

The exchange rate risk is very small because Ibersol Group is mainly present in the Iberian market, the bank loans are denominated in euros, and the purchase volume outside Eurozone does not assume significant proportions. The investment and financing in Angola has still a reduced expression. Regarding future financing outside Eurozone, Ibersol Group shall proceed a policy of a natural coverage, using local funding whenever the conditions of interest rates recommend so.

#### b) Interest rate risk

As the Group does not have remunerated assets with significant interests, the profit and cash flows from financing activity are largely independent of any changes in the market interest rate.

The Group's interest rate risk comes from liabilities, specifically long term loans. Loans issued with variable rates expose the Group to cash flow risks linked to interest rates. Loans issued with fixed rates expose the Group to risk from the fair value associated to the interest rate. With the current interest rate levels, the group's policy, for financing with longer maturity, is to ensure the total or partial fixing of interest rates.

In recent years only a small part of the Group's financing has considered the possibility of risk

coverage by interest rate variation. It has a swap operation involving 1,9 million euros in Spain. Consequently, the remaining unpaid debt bears interest at a variable rate. Due to the liquidity policy followed this financial corporate year and that cash amounted to approximately 50% of the liabilities, it is understood to be reduced in part the exposure to interest rate risk. Given the expectations of evolution of changes in interest rates Euribor in 2011, the Group has decided not to make any protection on the reference rate of its financing. In 2012 and regarding the expectations of changes in the medium term, the Group will consider fixing the interest rate on a 50% share of the debt.

#### c) Credit risk

The Group's main activity is carried out with sales paid in cash or debit/credit card; the Group therefore has no relevant credit risk concentrations. However, with increased sales of the catering business, with a significant proportion of credit sales, the Group has to monitor more regularly the accounts receivable in order to:

- i) limiting the loans to customers;
- ii) analyze with the operations the seniority and recoverability of receivables;