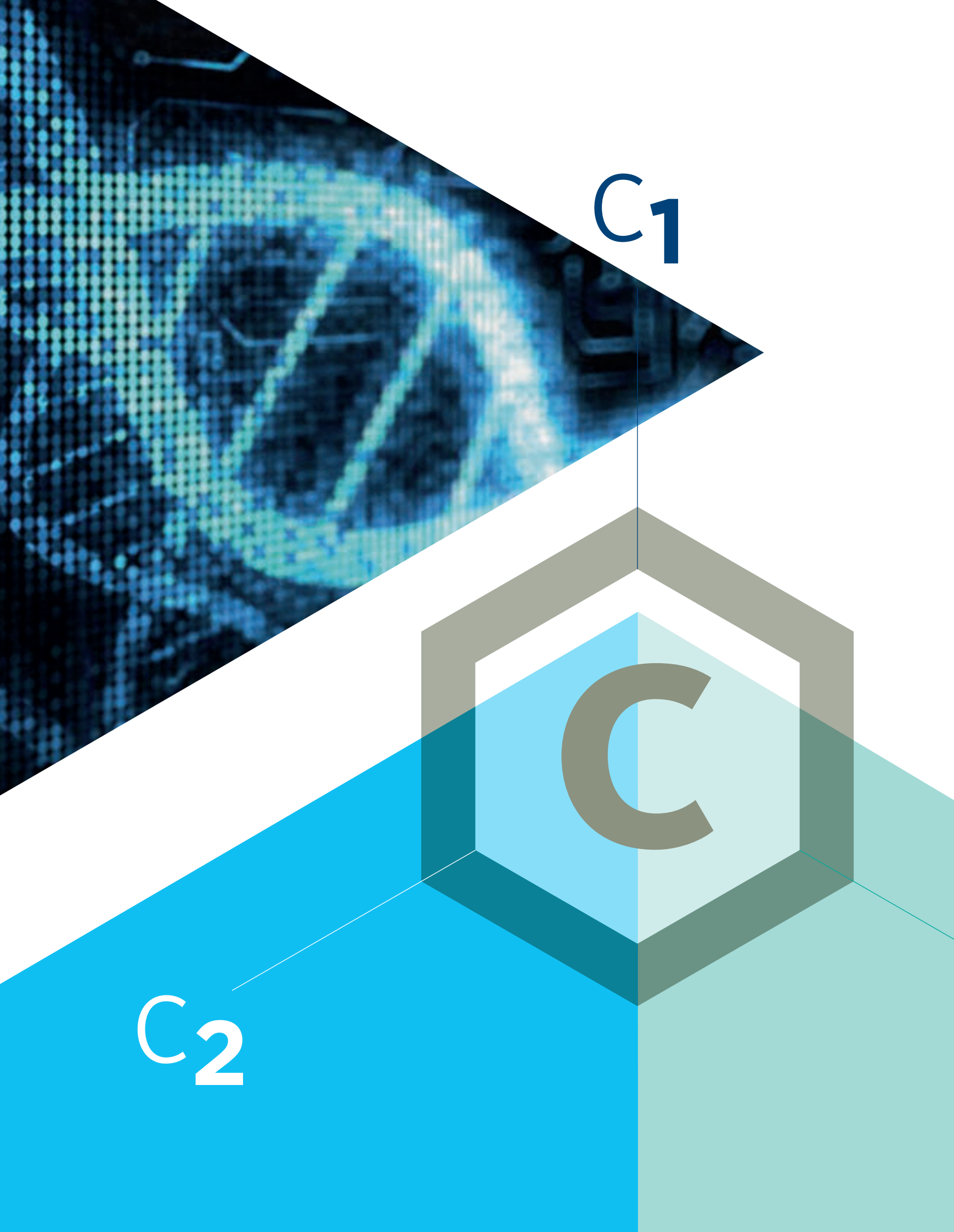


2013

ANNUAL
REPORT



C₁

C₂

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C3





*GRUPO
VISABEIRA*



A

VISION
MISSION
VALUES

VISION

To be an economic group of wide multinational expansion, seeking leadership in every sector and market in which it operates, and to make a difference through innovative concepts and integrated solutions that generate value for both its customers and its shareholders.



MISSION

To continuously innovate and improve the products and services that make up its global portfolio, with the aim of exceeding its customer's expectations by anticipating their needs and preferences, thus attaining full customer satisfaction and loyalty, while at the same time ensuring the growth of its business through organic consolidation and acquisitions, optimising results by means of an efficient management of human resources and assets and unwavering commitment towards its staff, as well as the setting up of an integrated and successful network with its partners.

VALUES

Grupo Visabeira's activities are based on the following values;

CREATIVITY
INNOVATION
COMPETITIVENESS
DYNAMISM
AMBITION

These values, associated with the Visabeira brand name, are the foundations of its positioning and guide the actions of all the professionals in the organisation.

THE ORGANISATIONAL DNA OF GRUPO VISABEIRA

RESOURCES
PERFORMANCE

R,P

We can safely say that Grupo Visabeira has success written into its DNA, resulting from the combination of all the individual behaviours that make up the life of the Group.

In order to decode these influence traits, one must first understand the unique characteristics of this organisation. However, the complexity of its "biology" as a large, multi-operational entity determines that it establishes itself as a "new being." We can, thus, consider the weight of individual factors such as "motivation," "empathy," "evolutionary intelligence," "cooperation spirit" and "perseverance" in the embodiment of one single phenomenon, but it takes a wide-angle view to understand its true identity. Indeed, not unlike the double-helix DNA molecule, which is held together by bonds between four-nucleotide base pairs - whose sequence contains the exact instructions necessary to create a single body - the DNA of a living organisation can be divided into four bases, which we will group under the designation "Organisational DNA". This similarity is illustrated by a matrix whose pillars are a

conceptual branching based on Resources and Performance; Structure and Decision-making; Motivation and Knowledge; Vision and Adaptability.

In short, good and consistent corporate performance occurs only when the actions of each of the individuals that make up an organisation are aligned with each other and with the overall strategic interests and values of the company. The organisation must ensure the proper alignment of its resources and the enhancing of its business structure, thus obtaining a consistent advantage in the market. Success is, therefore, the sum of the tens of thousands of actions that are carried out every day in a large corporation, in a continuous and cross-sectional way. The attainment of such a success in the market is based on well-defined capabilities. The product and service portfolio is a reflection of this clear and distinct way of creating value for its customers and partners. A way of being and acting that is in a constant improvement process, which is key for designing and implementing a sustainable growth strategy.

M,K

MOTIVATION
KNOWLEDGE

STRUCTURE
DECISION

S,D



V,A

VISION
ADAPTATION



MESSAGE FROM THE CHAIRMAN

*"In 2013, for the first time,
more than 50% of the Group's
turnover resulted from
foreign operations.*

*This is an important milestone that
the Group views
not as a finish line, but
rather as a new
starting point."*

Innovation, Dynamism, Competitiveness, Creativity and Ambition are, since inception, the key values of Grupo Visabeira. These are the pillars of its constant, action-oriented motivation, which, always sustained by a wise dose of persistence, has driven the Group to conquer increasingly ambitious goals. In these times, by all accounts trying, we looked at the year 2013 as a challenge. A challenge that, once again, we saw as an opportunity. And, as always, we overcame all obstacles and climbed one step further in the direction we set out to follow. Never lowering our arms and guided by a desire for **Innovation**, we aimed at always doing better today than yesterday. In 2013, the Group presented results that demonstrate the continuity of the trend it has been consolidating over time, which translates into one word: growth. The path towards growth that the Group has been following from the outset, was, once more, sustained by the strengthening of its competitive position in the domestic market, while ensuring significant ongoing growth in international markets. In fact, if one aspect can be pointed out as the most important for the year, it will surely be the attaining of an old desideratum of Grupo Visabeira, which intends to be increasingly multinational: in 2013, for the first time, more than 50% of the Group's turnover resulted from foreign operations. This is an important milestone that the Group views not as a finish line, but rather as a new starting point. In this field, a very special mention must be made to the French market, where we significantly increased our turnover and where we anticipate even greater growth in the coming years. Other European countries were also important, such as Germany and Sweden, where the Group's



INNOVATION
DYNAMISM
COMPETITIVENESS
CREATIVITY
AMBITION

emerging activities will surely grow in the short-term. Growth remains the watchword also regarding the group's more traditional markets, such as Mozambique and Angola. But the strategy outlined will bring progress regarding many other opportunities presented by several other markets. Never forgetting the dozens and dozens of markets where the Group also continues to grow through the presence of its products. On both fronts, the domestic and international, the strategy outlined, driven by the dynamism that characterises the Group, continued to be implemented with tireless efficiency, which is well demonstrated by the results once again achieved, even in a year that appeared particularly adverse. Indeed, the results of 2013, with consolidated turnover reaching 563 million euros, which corresponds to a growth of over 5%, and EBITDA standing at 83 million euros, which represents a growth of 16%, are the corollary of a decade of continuous growth, in which the Group successively surpassed its record highs, with the average annual turnover growth exceeding 13%. Confirming the course set towards growth, 2014 appears, from the outset, as a landmark of new opportunities, which will surely enhance the key vectors of this financial year: continuous improvement of **Competitiveness** and profitability, combined with accuracy and strictness, in order to maintain sustained growth, in addition to strong investment in foreign markets and the creation of value, as the pillars of its positioning. Surely, new obstacles will arise, but we are now even more prepared and motivated to, once again, turn them into challenges and win. This path of growth and optimisation will keep us on the safe course that will lead us to new ports and certainly to new successes. We shall continue, with relentless determination, to build the future every day. Always focused on accomplishment and always with the **Creativity** necessary to those who in every obstacle see a challenge and in each difficulty, an opportunity.

