

## Outlook

All prospects point toward a contraction of the Portuguese and Spanish economies in a context in which the macroeconomic adjustment goals, specifically regarding budgets, will continue to affect the evolution of internal demand.

The budget consolidation measures involve: (i) elimination of holiday and Christmas allowance payments in the state sector; (ii) cuts in salaries and the highest pensions; (iii) increased taxes on families; and (iv) lower income tax benefits. These, along with higher foodservice VAT and uncertainty regarding additional new measures, will have a very negative impact on foodservice consumption.

In this context, lower consumption trends are expected to worsen in 2012, with increased demand for cheaper products (and a consequently lower average receipt). Additional pressure will be felt on sale prices and due to the natural shift away from eating out to meals at home.

Ibersol believes it is ready to face another decline in sales, a result of preparations begun in the second half of 2011. The entire organization has responded with internal austerity measures with a view to streamlining resource use. We plan to

continue the work of informing and working with our suppliers and partners, namely the shopping centres, to make any necessary adjustments to either opening times or foodservice areas.

Regarding financing, the financial market is expected to remain beset by liquidity problems, with reduced availability of funds for the economy. The tendency for high spreads should consequently continue. In compensation, the ECB interest rate is expected to come down.

Regarding expansion, we keep our eyes open for opportunities and ways to strengthen the competitive position of the brands we operate. In 2011 we envisage that Ibersol may open about five units and implement a renovation programme for around ten units. It may have to close some units, especially those whose contract renegotiation process hinders efforts to ensure viable operation vis-à-vis sales plateaus.

Lastly, we can announce the opening of the first unit in the Angolan market, which should take place in the next two months, as soon as various administrative hurdles are overcome. We continue to evaluate alternatives with a view to identifying and negotiating two more units.