	178 058 537
Changes in consolidat perimeter	-	-	-	-	-	-
Hyperinflationary Economies (IAS 29) (2)	4 080 348	8 651 564	3 298 994	847 509	128 459	17 006 874
Currency conversion	-15 473	-39 843	-21 568	-4 851	-184	-81 919
Additions	56 250	19 394 715	9 055 620	2 376 456	1 293 809	32 176 850
Decreases	-	917 791	61 047	-4 228	159 773	1 134 383
Transfers	-	1 041 722	45 576	7 795	-1 086 883	8 210
Depreciation in the year	63 815	16 988 782	9 279 936	1 559 785	-	27 892 318
Deprec. by changes in the perimeter	-	-	-	-	-	-
Impairment in the year	-	169 635	-	-	-	169 635
Impairment reversion	-	-	-	-	-	-
Final net amount	15 324 714	140 566 200	31 720 210	8 685 219	1 675 874	197 972 217

31 December 2017						
Cost	15 551 381	243 311 373	127 906 062	25 621 216	1 675 874	414 065 908
Accumulated depreciation	226 667	92 908 055	95 172 615	16 877 084	-	205 184 420
Accumulated impairment	-	9 837 119	1 013 238	58 914	-	10 909 271
Net amount	15 324 714	140 566 200	31 720 210	8 685 219	1 675 874	197 972 217

	Land	Buildings	Equipment	Other tangible fixed Assets	Tangible Assets in progress (1)	Total
31 March 2018						
Initial net amount	15 324 714	140 566 200	31 720 210	8 685 219	1 675 874	197 972 217
Changes in consolidat perimeter	-	-	-	-	-	-
Hyperinflationary Economies (IAS 29) (2)	189 649	261 389	63 704	11 615	5 576	531 933
Currency conversion	-913 744	-2 195 166	-1 090 712	-240 371	-22 037	-4 462 030
Additions	-	2 267 435	712 670	202 121	67 549	3 249 775
Decreases	-	354	37 259	14 468	11 884	63 965
Transfers	-	375 753	591 695	77 543	-1 044 991	-
Depreciation in the year	5 893	3 361 068	1 833 686	384 769	-	5 585 416
Deprec. by changes in the perim.	-	-	-	-	-	-
Impairment in the year	-	-	-	-	-	-
Impairment by changes in the perim.	-	-	-	-	-	-
Impairment reversion	-	-	-	-	-	-
Final net amount	14 594 726	137 914 189	30 126 622	8 336 890	670 087	191 642 514

31 March 2018						
Cost	14 808 292	243 531 607	127 585 274	25 515 606	670 087	412 110 866
Accumulated depreciation	213 566	95 862 946	96 445 414	17 119 802	-	209 641 728
Accumulated impairment	-	9 754 472	1 013 238	58 914	-	10 826 624
Net amount	14 594 726	137 914 189	30 126 622	8 336 890	670 087	191 642 514

- (1) changes refer mainly to the central kitchen in Portugal, whose (re) opening took place in 2017, and to a PH restaurant and a KFC in March 2018.
- (2) changes resulting from the application of IAS 29, hyperinflationary economy, on tangible fixed assets of the subsidiaries in Angola are presented as follows

Restatement of Tangible Fixed Assets (TFA) 31/12/2017	17 006 874
Restatement of TFA for the three months period ended on 31/03/2018	
Cost	1 118 623
Accumulated depreciation	<u>-586 690</u>
Sub-total	<u>531 933</u>
Total	<u><u>17 538 807</u></u>

In 2017, an investment of approximately 2.7 million euros was made in the central kitchen in Portugal. The remaining investment mainly concerns the opening of 11 Burger King units, 4 KFC units, the opening of the concession at Santa Maria Airport (Azores) and a concession in the group Eat Out.