Today I recall the words that inspired us at the genesis of the Group and which we have always lived by: "do more and better with less." Astonishingly, three decades later, these words remain chillingly and strikingly apposite.

We shall, with this attitude, continue to fulfil our mission, fostering an entrepreneurial spirit, relentlessly leveraging our abilities, our skills and our will to spread our values and reconcile precision with growth, asserting ourselves as a virtuous example.

As a corollary, and on behalf of the group, I hereby express the most heartfelt appreciation and gratitude to all of our Customers and Shareholders, who have honoured us with their unwavering confidence; to all the Institutions and Entities with whom we interact, for the unconditional support they have always provided; and to our employees and partners, for the impeccable professionalism and unfailing dedication with which each one has contributed to our success.

Confidence in ourselves and in the future is our motto, always following the path of progress.

This is what we stand for. With **Ambition**.

Fernando Nunes

GV



FERNANDO CAMPOS NUNES
Chairman of the Board of Directors

CORPORATE BODIES

GRUPO VISABEIRA, SGPS, SA

Fernando Campos Nunes
Paulo José Lopes Varela

Pedro Manuel Nogueira Reis
João Manuel Pisco de Castro
Alexandra da Conceição Lopes
José Luís Borba de Campos Nogueira
Luís Manuel Gonçalves de Paiva

Francisco Manuel Marques Bandeira
António Jorge Xavier da Costa

BOARD OF THE GENERAL MEETING

Leopoldo de Sousa Camarinha *Chairman*
Marta Albuquerque Santos *Secretary*

Statutory Auditor

Ernst & Young, Audit & Associados - SROC, SA
represented by Rui Manuel da Cunha Vieira

PAULO JOSÉ LOPES VARELA
Vice-Chairman of the Board of Directors
President of Visabeira Global



PEDRO MANUEL NOGUEIRA REIS
Member of the Board of Directors



JOÃO MANUEL PISCO DE CASTRO
Member of the Board of Directors



ALEXANDRA DA CONCEIÇÃO LOPES
Member of the Board of Directors



JOSÉ LUÍS BORBA DE CAMPOS NOGUEIRA
Member of the Board of Directors



LUÍS MANUEL GONÇALVES DE PAIVA
Member of the Board of Directors



FRANCISCO MANUEL MARQUES BANDEIRA
Member of the Board of Directors
Representing Caixa Capital
Soc. de Capital de Risco, SA



ANTÓNIO JORGE XAVIER DA COSTA
Member of the Board of Directors
Representing Portugal Capital Ventures, SA



VISABEIRA
GLOBAL
SGPS, SA



VISABEIRA
INDÚSTRIA
SGPS, SA

CORPORATE BODIES

BOARD OF DIRECTORS

PAULO JOSÉ
LOPES VARELA
Chairman

|

PEDRO MANUEL NOGUEIRA REIS

|

JOSÉ LUIS BORBA
DE CAMPOS NOGUEIRA

|

ALEXANDRA DA CONCEIÇÃO LOPES

|

JOSÉ MANUEL
CARREIRAS CARRILHO
*Representing Caixa Capital
Sociedade de Capital de Risco, SA*

|

ANTÓNIO JORGE
XAVIER DA COSTA
*Representing Portugal
Capital Ventures, SA*

LUÍS MANUEL
GONÇALVES DE PAIVA
Chairman

|

LÁZARO FERREIRA
DE SOUSA

|

PEDRO MANUEL NOGUEIRA REIS

|

ALEXANDRA DA CONCEIÇÃO LOPES

|

JOSÉ MANUEL
CARREIRAS CARRILHO
*Representing Caixa Capital
Sociedade de Capital de Risco, SA*

|

ANTÓNIO JORGE
XAVIER DA COSTA
*Representing Portugal
Capital Ventures, SA*

GENERAL MEETING

LEOPOLDO DE SOUSA
CAMARINHA
Chairman

|

MARTA ALBUQUERQUE
SANTOS
Secretary

MANUEL MARQUES
DA COSTA FIGUEIREDO
Chairman

|

MARTA ALBUQUERQUE
SANTOS
Secretary

STATUTORY AUDITOR

RUI MANUEL DA CUNHA VIEIRA
*and substitute PEDRO JORGE PINTO
MONTEIRO DA SILVA E PAIVA
Representing Ernst & Young
Audit & Associados - SROC, SA*



VISABEIRA TURISMO

SGPS, SA



VISABEIRA IMOBILIÁRIA

SGPS, SA



VISABEIRA PARTICIPAÇÕES

SGPS, SA

FREDERICO
DE FREITAS COSTA
Chairman

JOSÉ EDUARDO ARIMATEIA ANTUNES

PEDRO MANUEL NOGUEIRA REIS

ALEXANDRA DA CONCEIÇÃO LOPES

ALCIDES SARAIVA DE AGUIAR

JOSÉ MANUEL
CARREIRAS CARRILHO
*Representing Caixa Capital
Sociedade de Capital de Risco, SA*

ANTÓNIO JORGE XAVIER DA COSTA
*Representing Portugal
Capital Ventures, SA*

FREDERICO
DE FREITAS COSTA
Chairman

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ARIMATEIA ANTUNES

PEDRO MANUEL NOGUEIRA REIS

ALEXANDRA DA CONCEIÇÃO LOPES

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*Representing Caixa Capital
Sociedade de Capital de Risco, SA*

ANTÓNIO JORGE
XAVIER DA COSTA
*Representing Portugal
Capital Ventures, SA*

LUÍS FILIPE
DA CONCEIÇÃO PEREIRA
Chairman

ALEXANDRA DA CONCEIÇÃO LOPES

PEDRO MANUEL
NOGUEIRA REIS

ANTÓNIO CAMPOS NUNES

JOSÉ MANUEL
CARREIRAS CARRILHO
*Representing Caixa Capital
Sociedade de Capital de Risco, SA*

ANTÓNIO JORGE
XAVIER DA COSTA
*Representing Portugal
Capital Ventures, SA*

MANUEL MARQUES
DA COSTA FIGUEIREDO
Chairman

MARTA ALBUQUERQUE
SANTOS
Secretary

LEOPOLDO DE SOUSA
CAMARINHA
Chairman

MARTA ALBUQUERQUE
SANTOS
Secretary

MANUEL MARQUES
DA COSTA FIGUEIREDO
Chairman

MARTA ALBUQUERQUE
SANTOS
Secretary

OWNERSHIP STRUCTURE

VISABEIRA GLOBAL SGPS, SA 85%

Viatel	99.29%
Fibroglobel	94.98%
PDT	100.00%
Constructel França	99,27%
SCI Constructel	99,90%
Visabeira	60.00%
Aceec	50.00%
DST/ Visabeira, ACE	50.00%
Yetech Mexico	50.00%
Beiragás	23.52%
Naturenergia	100.00%
Visagreen	100.00%
Real Life	65.00%
Real Life Mozambique	98.00%
Real Life Academy	98.00%
Edivisa	100.00%
Visacasa	100.00%
Vibeiras	11.07%

TVCABO Mozambique	50.00%
Televisa Mozambique	50.00%
TVCABO Angola	50.00%
Comatel Angola	100.00%
Constructel Germany	50.00%
Constructel Sweden	50.00%
Gatel France	100.00%
Constructel Belgium	96.77%
Televisa Morocco	80.00%
Constructel Africa	50.00%
Electrotec Mozambique	49.00%
Vibeiras Mozambique	59.00%
Selfenergy	40.00%
Edivisa Angola	99.00%
Electrovisa Angola	99.00%
Sogitel Mozambique	75.00%
Intelvisa Mozambique	49,00%
Visaqua Mozambique	50.60%
Hidroáfrica Mozambique	81.90%
Constructel Dominican Rep.	51,00%

VISABEIRA INDÚSTRIA SGPS, SA 100%

Cerutil	100.00%
Bordalgest	55.97%
Bordallo Pinheiro	83.99%
Vista Alegre Atlantis	76.89%
Ambitermo	50.99%
Ambitermo Marrocos	100.00%
Mob	97.78%
Mob Cuisines	100.00%
Pinewells	66.53%
Granbeira	98.75%
Marmonte Mozambique	80.00%
Agrovisa Mozambique	99.98%
Celmoque Mozambique	70.38%
Tubangol Angola	95.00%
Álamo Angola	95.00%
Visaconstroi Angola	95.00%

GRUPO VISABEIRA SGPS, SA

Fernando Campos Nunes	78.26% *
Caixa Capital, SA (Grupo CGD)	6.81%
Portugal Capital Ventures, SA	4.38%

VISABEIRA TURISMO SGPS, SA 100%

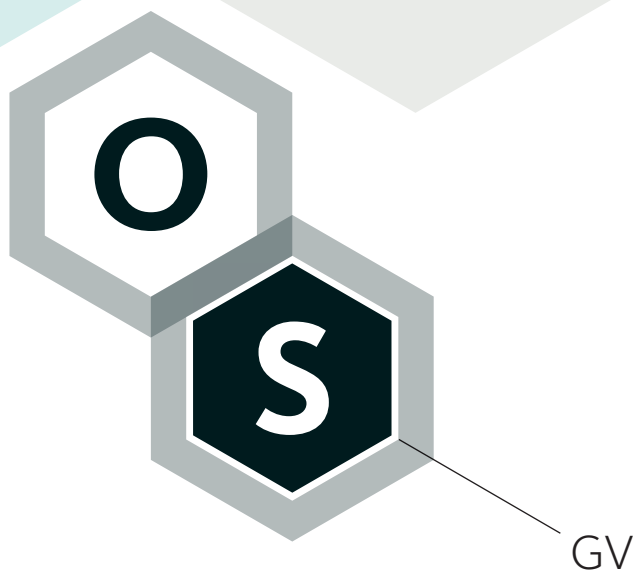
Empreendimentos Montebelo	99.83%
VAA Emp. Turísticos	80.99%
Doutibelo	20.00%
Sem Amarras	20.00%
Movida	94.17%
Mundicor	100.00%
Ródia	100.00%
Zambeze	50.00%
Prato Convivas	100.00%
Turvisa Mozambique	95.00%
Inhambane Mozambique	80.00%
Imobiliária Panorama	70.00%

VISABEIRA IMOBILIÁRIA SGPS, SA 100%

Visabeira Imobiliária	100.00%
Ifervisa	100.00%
Imovisa Mozambique	49.00%

VISABEIRA PARTICIPAÇÕES SGPS, SA 100%

Benetrónica	100.00%
Digispirit	100.00%
Iutel	50.00%
1101 Solutions	100.00%
Rentingvisa	100.00%
Parque Desp. de Aveiro	54.57%
Visabeira Saúde	100.00%
Porto Salus	39.97%
HPP Viseu	35.00%
Visabeira Pro - Est. e Invest.	100.00%
Gevisar	30.00%
Mercury Mozambique	95.00%
Combustíveis Songo	99.00%
Mercury South Africa	100.00%
Visabeira Moçambique	100.00%
Autovisa Mozambique	80.00%
Imensis Mozambique	49.00%
Martifer Amal Mozambique	35.00%
Visasecil Angola	70.00%
Visauto Angola	95.00%
Visabeira Espanha	60.00%
Mercury Angola	99.00%
Catari Angola	95.00%
Visabeira Angola	99.00%
Convisa Engenharia	50.00%
Visarocha Angola	60.00%
Visatur Angola	95.00%
Agrovisa Angola	95.00%



Visabeira Turismo e Imob.	100.00%
Fundo Invest. Imob. Tur. II	0.24%
Fundação Visabeira	9.00%
Moçambique Seguros	4.50%

(Most relevant shares of the holding)

* Via personal holding



N

WHERE WE ARE

NW



SW

Grupo Visabeira was born in 1980 in Viseu, Portugal, where it still has its head office, and is currently a multinational holding company, with operations in Mozambique, Angola, Spain, France, Belgium, Germany, Sweden, United Kingdom, Denmark, USA, Brazil, South Africa and the Caribbean.

It is also present in over 50 countries through its products and services.

Over more than 30 years of activity, Grupo Visabeira has maintained steady growth, adapting to new targets, needs and expectations, keeping up with social and technological developments, understanding the demands of a constantly changing market and continually facing new challenges.

Currently, Grupo Visabeira stands as the reflection of a journey travelled always ahead of its time, made up of a constantly growing, dynamic and versatile structure, driven by precision, and by the dynamism and talent of its employees.

Present in a great diversity of areas, ranging from telecommunications to industry, also including tourism and real estate, Grupo Visabeira has become an unavoidable global reference.

S







MAIN BUSINESS AREAS

Grupo Visabeira takes on a posture of integration and complementarity in every aspect of its business. This posture has been the mainstay of the consolidated development that has characterised its growth dynamics.

Constancy and attention to detail are common to all companies held by the Group, in all stages of their development, contributing to oconsolidate expertise, acquire knowledge and perfect *know how*.

These assets are continuously combined to form a solid, multipurpose structure, better prepared to take risks, establish new partnerships and to engage in new commercial and technological dialogues, generating greater response capabilities and a higher level of customer satisfaction.

VISABEIRA GLOBAL

TELECOMMUNICATIONS
TECHNOLOGY
ENERGY
CONSTRUCTION

VISABEIRA INDÚSTRIA

CERAMICS AND GLASSWARE
KITCHENS
BIOFUELS AND THERMAL ENERGY
NATURAL RESOURCES

VISABEIRA TURISMO

HOSPITALITY
RESTAURANTS
ENTERTAINMENT AND LEISURE
SPORTS AND WELLNESS

VISABEIRA PARTICIPAÇÕES

INVESTMENTS
TRADING
HEALTH
SERVICES

VISABEIRA IMOBILIÁRIA

COMMERCE
RESIDENCIAL
TOURISM
MANAGEMENT AND SERVICES



V

VISABEIRA
GLOBAL



Visabeira Global's organisational alignment, which comprises companies specialising in the fields of Telecommunications, Energy, Technology and Construction, allows it to increase flexibility and enhance the important synergies that result from the complementarity of the skills, know-how and service portfolio of each of the companies, providing integrated solutions, tailored to the specific needs of customers and partners.





V

TELECOMMUNICATIONS

Viatel
Fibroglobal
PDT
Televisa
Comatel
Constructel
Gatel
TVCABO Mozambique
TVCABO Angola

TECHNOLOGY

Real Life Technologies

ENERGY

Visabeira
Beiragás
Electrotec
Hidroáfrica

CONSTRUCTION

Edivisa
Visacasa
Vibeiras
Sogitel
Visaconstroí



TELECOMMUNICATIONS

Telecommunication network engineering, interventions in fixed and mobile networks, systems and all types of technological infrastructures. Extensive experience in switching systems. Qualified and certified technicians. Experts in planning, designing, construction and maintenance. Digital multimedia operators providing broadband Internet and cable TV. Optical and coaxial cable networks with fully digital technology.

TECHNOLOGY

Software development and marketing. Technical service and training, web hosting, multimedia and communication services and professional development of video-conference, surveillance and control services. Integration of Information and Communication Technologies. Comprehensive strategic advisory, process analysis, auditing, integration and sourcing services in different areas, including *networking, security, unified communications, data centre, storage, contact centre, applications and collaboration*. Development of innovative projects in the areas of biotechnology, health technologies, pharmaceuticals and renewable energy.

ENERGY

Services in the electricity, gas and telecommunication sectors and complementary services.
Development and designing of industrial boilers and energy recovery systems.
Compliance with European Standards and EC certification.
Production of solid biofuels.
Recovery of waste and waste wood.
Use of innovative production technologies and quality control systems.
Development of projects in the area of agribusiness and biofuels.

CONSTRUCTION

A global service, from development and design to construction, maintenance or rehabilitation. Proven experience in the industry of construction and public works in Portugal, Mozambique and Angola. Vast portfolio of works in various sectors of construction. Expert assistance, maintenance and multi-sector support for companies. Global asset management (buildings, facilities, machinery and equipment).
Additional real estate services that range from design to construction, including remodelling or rehabilitation.
Operations in the infrastructure segment, with highlight to support services for telecommunication, water and electricity works.





VISABEIRA INDÚSTRIA





Visabeira Indústria comprises several production areas, whose operation, through highly specialised production units, makes the most of the raw materials existing in the regions where it operates and optimises technical and professional synergies. The areas it encompasses include kitchen furniture, decorative and utilitarian ceramics and glassware, electrical and telephone cables, among other fields, such as the extraction and transformation of ornamental stones. In response to the demands of domestic and international customers, Visabeira Indústria has set up production plants in Portugal, Mozambique and Angola.





CERAMICS AND GLASSWARE

Cerutil
Vista Alegre
Atlantis
Bordallo Pinheiro

KITCHENS

MOB Cozinhas

BIOFUELS AND THERMAL ENERGY

Pinewells
Ambitermo
Celmoque

NATURAL RESOURCES

Granbeira
Agrovisa
Álamo
Visaconstroi



CERAMICS AND GLASSWARE

Vista Alegre Atlantis - Established in 1824, is Portugal's leading producer of utilitarian and decorative porcelain and one of the ten largest in the world.

Utilitarian ceramic tableware, oven- and microwave-safe pottery.

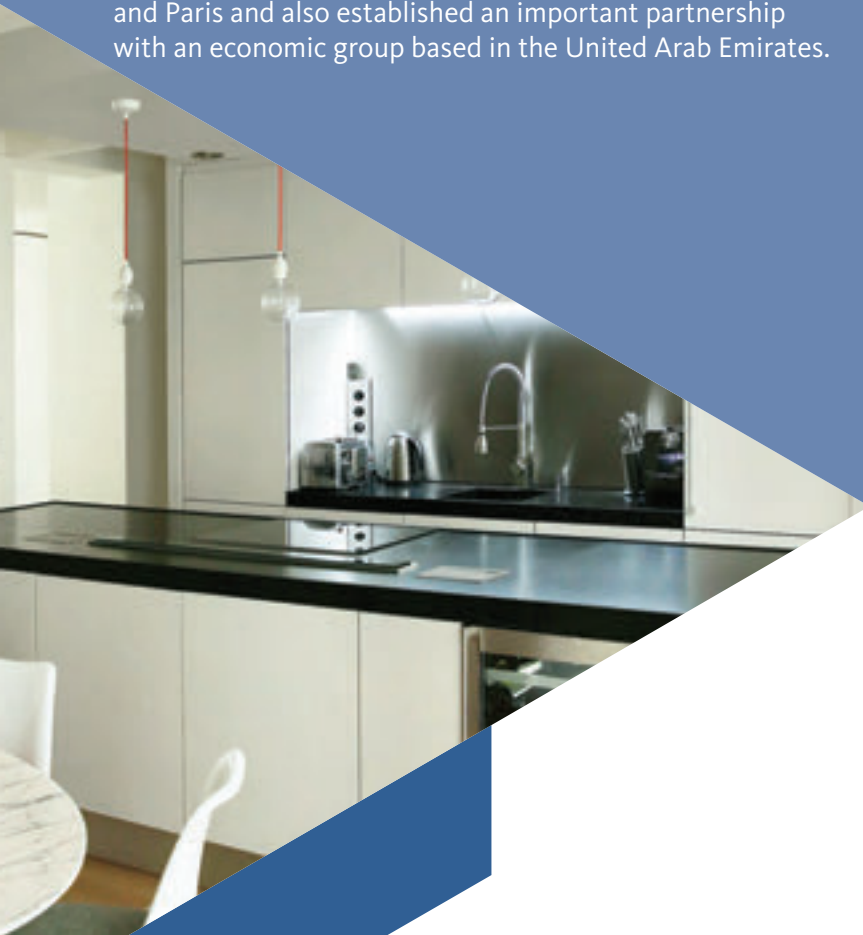
Cerutil - Company specialising in the design and production of multi-functional stoneware, with an international presence.