8. INTANGIBLE ASSETS AND GOODWILL

Goodwill and intangible assets are broken down as follows:

	<u>Mar/18</u>	<u>Dec/17</u>
Goodwill	92 862 786	92 862 786
Intangible assets	<u>34 223 383</u>	<u>35 115 966</u>
	<u>127 086 169</u>	<u>127 978 752</u>

In the three months period ended 31 March 2018 and in the year ending on 31 December 2017, entries in the value of intangible assets, amortization and accumulated impairment losses were as follows::

	Goodwill	Brands	Industrial property	Other intangible Assets	Intangible Assets in progress	Total
1 January 2017						
Cost	94 724 464	22 000 000	37 973 000	14 875 727	693 528	170 266 719
Accumulated amortization	-	183 333	22 597 027	12 252 079	-	35 032 440
Accumulated impairment	1 861 678	-	3 668 664	41 875	-	5 572 216
Net amount	<u>92 862 786</u>	<u>21 816 667</u>	<u>11 707 309</u>	<u>2 581 773</u>	<u>693 528</u>	<u>129 662 064</u>
31 December 2017						
Initial net amount	92 862 786	21 816 667	11 707 309	2 581 773	693 528	129 662 064
Hyperinflationary Economies (IAS 29) (1)	-	-	368 432	-	538 852	907 284
Currency conversion	-	-	-2 792	-	-2 808	-5 600
Additions	-	-	1 221 296	-	96 547	1 317 843
Decreases	-	-	-178	22 024	-	21 845
Transfers	-	-	13 664	-	-13 664	-
Amortization in the year	-	1 100 000	1 916 576	864 416	-	3 880 994
Amortiz. by changes in the perimeter	-	-	-	-	-	-
Impairment in the year	-	-	-	-	-	-
Impairment by changes in the perimeter	-	-	-	-	-	-
Impairment reversion	-	-	-	-	-	-
Final net amount	<u>92 862 786</u>	<u>20 716 667</u>	<u>11 391 511</u>	<u>1 695 333</u>	<u>1 312 455</u>	<u>127 978 752</u>
31 December 2017						
Cost	94 724 464	22 000 000	40 254 584	13 873 100	1 312 455	172 164 604
Accumulated amortization	-	1 283 333	25 197 741	12 135 892	-	38 616 967
Accumulated impairment	1 861 678	-	3 665 332	41 875	-	5 568 885
Net amount	<u>92 862 786</u>	<u>20 716 667</u>	<u>11 391 511</u>	<u>1 695 333</u>	<u>1 312 455</u>	<u>127 978 752</u>

	Goodwill	Brands	Industrial property	Other intangible Assets	Assets in progress	Total
31 March 2018						
Initial net amount	92 862 786	20 716 667	11 391 511	1 695 333	1 312 455	127 978 752
Changes in consolidat. perimeter	-	-	-	-	-	-
Hyperinflationary Economies (IAS 29) (1)	-	-	13 300	-	30 427	43 727
Currency conversion	-	-	-142 408	-	-167 664	-310 072
Additions	-	-	102 460	1 341	10 093	113 894
Decreases	-	-	36 388	-	3 670	40 058
Transfers	-	-	-	-	-	-
Amortization in the year	-	275 000	323 986	101 093	-	700 079
Amortiz. by changes in the perimeter	-	-	-	-	-	-
Impairment in the year	-	-	-	-	-	-
Impairm. by changes in the perimeter	-	-	-	-	-	-
Impairment reversion	-	-	-	-	-	-
Final net amount	92 862 786	20 441 667	11 004 489	1 595 581	1 181 641	127 086 169
31 March 2018						
Cost	94 724 464	22 000 000	39 948 621	13 852 071	1 181 641	171 706 798
Accumulated amortization	-	1 558 333	25 278 794	12 214 616	-	39 051 745
Accumulated impairment	1 861 678	-	3 665 332	41 875	-	5 568 885
Net amount	92 862 786	20 441 667	11 004 495	1 595 580	1 181 641	127 086 169

(1) changes resulting from the application of IAS 29, the hyperinflationary economy, on intangible assets of the subsidiaries in Angola are as follows:

Restatement of Intangible Assets (IA) 31/12/2017	907 284
Restatement of IA for the three months period ended on 31/03/2018	
Cost	92 862
Accumulated amortization	-49 135
Sub-total	43 727
Total	951 011

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

	<u>Mar/18</u>	<u>Dec/17</u>
Restaurants	16 635 390	16 635 390
Counters	37 199 991	37 199 991
Concessions and Catering	38 847 684	38 847 684
Other, write off and adjustments	179 721	179 721
	<u>92 862 786</u>	<u>92 862 786</u>