Faianças Artísticas Bordallo Pinheiro - Established in 1884, it specialises in utilitarian and decorative stoneware, creating items using traditional moulds and contemporary pieces, for the domestic market and with an increasing focus on exports.

KITCHENS

Mob - The most prestigious, award-winning Portuguese brand of tailor-made kitchen furniture, recognised for quality, ergonomics and design.

With production plants in Portugal and Angola, the brand recently opened its own stores in Luanda and Paris and also established an important partnership with an economic group based in the United Arab Emirates.



BIOFUELS AND THERMAL ENERGY

FORESTRY INDUSTRY

Extraction and production of wood for various applications.
Solid biofuels (*wood pellets*).
Production of organic fuel, with no environmental impact, using compressed sawdust and wood waste.

INDUSTRIAL BOILERS

Equipment manufacture and solutions in the field of thermal energy. Development and designing of industrial energy recovery systems, energy, cogeneration, air conditioning installation and complementary services.

METAL ENGINEERING

Production of metal components for civil construction.

ELECTRICAL AND TELEPHONE CABLES

Production of copper cables and conductors for electricity and telecommunications.

NATURAL RESOURCES

RAW MATERIAL AND ORNAMENTAL STONES

Extraction, production, transformation and marketing for several applications in construction and decoration.

AGRICULTURAL PRODUCTION

Breeding of cattle and small ruminants, poultry, pigs and growing of fruit.



V

VISABEIRA TURISMO





Visabeira Turismo has long stood as a reference in the domestic and international markets, thanks to the broad and complementary range of four- and five-star hotel units, resorts, conference centres, golf courses, new concepts in the restaurant industry, leisure, wellness and entertainment complexes, including infrastructures such as an ice skating rink, swimming pools, gyms, tennis courts, squash courts, spas and health clubs, entertainment venues and travel agencies.





HOSPITALITY

MONTEBELO HOTELS & RESORTS

Montebelo Agueira Lake Resort & Spa

Montebelo Viseu Hotel & Spa

Casa da Ínsua

Palácio dos Melos

Hotel Príncipe Perfeito

GIRASSOL HOTELS

Girassol Bahia Hotel

Girassol Indy Congress Hotel & Spa

Girassol Gorongosa Lodge & Safari

Girassol Nampula, Girassol Lichinga

Girassol Songo

RESTAURANTS

Zambeze Restaurant

Forno da Mimi & Rodízio Real

Cervejaria Antártida

Rodízio do Gelo

Pedro dos Leitões

ENTERTAINMENT

AND LEISURE

Palácio do Gelo Shopping

Bar de Gelo Viseu

Mundicor

SPORTS AND WELLNESS

ForLife



HOSPITALITY

Montebelo Hotels & Resorts - A brand that comprises four- and five-star hotel units in the centre region of Portugal.

Girassol Hotels - A brand owned by Visabeira that includes the tourism offer of Maputo, Lichinga, Nampula and Gorongosa. Visabeira Turismo's range of truly integrated options caters to all kinds of events, thanks the versatile combination of venues, including meeting rooms and conference centers, restaurants and numerous recreation and leisure services.

RESTAURANTS

The diversity of dining options offered by Visabeira Turismo's restaurants

includes the most sophisticated signature cuisine, traditional food from Beira, Mozambique's cuisine and authentic Brazilian Rodízio, to name a few. In the case of Casa da Ínsua, the offer includes its own artisanal production of Dão wines and gourmet products, such as jams, olive oil and cheese.

In Maputo, the Rodízio Real, Forno do Indy and Girassol Bahia restaurants stand as an emblematic reference.





ENTERTAINMENT AND LEISURE

The entertainment segment includes several commerce, leisure and wellness units.

Palácio do Gelo Shopping - A space with 175,000 m² in Viseu, comprising 160 stores and several entertainment infrastructures, including an ice skating rink, the "Bar de Gelo" bar, Bowling lanes and 3D theatres.

Edifício Nampula - Shopping gallery and business centre, in Mozambique.

SPORTS AND WELLNESS

Montebelo Golf, the only golf course with 27 holes in the centre and northern regions of the country, is framed within a unique landscape, between the Estrela and Caramulo mountain ranges. At the Aguieira Lake Resort & Spa, the Aguieira Marina, by the dam reservoir, supports various nautical activities, including the training of international canoeing teams.

The offer of venues for activities is highly diversified, including an equestrian centre, an Olympic-size swimming pool, gyms, tennis and squash courts, spas and health clubs.





VISABEIRA
IMOBILIÁRIA



Visabeira's operations in the real estate market are recognised due to its dynamism and anticipation of trends in the housing business, designing high-quality developments for the mid- and high-range segments. Its active and enterprising attitude manages to accomplish the most innovative concepts and projects nationwide. Visabeira Imobiliária also operates in the segment of commercial and office spaces and other complementary areas, providing a comprehensive offer.





COMMERCE

Palácio do Gelo Shopping
Edifício Nampula

RESIDENCIAL

Montebelo Aguieira Lake Resort & Spa
Quinta do Bosque
Quinta da Alagoa
Forum Residence
Villatrium
Moradias Vilabeira
Figueira Paranova
Pateo Vera Cruz
Parque Desportivo de Aveiro

TOURISM

Montebelo Aguieira Lake Resort & Spa

MANAGEMENT AND SERVICES

Visabeira Imobiliária
Ifervisa
Imensis
Imovisa



COMMERCE

In the commercial segment, Visabeira Imobiliária specialises in the prospecting of market opportunities and offering of office spaces and business centres.

HOUSING

The buildings with the seal of Visabeira Imobiliária are distinguished by their high quality, thanks to construction techniques studied taking into account the most demanding needs, and the predominant use of stone cladding. In turn, the equipment and materials used meet the same stringent criteria, thus offering modern design, ergonomics, comfort and durability.



TOURISM

In addition to the residential and commercial sectors, Visabeira operates as a highly dynamic real estate developer in the areas of commerce and tourism and is responsible for the development and marketing of projects in the central and northern regions of Portugal.

MANAGEMENT AND SERVICES

Management, administration, conservation, maintenance, supervision and marketing of real estate and the associated equipment; development of new real estate and tourism projects.

Condominium services.



V

VISABEIRA PARTICIPAÇÕES



Visabeira Participações concentrates the financial investments made by Grupo Visabeira in companies with which it has important synergies, also acting as an incubator for new projects. Within this business it has invested in areas such as multi-sector trading, on an international scale, marketing of materials and equipment, management, consultancy and training services, auto repair services, park management and operation of healthcare facilities. These operations included mergers of companies in which Visabeira Estudos e Investimentos complemented the Technological area, through the integration of a reference company in the development of highly complex and diversified solutions and services, in segments such as information and communication systems, mobility, innovation management and georeferencing, among others.



Porto Salus
Residências Assistidas



INVESTMENTS

Visabeira Pro - Estudos e Investimentos

TRADING

Benetrónica
Mercury
Autovisa
Visasecil

HEALTH

Visabeira Saúde
Porto Salus

SERVICES

Visabeira Moçambique
Visabeira Angola
Fundação Visabeira
Os Infantinhos



V

INVESTMENTS

Assigning specialised teams for strategic advisory and provision of multi-disciplinary services.

TRADING

IMPORT AND EXPORT

Products of various segments, representing renowned brands: technology, furniture, construction materials, equipment, vehicles, food, among others.

HEALTH

Provision of extended healthcare services, including the new Hospital de Viseu and Porto Salus - Residências Assistidas - a development in Azeitão, Setúbal.

SERVICES

AUTO

Maintenance and management of vehicle fleets, commercial representation of makes, auto repair, selling of parts and accessories.

ADMINISTRATIVE AND FINANCIAL ADVISORY AND PROVISION OF TECHNICAL SERVICES

Assigning specialised teams for strategic advisory and provision of multi-disciplinary services. Advisory for individuals in the field of quality as a strategic vector for the provision of multi-disciplinary services.

VOCATIONAL TRAINING AND HUMAN RESOURCE SELECTION

Visabeira Pro Gestão

SOCIAL SOLIDARITY

Fundação Visabeira was created with a view to develop infrastructures to support families in need. It is responsible for the creation and operation of the "Infantinhos da Visabeira" and "Infantinhos da Quinta do Bosque" kindergartens.







2

*2013 IN
HINDSIGHT*

ANALYSIS OF CONSOLIDATED RESULTS



MACROECONOMIC BACKGROUND

In 2013, the Portuguese economy continued to be marked by the process of adjustment of macroeconomic imbalances, namely, the impact of budgetary consolidation.

The world economy, after the slowdown recorded in the past few years, was positively impacted by the growth in world trade, which increased in 2013, reflecting an improvement in the global economic conditions.

In recent years, the international environment has been characterised by exceptionally high levels of uncertainty, related to the sovereign debt crisis in the euro area and the dispute over the pace of budgetary consolidation in the United States.

The activity in the euro area showed some contraction in the first half of 2013, in the context of the effort for budgetary consolidation, maintenance of strict credit conditions in the countries under pressure and the persistence of a high level of uncertainty. After six quarters of contraction, in the second half of 2013, GDP in the euro area increased again.

It was within this extremely demanding scenario that Grupo Visabeira began a new cycle, as, for the first time, it achieved the goal of having over 50% of turnover resulting from international markets.

KEY ECONOMIC INDICATORS

Annual Change Rate (%)

Worldwide	2013	2012	2011
World economy	2.7	3.3	3.8
Advanced economies	1.2	1.3	1.6
USA	1.7	2.2	1.8
Eurozone	-0.4	-0.4	1.4
Germany	0.5	0.9	3.1
France	0.2	0.1	1.7
Spain	-1.3	-1.5	0.4
UK	1.4	-0.4	0.8
Emerging markets and developing economies	4.8	5.3	6.2
China	7.7	7.8	9.2
Brazil	2.5	1.5	2.7

Source: OECD

Portugal	2013	2012	2011
Gross Domestic Product	-1.5	-3.0	-1.6
Private Consumption	-2.0	-5.5	-3.6
Public Consumption	-1.5	-4.5	-3.2
Investment	-8.4	-14.4	-11.2
Domestic Demand	-2.7	-6.9	-5.2
Net Exports	5.9	4.1	4.1
Inflation	2.7	2.8	3.6
Unemployment rate	16.3	16.5	13.6
Budget deficit (as a % of GDP)	-4.4	-4.9	-5.8
Public Debt (as a % of GDP)	129.4	122.5	101.6
Current Account Balance (as a % of GDP)	2.5	-1.5	-7.6

Source: Banco de Portugal (Bank of Portugal), INE (Statistics Portugal), OECD and Eurostat

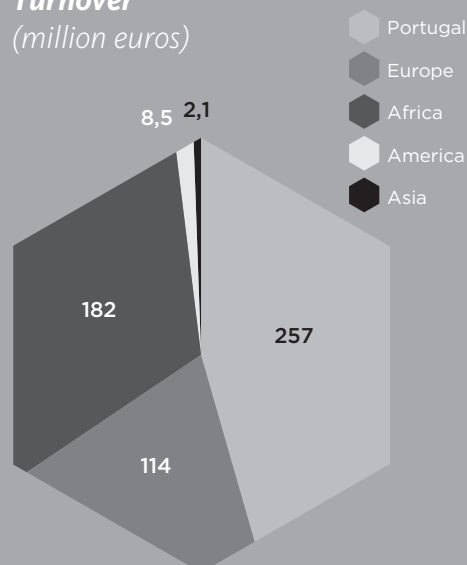


GRUPO VISABEIRA

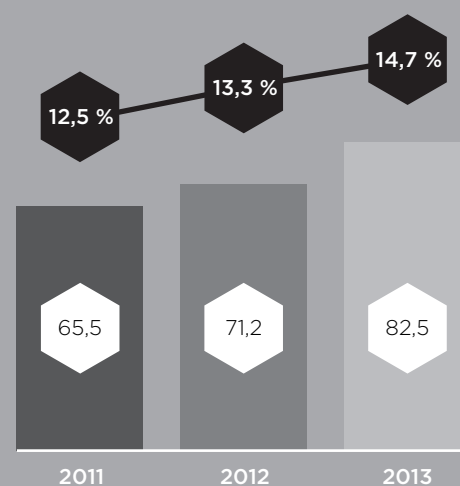
Consolidated turnover (Amounts expressed in million euros)

	2013	2012	Var YoY
Turnover	563	534	5%
EBITDA	82.5	71.2	16%
EBITDA Margin	14.7%	13.3%	1.3 p.p.
Operating income	59.6	51.7	15%
Operating margin	10.6%	9.7%	0.9 p.p.
Net income	4.4	7.6	-41%
Capex	97.0	78.5	24%
Debt	715	732	-2%
Inventories	186	170	9%
Fixed assets (Including goodwill)	515	443	16%

Turnover
(million euros)



**EBITDA (million euros)
and Margin (%)**



RESULTS

In 2013, Visabeira, maintained its growth trend, with turnover reaching a new all-time high of 563 million euros, an increase of 5.4% yoy. Likewise, EBITDA, which reached 82.5 million euros, with a margin of 14.7%, was the highest ever in the history of the Group.

Even amidst the severe internal crisis affecting the Portuguese economy, the Group has managed to consolidate its internationalisation process. This is reflected by the fact that, for the first time, foreign markets accounted for more than half of the consolidated turnover generated in the financial year (54%), an increase of 26% YoY. Countries like Angola, Mozambique, France, Spain, Germany, Belgium, Brazil and the United States heavily contributed to generate operating profits in 2013.

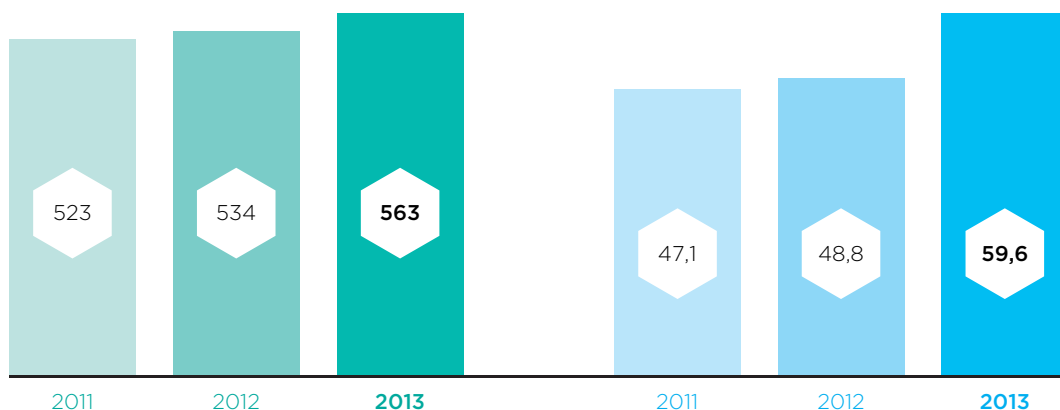
Visabeira Global, with a weight exceeding 70% of the Group's turnover, in addition to its contribution of 61% of EBITDA, reflects the good performance of cable television, both in Angola and Mozambique; of telecommunication infrastructure operations in Mozambique and France; and of railway infrastructures in Mozambique. Industry, which integrates flagship brands such as Vista Alegre or Bordallo Pinheiro, also recorded a significant increase in terms of operating performance. Pinewells has consolidated its position in the pellet production market and recorded a considerable growth in turnover, as well as an EBITDA of 2.4 million euros (a 100% increase YoY). Vista Alegre, with 1.6 million euros, represented over 44% of the EBITDA of this sub-holding. Visabeira Turismo, through its offer comprising eleven hotel units located in Portugal and Mozambique represented a consolidated turnover of 32.6 million euros.

In terms of operating costs, Constructel, a French telecommunications company, as a result of increased activity, needed to expand its management structure, with consequent increased staff costs, which went from 9.9 million euros in 2012, to 15.1 million euros in 2013, accompanied by a reduction in the weight of subcontracts in turnover, which went from 65% to 57% in the aforementioned period. Excluding the effect of non-recurring phenomena (fair value of investment properties and reversal of customer impairments), there was an increase in operating income, which reached 58 million euros, against 52 million euros in 2012.

The 1.4% valuation of the Metical against the Euro recorded in 2013 strongly influenced the Group's foreign exchange outcome, which stood at 1.4 million euros in the red, against 4.7 million euros in the red in the previous year.

Turnover (million euros)

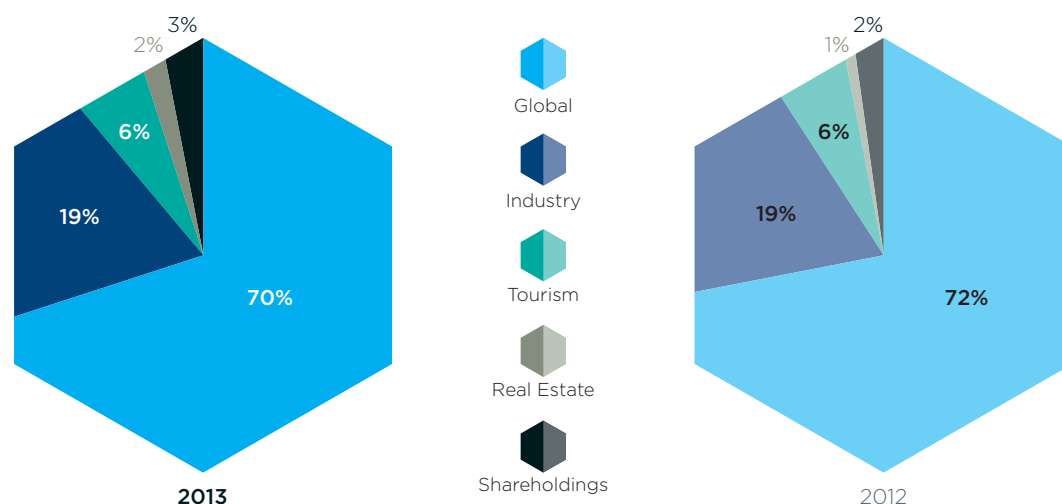
Operating income (million euros)



GRUPO VISABEIRA

The Group's net income amounted to 4.4 million euros (excluding minority interests in the amount of 0.2 million euros), against 7.6 million euros (excluding minority interests in the amount of 2.2 million euros). Excluding the influences of the fair value of investment properties, the impairment observed in the shares of the companies listed in PSI 20, and corresponding interests and taxes related to these items, the net result of minority interests would be 20.6 million euros in 2013, against 14.8 million euros in 2012, i.e. an increase of about 39.2%. The non-recorded (although significant) impact on results, resulting from the valuation of EDP and ZON shares, in the amount of 18.4 million euros, which, in accordance with applicable rules, is recorded directly in equity.

Turnover by business area



BALANCE SHEET

With the Group's worldwide expansion process, its assets have increased by 5%, exceeding a remarkable total of 1.5 billion euros. With regard to tangible assets, highlight goes to a growth of 98 million euros, resulting from an investment in cable TV networks in Angola and Mozambique and Next-Generation Networks in the centre region of Portugal and in the Azores. Financial assets available for sale, in the amount of 156 million euros, recorded a profit of 9.6 million euros against the previous year. There was also a reduction of 49 million euros due to the selling of assets in the stock market, in the first months of the year.