9. INCOME PER SHARE

Income per share in the three months period ended 31 March 2018 and 2017 was calculated as follows:

	<u>Mar/18</u>	<u>Mar/17</u>
Profit payable to shareholders	3 477 815	1 997 246
Mean weighted number of ordinary shares issued (1)	30 000 000	30 000 000
Mean weighted number of own shares	-2 999 938	-2 999 938
	<u>27 000 062</u>	<u>27 000 062</u>
Basic earnings per share (€ per share)	<u>0,13</u>	<u>0,07</u>
Earnings diluted per share (€ per share)	<u>0,13</u>	<u>0,07</u>
Number of own shares at the end of the year	<u>2 999 938</u>	<u>2 999 938</u>

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

10. DIVIDENDS

At the General Meeting of 14th May 2018, the company decided to pay a gross dividend of 0,10 euro per share (0,10 euro in 2017), representing a total value of 2.700.006 euro for outstanding shares (2.160.010 euro in 2017), to be settled on June 2018.

11. CONTINGENT ASSETS AND LIABILITIES

The group has contingent liabilities regarding bank and other guarantees and other contingencies related with its business operations (as licensing, advertising fees, food hygiene and safety and employees, and the rate of success of these processes is historically high in Ibersol). No significant liabilities are expected to arise from the said contingent liabilities.

On 31st March 2018 and 31st December 2017, responsibilities not recorded by the companies and included in the consolidation consist mainly of bank guarantees given on their behalf, as shown below:

	<u>Mar/18</u>	<u>Dec/17</u>
Bank guarantees	37 581 691	25 753 064

12. COMMITMENTS

On March 31st, 2018 there are no significant commitments for contracted investments not included in these financial statements.

13. IMPAIRMENT

Changes during the three months period ended on 31 March 2018 and in the year 2017, under the heading of asset impairment losses were as follows:

	Mar/18						Closing balance
	Starting balance	Currency conversion	Cancellation	Impairment assets disposals	Impairment in the year	Impairment reversion	
Tangible fixed assets	10 909 271	-	-	-82 647	-	-	10 826 624
Goodwill	1 861 678	-	-	-	-	-	1 861 678
Intangible assets	3 707 206	-	-	-	-	-	3 707 206
Stocks	74 981	-	-	-	-	-	74 981
Other current assets	2 159 669	-18 095	-40 421	-	134 200	-	2 235 353
	18 712 805	-18 095	-40 421	-82 647	134 200	-	18 705 842

	Dec/17						Closing balance
	Starting balance	Currency conversion	Cancellation	Impairment assets disposals	Impairment in the year	Impairment reversion	
Tangible fixed assets	11 467 097	-	-	-727 460	169 635	-	10 909 271
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	305	-1 176 843	-	702 271	-119 940	2 159 669
	19 868 171	305	-1 176 843	-730 792	871 905	-119 940	18 712 805

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 growing and consequently to gain weight in the group activity. The reduction of oil prices is to lead to a shortage of foreign currency in Angola by the devaluation of the kwanza is a risk to consider. The financing of the Angolan subsidiary in foreign currency in the amount of \$ 875.000, 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.

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

Mar/18			
Euro exchange rates foreign currency per 1 Euro)	(x	Rate on March, 31 2018	Average interest rate March 2018
 Kwanza de Angola (AOA)		264,410	261,643

Dec/17

Euro exchange rates foreign currency per 1 Euro)	(x Rate on December, 31 2017	Average interest rate year 2017
 Kwanza de Angola (AOA)	185,391	187,441

ii) Price risk

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

iii) Interest rate risk (cash flow and fair value)

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

The group's interest rate risk follows its liabilities, in particular long-term loans. Loans issued with variable rates expose the group to the cash flow risk associated to interest rates. Loans with fixed rates expose the group to the risk of the fair value associated to interest rates. At the current interest rates, in financing of longer maturity periods the group has a policy of 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. Interest rate swap contracts to hedge the interest rate risk of part of the loans (commercial paper) of EUR 36 million are subject to interest maturities and repayment plans identical to the terms of the loans.