Financial autonomy remained at adequate levels, reaching a ratio of 22%, consistent with the previous year. Despite the level of investment made, the Group managed to reduce its consolidated debt by 17 million euros, down to 715 million euros. The net amount of operating debt (which deducts the amount of debt allocated to stock market operations, ongoing investments not yet generating EBITDA and investment property not yet generating EBITDA) stood at 291 million euros, reaching an amount equivalent to 3.5 times the EBITDA.

Consolidated figures

Total Debt (Leasing + Financing)	715.3
Cash and Bank Deposits	-32.3
Debt attributed to ongoing investment, not yet generating EBITDA	120.6
Debt attributed to Real Estate, not yet generating EBITDA	26.7
Debt attributed to stock exchange operations	275.0
Total net operating debt	260.7
EBITDA	82.5
Financial assets available for sale	156.0
Adjusted net operating debt	379.7
Net financial debt allocated to areas generating EBITDA / EBITDA	4.6 x

The Group recorded an amount of operating debt equivalent to 4.6 times its EBITDA. This is excluding the effect of debt attributed to stock market operations, ongoing investments not yet generating EBITDA and investment property not yet generating EBITDA.

INVESTMENTS

Portugal (amounts in euros)

	Amount	Investment
Grupo Visabeira	925,964	SAP Licenses
VISABEIRA GLOBAL		
Edivisa	3,198,237	Equipment
Fibroglobal	29,251,627	Next-Generation Networks
Real Life Technologies	563,006	Equipment
Viatel	3,512,575	Equipment
Visabeira	838,694	Equipment
Visabeira Indústria		
Ambitermo	125,428	Expansion of the facilities
Bordallo Pinheiro	135,506	Equipment
Cerutil	19,494	Equipment
Mob	49,645	Equipment
Pinewells	1,088,374	Equipment
Vista Alegre Atlantis	22,960,275	Stores, Marketing and Equipment
Visabeira Turismo		
Empreedimentos Montebelo	340,213	Golf Resort
Movida	552,367	HPP Building and Head Offices
Zambeze	160,450	Equipment
Visabeira Participações Financeiras		
PDA	911,303	Ongoing work
Visabeira Pro - Estudos e Investimentos	354,040	Equipment
Other Companies	489,594	
Total	65,476,791	

The year 2013 was marked by the consolidation of the investment in Next-Generation Networks through Fibroglobal, in the amount of 29 million euros. The company gave a significant contribution to place Portugal in the worldwide ranking of countries with the largest fibre optics coverage. Fibroglobal set the pace of construction in this segment, whose main contribution was the completion of its network in 42 municipalities of the centre region and 12 in the Azores. In the remaining companies of this holding, investment focused on providing their teams with technical equipment suited to the market's demands. With regard to industrial investment, Vista Alegre continues to have the most weight, with 23 million euros, primarily associated with the commissioning of the new Ria Stone production plant, and investment in new technologies for key industrial equipment, in the crystal and glass segments, aiming at increasing production and reducing energy costs and waste. The porcelain segment maintained its R&D projects aiming at developing a new line of products for the hospitality sector and, in the case of crystal, developing new decoration techniques.

With regard to Visabeira Turismo, Movida continued its investment in the renovation and expansion of its offices at the top floor of the Palácio do Gelo Shopping Centre.

International (amounts in euros)

	Amount	Investment
Mozambique		
Electrotec	1,421,304	Equipment
Real Life Mozambique	159,607	Administrative equipment
Sogitel	1,136,522	Equipment
Televisa	1,375,902	Transportation equipment
Turvisa	1,624,638	Remodelling of the Indy Hotel
TVCABO	8,904,582	Expansion of the network coverage area
Visaqua	202,698	Transportation equipment
Other	402,826	
Angola		
Álamo Angola	214,676	Quarry preparation
Electrovisa	768,675	Equipment
Comatel	1,160,343	Equipment
TVCABO Angola	13,721,347	Expansion of the network coverage area
Visabeira Angola	112,759	Equipment
Other	297,467	
France		
Constructel	708,792	Equipment
Gatel	8,317	Equipment
Mob Cuisines	182,776	Buildings
Germany		
Constructel GmbH	441,006	Equipment
Total	32,844,236	

As for international investment, the Angolan market represents 50% (16.2 million euros), followed by Mozambique with 46% (15.2 million euros).

In Angola, the telecommunications sector continues to absorb the largest share of investment, with TVCABO investing 14 million euros, mainly in the expansion of its network to the outskirts of Luanda. Comatel invested 1 million euros in the renewal of its vehicle fleet, equipment and operation support tools.

In Mozambique, the most significant investment was made by TVCABO, with 8.9 million euros for the conversion of its networks to the FTTH system in the city of Maputo and network maintenance. The second largest investment was made by Turvisa, which invested 1.6 million euros in the completion of two new hotel units in Songo (Cahora Bassa), and in the Gorongosa National Park. Some investment was also made in basic equipment and furnishings for the various administrative units of Turvisa, and for the acquisition of new vehicles. International telecommunications and construction companies, such as Electrotec, Televisa, Sogitel and Constructel have invested mainly in transport and basic equipment, in order to ensure greater mobility and efficiency for its teams and ensure greater operational performance in various activities.

FINANCIAL INVESTMENTS

In the year 2013 in Portugal, highlight goes to the incorporation of Vista Alegre Atlantis I.L. - Sociedade Imobiliária S.A., which entailed an investment of 100,000 euros, and aims at managing real estate properties and projects in the area of tourism and providing related services.

50,000 euros were also invested in the domestic market, in the creation of Visabeira Turismo e Imobiliária, SGPS, S.A., and a stake was acquired in Hospital Nossa Senhora da Arrábida, S.A. (10,000 euros). This is a complementary care unit providing support to the Porto Salus assisted living facilities, which will allow the Group to increase its healthcare service offer.

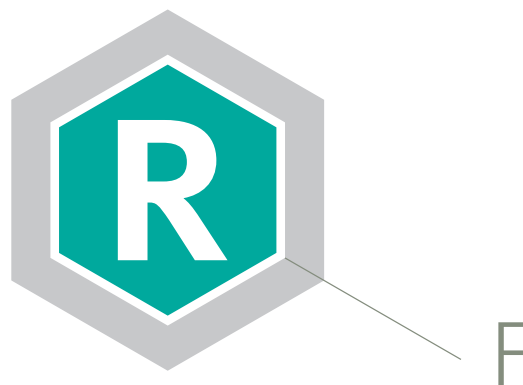
In order to strengthen the Group's international position in the areas of telecommunications, electricity, gas, water, construction and public works, Constructel Africa S.A. was established in Mozambique, corresponding to a total investment of 145 million euros. Still concerning this country, Combustíveis do Songo was created, which will be dedicated to trading fuels, lubricants and chemicals (2,000 euros).

In order to diversify activities in France, Mob Cuisines was incorporated, with a total investment of 100,000 euros.

In order to strengthen the international position of the VAA brand, Vista Alegre Atlantis USA, Lda. was incorporated, which will enable the brand to enter a new market (36,000 euros).

During the year 2013, Constructel Romania was dissolved, for the amount of 154,000 euros and the Group increased its shares in Ifervisa up to 100%, for the amount of 653,000 euros.

RISK FACTORS



Aware of the importance of adopting an active management of the various financial risks, in order to minimise potential negative impacts on its cash flow, results and on company value, Grupo Visabeira strives for the effective management of these risks, by formulating appropriate hedging strategies. Indeed, Grupo Visabeira is exposed to a diverse set of risks, resulting from the various business areas in which it is engaged and, therefore, is aware of the importance of managing credit risk and protecting its cash, recognising the importance of credit insurance as an essential tool both in the domestic and foreign markets.

Grupo Visabeira devotes great attention to the risks inherent to its activities. The continuity of the operations critically depends on the mitigation and control of risks that can significantly affect its assets (namely people, equipment, service quality, information, facilities) and, thus, jeopardise its strategic objectives.

CREDIT RISK

The subsidiaries of Group Visabeira realise that credit risk is an important and complex factor, which is present in their everyday life and is key for success, regardless of the nature of their activity. Risk assessments entail making decisions on credits, at times based on incomplete information, within a scenario of uncertainty and constant change.

Considering the business itself, the area of activity in which it operates, or the risk of the region and country, the classification and assessment of the credit risk of a given customer is usually summarised in a credit record containing the information that will inform the opinion on a given credit operation, such as: the customer's nature, its management capacity, its capital, its credit guarantees and the payment terms. The assessment of credit risk reflects the multiplicity, quality and origin of the information available to the credit analyst.

For years, Grupo Visabeira has been relying on credit insurers, with which it subscribes insurance policies, thus delegating the first-level credit analysis to professionals specialised in the collection and recovery of debts, thus obtaining, from a privileged source, an assessment of the exposure - credit limit - that is adjusted to the creditworthiness of each customer. Thus, the management can be primarily focused on operational issues. The coverage of this risk enables a compensation for unpaid customer credits, which for the domestic market is 80%, and for the external market is 90%. Recent years have been marked by increased restrictions on lending in general, with credit limits having undergone significant unfavourable revisions. In light of this scenario, and in order to meet credit risk hedging requirements for which the limits granted under basic policies are insufficient, Grupo Visabeira has hired additional instruments, which allow increasing the partial hedging of its risks up to twice the amount covered by basic policies, for customers of domestic and foreign markets, and also to hedge risks whose amount is not specified in the said basic policy, or obtain more than twice the amount currently covered for foreign market customers.

The added constraints in the external hedging of loans entail greater precision and stricter requirements in assessing applications for internal credit.

Factoring, without recourse, is used as complementary hedging for transactions in which credit insurance may not be sufficient.

Also relevant is the amount of receipts by advance payment or payments in cash, which, in the year under review, represented about 14% of turnover, with a special contribution from the areas of cable TV and internet distribution, tourism, restaurants and leisure. Loans granted to external entities, which also act as suppliers of the Group, this year carried a weight of 1.12%.

The customers of the companies of Grupo Visabeira that act as providers of infrastructures and telecommunications services are entities of recognised financial probity. This group includes entities such as local telecommunications operators, generally directly held by the State of each country, replacing credit risk with political risk. Some examples of this are TDM – Telecomunicações de Moçambique, EDM – Eletricidade de Moçambique, Angola Telecom, France Telecom, Belgacom, Portugal Telecom, Zon, EDP and natural gas concession holders.

LIQUIDITY RISK

The Group implements liquidity risk management policies that ensure the financing of its assets by the respective maturity date and at appropriate rates, as well as the timely settlement of its financial commitments. Simultaneously, appropriate cash balances and short-term credit lines are kept, which allow for a proper management of cash to meet short-term financial commitments. The leveraging associated with the acquisition of PT, Zon Multimédia and EDP shares, in the form of commercial paper issued by Grupo Visabeira in the amount of 275 million euros, comprises two separate commercial paper programmes: one at seven and another at ten additional years, with firm underwriting commitment. Given the high liquidity of the underlying assets and despite PT's dividend distribution policy and the fact that the taxation of those assets began in 2011, there is no pressure over the Group's treasury at all. In fact, the hiring of these two operations, following a 50-million-euro reduction in debt due to the disposal of the same amount in EDP shares, allowed for the separation and a certain ring fencing of the risk resulting from these operations.

Thus, a commercial paper was hired, in the amount of 140 million euros, with a maturity period of seven years, whose collateral is the fair value of the shares, which, as of 31/12/2013 represented a hedge ratio of 108% as well as another, in the amount of 130 million euros, for which a collateral already exists, associated with the property Palácio de Gelo Shopping.

Highlight also goes to the hiring, in December 2013, of a new commercial paper programme in the amount of 27.5 million euros, for a three-year period, in which the hedged issuing is subscribed by a syndicate of institutions during the first eighteen months. The amount of short-term debt includes 60 million euros pertaining to the syndicated bond loan, with maturity in July 2014, whose revolving is being negotiated, already with positive indications for its renewal from the leading members of the banking syndicate. The Group also estimates that it will have to negotiate the revolving of credit lines in an approximate amount of 25 million euros, with a strong positive expectation, considering that part of that refinancing concerns entities that are long-time partners and institutions that have recently strengthened their involvement with the Group. The short-term debt of Grupo Visabeira is ranked by Companhia Portuguesa de Rating [a Portuguese Rating Agency] at "B," which means that the Group currently has the appropriate capacity to meet its financial commitments.

The overall liquidity index of the consolidated accounts stood at 0.74, which shows the suitability of the financing of current assets by current liabilities.

Moreover, working capital is positive and covers part of the corresponding needs, after adjustment for the longer maturity of deferred tax liabilities and investment subsidies, which is recognised under other accounts payable.

CASH FLOW RISK

The cash and investments of all the Group's companies are managed by a centralised global organisation, which allows reducing cash flow risks, avoiding exposure to variations that may affect the companies' results.

On the other hand, the use of factoring allows for a reduction in the average collection periods, with the inherent anticipation of receipts, and it enables a better cash management, due to the timely obtaining of the necessary working capital to finance the operational cycle, a fundamental condition for sustained economic and financial growth. On 31 December 2013, the amounts paid in advance by customers in this format stood at 51.6 million euros. The Group has additionally contracted short-term current accounts to meet occasional cash needs.

INTEREST RATE RISK

The Group's exposure to interest rate risks arises primarily from loans obtained, as the financial investments are usually hired for short periods and, consequently, the impacts arising from interest rate changes do not significantly affect the accounts. The balance of the consolidated financial debt of Grupo Visabeira by the end of December 2013 was contracted, for the most part, at the indexed interest rate, and the main indexing factor was the Euribor rate at one and three months for national funding, and Libor for loans in dollars, mostly granted to foreign companies.

With the aim of reducing the risks of interest rate fluctuation, in 2012, greater relevance was given to funding by the various subsidiaries, particularly in Angola and Mozambique, in local currency and at a fixed rate.

In 2013, Visabeira SGPS, SA settled the position of the Euribor Range Accrual swap, which swapped the 3-month Euribor for a fixed rate of 3.65% for a notional amount of 30 million euros. With this settlement, at the date of the balance sheet, Grupo Visabeira, presents open positions classified as hedging instruments associated with this index for 5 and 2 million euros, contracted, respectively, in 2011 and 2012, and with a mark-to-market value of -314,000 and -4,000 euros.

Through Cerutil, a company that holds a stake in Vista Alegre Atlantis, hedges were hired in 2011 in the amount of 16.8 million euros, starting in June 2011 and ending in May 2016, receiving at the Euribor rate at 3 months and paying at a fixed rate of 2.74%, which had a fully recognised mark-to-market of -912 million euros. Vista Alegre contracted an amount of 5.7 million euros for the same period, also receiving at a 3-month Euribor and paying at a fixed rate of 2.69%, with a mark-to-market of -306,000 euros. In 2009, Visabeira Global hired a fixation of 2.68% to cover the 3-month Euribor, for an initial nominal amount of 5 (currently 2.4 million euros), which, on 31 December, had a mark-to-market of -53,000 euros.

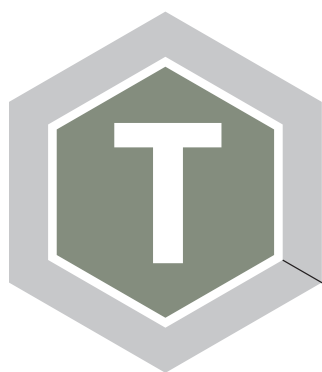
In October 2008, the three-month Euribor rate started a declining trend, as a result of successive cuts to the reference rate by the European Central Bank, in response to the international financial crisis. Having started the year 2013 at 0.187%, on 31 December, the three-month Euribor rate stood at 0.287%. With the Euribor at very low thresholds and a stable short-term trend, and with the debt partially hedged, the Group estimates that the impacts of any variations of this indexing factor will not have significant impacts on its accounts.

The Group anticipates favourable conditions for a reduction in the current level of spreads in 2014, mainly for new funding operations, with a positive impact on the financial results of the Group.

EXCHANGE RATE RISK

Grupo Visabeira chooses to implement a natural hedging policy for its foreign exchange risk, as its subsidiaries hold assets and liabilities denominated in U.S. Dollars, in order to achieve an automatic balance and adjustment to possible currency mismatches. Thus, exposure to liabilities denominated

in Dollars does not represent a high economic or financial risk, given the fact that the impact of exchange rate changes on those liabilities are naturally offset by the operating revenues of the respective businesses, also dependent on the Dollar. In external markets, particularly Angola and Mozambique, local companies import goods and services from the European market in Euro, invoicing customers in Dollars and Meticals, respectively. In these markets, the local currency is strongly correlated with the U.S. dollar, with a historical devaluation trend. In 2011, the Angolan kwanza depreciated by 3.76% against the dollar; on the other hand, the Mozambican metical, recorded an opposite trend, rising by 17.45%. Throughout the year, the Dollar has somewhat fluctuated against the Euro, with an annual depreciation of 3.17%. In Angola, internal transactions still have the U.S. Dollar as their benchmark, and so assets and liabilities in that currency are relatively balanced. On the other hand, the Group finances itself in US Dollars, thus showing, in this country, a short position of 15.4 million dollars. In Mozambique, the balances denominated in this currency also recorded a short position at around 5.6 million dollars. It should, however, be noted that the payment of these liabilities in Dollars has a medium- and long-term maturity, while assets denominated in the same currency are essentially short term, and there is, therefore, no pressure on the availability of the foreign currency needed for the occasional fulfilment of responsibilities denominated in this currency. The restatement of local accounts in euros for the purposes of consolidated accounts was positively impacted by the appreciation of the dollar. In 2006, the Mozambican Government introduced changes to invoicing rules regarding transactions carried out on Mozambican soil, including the requirement that they be issued in that country's currency. Consequently, the Group also began to contract all the new financing in that currency. However, there are still some positions expressed in Dollars and mostly some liabilities in Euros, which also translate into currency devaluations recognised in the Group's consolidated results.