Based on simulations performed on 31 March 2018, an increase of 100 basis points in the interest rate, maintaining other factors constant, would have a negative impact in the net profit of 185.000 euros (949.000 euros in December 2017).

b) Credit risk

The main activity of the Group is carried out with sales paid in cash, or debit or credit card, so the Group has no significant credit risk concentrations. Regarding the customers, the risk is limited to the Catering business and sales of merchandise to franchisees representing less than 5% of the consolidated turnover. 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 March 31, 2018, is not significant, with the exception of the above mentioned Treasury Bonds of the Republic of Angola in the amount of 22 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.

At the end of the period, current liabilities reached 123 million euros, compared with 82 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 which the Group considers the maturity date as the renewal date, regardless of its initial stated periods. In order to ensure liquidity of the short term debt it is expected in the year 2018 the renewal of the commercial paper programmes (23.250.000 euros). 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 March 31, 2018, the use of short term liquidity cash flow support was about 0,3%. Investments in term deposits and other application of 50 million euros, match 37% of liabilities paid.

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

	<u>to March 2019</u>	<u>from March 2019 to 2028</u>
Bank loans and overdrafts	35 827 120	100 228 048
Other non-current liabilities	-	171 980
Accounts payable to suppliers and accrued costs	55 452 760	685 612
Other current liabilities	8 827 864	-
Total	<u>100 107 744</u>	<u>101 085 640</u>

14.2 Capital risk

a) Gearing ratio

The company aims to maintain an equity level suitable to the characteristics of its main business (cash sales and credit from suppliers) and to ensure continuity and expansion. The capital structure balance is monitored based on the gearing ratio (defined as: net remunerated debt / net remunerated debt + equity) in order to place the ratio within a 35%-70% interval.

On 31st March 2018 and 31st December 2017 the gearing ratio was of 28% and 31%, respectively, as follows:

	<u>mar/18</u>	<u>Dec-17</u>
Bank loans	136 055 168	141 014 741
Other financial assets	-22 209 244	-22 986 661
Cash and bank deposits	<u>-40 472 095</u>	<u>-34 902 883</u>
Net indebtedness	73 373 829	83 125 197
Equity	<u>188 623 118</u>	<u>188 620 193</u>
Total capital	<u>261 996 947</u>	<u>271 745 390</u>
Gearing ratio	28%	31%

b) Risk of franchise agreements

In restaurants where it operates with international brands, the group enters into long-term franchise agreements: 20 years in the case of Burger King and 10 years in the case of Pizza Hut and KFC, which are renewable for another 10 years at the franchise's option, provided certain obligations have been fulfilled.

It has become practical for these contracts to be renewed. However, nothing obliges the franchisees to do so, so the risk of non-renewal may be verified.

In these contracts it is normal to contract the payment of an "Initial Fee" at the beginning of each contract and a "Renewal Fee" at the end of the initial period, in addition to a royalty of marketing operations on the sales made.

Periodically, development contracts are negotiated which guarantee the right to open new restaurants.

At the moment a contract has been signed for the implementation of 40 KFC restaurants in the period between May 2017 and May 2022.

14.3 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 CURRENT ASSETS AND LIABILITIES

Other current assets and liabilities on 31 March 2018 and 31st December 2017 are broken down as follows:

Other current assets

	<u>Mar/18</u>	<u>Dec/17</u>
Clients	8 628 286	7 045 044
State and other public entities	2 050 881	1 821 312
Other debtors	4 206 501	4 797 968
Advances to suppliers	217 498	443 940
Advances to financial investments debt	600 000	320 781
Accruals and income	5 746 514	5 060 103
Deferred costs	2 391 256	2 494 073
Other current assets	23 840 936	21 983 221
Accumulated impairment losses	2 235 353	2 159 659
	<u>21 605 583</u>	<u>19 823 562</u>

Other current liabilities

	<u>Mar/18</u>	<u>Dec/17</u>
Other creditors	8 827 864	9 900 301
State and other public entities	7 861 470	7 677 912
Deferred income	793 977	691 832
	<u>17 483 311</u>	<u>18 270 045</u>

16. NET FINANCING COST

Net financing cost on 31st March 2018 and 2017 are broken down as follows:

	<u>2018</u>	<u>2017</u>
Interest paid	844 081	1 120 613
Interest earned	-378 706	-240 936
Currency exchange differences	-35 397	-10 534
Payment discounts obtained	-2 698	-2 947
Other financial costs and income	411 683	427 734
	<u>838 963</u>	<u>1 293 930</u>

17. INCOME TAX

Income taxes recognized as of March 31, 2018 and 2017 are detailed as follows:

	<u>Mar/18</u>	<u>Mar/17</u>
Current taxes	948 360	399 546
Deferred taxes	<u>86 354</u>	<u>46 700</u>
	<u>1 034 714</u>	<u>446 246</u>

The effective tax rate on profits was 23% on March 31, 2018 and 18% in the same period of 2017, as follows:

	<u>mar/18</u>	<u>mar/17</u>
Profit before tax	4 528 354	2 497 510
Income tax expense	<u>1 034 714</u>	<u>446 246</u>
Effective tax rate	<u>23%</u>	<u>18%</u>

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 – 16.472.549 shares

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

- Joint controlled entities – UQ Consult

With respect to the balances and transactions with related entities, the overall value of the balances and transactions of the Group with the joint controlled UQ Consult relates mainly to support services and management information systems, and was, respectively, 754.331 and 670.054 euros.

- Administrators

The company shareholder ATPS-S.G.P.S., S.A., which signed a service-rendering contract with the subsidiary Ibersol Restauração, SA, provided services of administration and management to the group. ATPS-S.G.P.S., S.A. under contract with Ibersol Restauração, S.A. has the obligation to ensure that its administrators, António Carlos Vaz Pinto de Sousa and 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

1) Standards (new and amendments) that have been published and are mandatory for the accounting periods beginning on or after 1 January 2018, 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. It is not expected that its application has significant impacts.

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. It is not expected that its application has significant impacts.

c) IFRS 16 (new), 'Leases' (effective for annual periods beginning on or after 1 January 2019). 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". It is estimated that its application has relevant impacts, Ibersol will determine the respective amounts.

d) 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 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. It is not expected that its application has significant impacts.

e) Amendments to IFRS 15 'Revenue from contracts with customers' (effective for annual periods beginning on or after 1 January 2018). 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. It is not expected that its application has significant impacts.

2) 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) Annual Improvements 2014 - 2016, (generally effective for annual periods beginning on or after 1 January 2017). The 2014-2016 annual improvements impacts: IFRS 1, IFRS 12 and IAS 28. It is not expected that its application has significant impacts.

b) 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. It is not expected that its application has significant impacts.

c) 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. It is not expected that its application has significant impacts.

d) IFRS 9 (amendment), 'Prepayment features with negative compensation' (effective for annual periods beginning on or after 1 January 2019). This amendment is still subject to endorsement by the European Union. The amendment introduces the possibility to classify certain financial assets with negative compensation features at amortized cost, provided that specific conditions are fulfilled, instead of being classified at fair value through profit or loss. It is not expected that its application has significant impacts.

e) IAS 28 (amendment), 'Long-term interests in Associates and Joint Ventures' (effective for annual periods beginning on or after 1 January 2019). This amendment is still subject to endorsement by the European Union. The amendment clarifies that long-term investments in associates and joint ventures (components of an entity's investments in associates and joint ventures), that are not being measured through the equity method, are to be measured in accordance with IFRS 9, being subject to impairment expected credit loss model, prior to any impairment test of the investment as a whole. It is not expected that its application has significant impacts.

f) Annual Improvements 2015 - 2017, (generally effective for annual periods beginning on or after 1 January 2019). These improvements are still subject to endorsement by the European Union. The 2015-2017 annual improvements impact: IAS 23, IAS 12, IFRS 3 and IFRS 11. It is not expected that its application has significant impacts.

g) IFRS 17 (new), 'Insurance contracts' (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. It is not expected that its application has significant impacts.

Interpretation

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. It is not expected that its application has 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. It is not expected that its application has significant impacts.

37. SUBSEQUENT EVENTS

There are no subsequent events to 31st March 2018 that may have a material impact on the financial statements presented.

38. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors and authorised for emission on 04th June 2018.