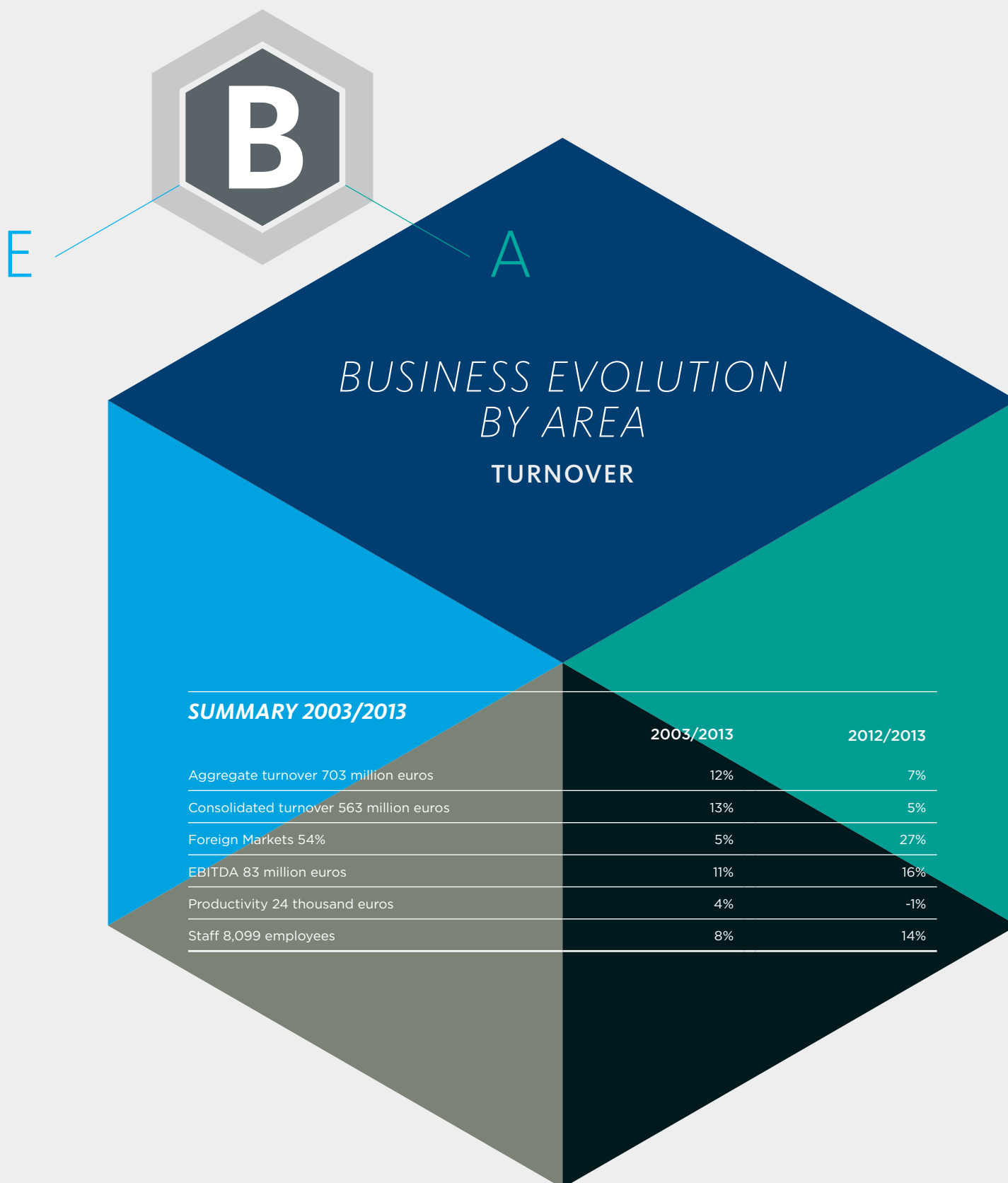
TAX BENEFITS

B

The companies of Grupo Visabeira, as in previous years, maintained their tax optimisation policy, with highlight to a set of incentives that they benefit from.

The group has been benefiting from the Tax Relief Regulation, mainly as part of the Net Creation of Employment, referred to in Article 19, and under the principle of Isolation, on account of the location of the companies, as referred to in Article 43.

Additionally, incentives related to private investment in the international sphere, in the case of Angola and Mozambique, received special attention, as its beneficiaries include companies that have carried out investment projects considered significant for national economy, thereby continuing to enjoy exemption from Customs Duties and Income Tax for the financial year.



In 2013, aiming at enhancing the sustainable growth it has successfully promoted in the various segments of its operations, the Group ended this financial year with the long-awaited achieving of one of its goals - to have international markets contribute with more than 50% of its turnover.

In 2013, Grupo Visabeira's consolidated turnover stood at 563 million euros, against 534 million euros in 2012, which corresponds to a 5.4% increase. EBITDA rose by 15.9% to 82.5 million euros in 2013. The performance of the external market operations once again contributed greatly to a growth in the EBITDA margin, from 13.3% in 2012 to 14% in 2013.

Turnover by company (euros)

Business Areas	Total		Group		Consolidated 2013		Consolidated 2012	
GLOBAL								
Portugal	232,549,818	51.5%	24,665,107	42.7%	207,884,711	52.8%	233,630,476	60.5%
Visabeira Global, SGPS	2,436,934	0.5%	2,277,799	3.9%	159,135	0.0%	331,327	0.1 %
DST Visabeira	0	0.0%	0	0.0%	0	0.0%	156,624	0.0%
Fibroglobel	2,272,737	0.5%	0	0.0%	2,272,737	0.6%	0	0.0%
Edivisa	29,858,637	6.6%	8,188,092	14.2%	21,670,545	5.5%	29,355,032	7.6%
Naturenergia	2,302,713	0.5%	661,511	1.1%	1,641,202	0.4%	0	0.0%
PDT	17,528,378	3.9%	558,914	1.0%	16,969,464	4.3%	17,768,831	4.6%
Real Life Technologies	17,362,060	3.8%	2,178,514	3.8%	15,183,547	3.9%	15,071,775	3.9%
Viatel	120,695,248	26.7%	6,068,164	10.5%	114,627,085	29.1%	130,026,494	33.7%
Visabeira	36,264,348	8.0%	4,140,554	7.2%	32,123,794	8.2%	38,240,580	9.9%
Visabeira Digital *	0	0.0%	0	0.0%	0	0.0%	60,787	0.0%
Visacasa	3,828,762	0.8%	591,559	1.0%	3,237,204	0.8%	2,619,027	0.7%
France	68,006,574	15.1%	2,343,529	4.1%	65,663,044	16.7%	56,830,488	14.7%
Constructel	63,375,322	14.0%	20,271	0.0%	63,355,051	16.1%	53,234,960	13.8%
Gatel	4,395,471	1.0%	2,087,477	3.6%	2,307,994	0.6%	3,574,077	0.9%
SCI Constructel	235,781	0.1 %	235,781	0.4%	0	0.0%	21,451	0.0%
Belgium	5,719,924	1.3%	2,025	0.0%	5,717,900	1.5%	6,116,331	1.6%
Constructel Belgium	5,719,924	1.3%	2,025	0.0%	5,717,900	1.5%	6,116,331	1.6%
Mozambique	69,555,655	15.4%	13,142,273	22.7%	56,413,382	14.3%	48,673,371	12.6%
Electrotec	9,095,790	2.0%	167,192	0.3%	8,928,598	2.3%	6,514,295	1.7%
Hidroáfrica	5,394,377	1.2%	2,004,850	3.5 %	3,389,527	0.9%	5,489,629	1.4%
Real Life Academy	105,294	0.0%	71,684	0.1 %	33,610	0.0%	46,434	0.0%
Real Life Technologies Mozambique	1,300,676	0.3%	-9,531	0.0%	1,310,207	0.3%	773,481	0.2%
Selfenergy	1,313,475	0.3%	1,212	0.0%	1,312,263	0.3%	1,407,420	0.4%
Sogitel	7,782,708	1.7%	6,623,688	11.5%	1,159,019	0.3%	1,490,004	0.4%
Televisa	26,546,622	5.9%	3,640,927	6.3%	22,905,695	5.8%	18,138,189	4.7 %
TVCABO	16,656,561	3.7%	642,252	1.1 %	16,014,308	4.1%	14,344,901	3.7%
Vibeiras Mozambique	478,153	0.1 %	0	0.0%	478,153	0.1 %	427,829	0.1 %
Visaqua	882,001	0.2%	0	0.0%	882,001	0.2%	41,189	0.0%
Angola	73,310,148	16.2%	17,674,186	30.6%	55,635,961	14.1%	40,633,203	10.5%
Comatel	23,428,134	5.2%	13,375,767	23.1%	10,052,367	2.6%	8,058,816	2.1 %
Edivisa Angola	4,756,899	1,1 %	3,779,159	6.5%	977,739	0.2%	318,768	0.1 %
Electrovisa	443,343	0.1 %	439,707	0.8%	3,637	0.0%	0	0.0%
TVCABO Angola	44,681,771	9.9%	79,553	0.1 %	44,602,218	11.3%	32,255,619	8.4%
Dominican Republic	175,239	0.0%	0	0.0%	175,239	0.0%	131,280	0.0%
Constructel Dominican Republic	175,239	0.0%	0	0.0%	175,239	0.0%	131,280	0.0%
Germany	2,067,068	0.5%	0	0.0%	2,067,068	0.5%	127,326	0.0%
Constructel GmbH	2,067,068	0.5%	0	0.0%	2,067,068	0.5%	127,326	0.0%
Sweden	79,256	0.0%	0	0.0%	79,256	0.0%	0	0.0%
Constructel Sweden AB	79,256	0.0%	0	0.0%	79,256	0.0%	0	0.0%
TOTAL	451,463,681	100.0%	57,827,120	100.0%	393,636,561	100.0%	386,142,476	100.0%

Business Areas	Total		Group		Consolidated 2013		Consolidated 2012	
INDUSTRY								
Portugal	96,844,687	83.8%	4,750,512	63.7%	92,094,175	85.1%	83,317,821	84.4%
Visabeira Indústria, SGPS	360,913	0.3%	360,913	4.8%	0	0.0%	0	0.0%
Ambitermo	16,493,140	14.3%	20,388	0.3%	16,472,752	15.2%	10,694,593	10.8%
Bordallo Pinheiro	3,403,094	2.9%	441,377	5.9%	2,961,717	2.7%	2,396,167	2.4%
Cerutil	7,041,993	6.1%	800,798	10.7%	6,241,194	5.8%	5,770,883	5.8%
Granbeira	3,090,842	2.7%	1,749,869	23.5%	1,340,973	1.2%	1,897,747	1.9%
Mob	4,727,842	4.1%	1,355,539	18.2%	3,372,303	3.1%	3,100,761	3.1%
Pinewells	16,772,409	14.5%	21,628	0.3%	16,750,781	15.5%	12,812,632	13.0%
Vista Alegre	44,954,455	38.9%	0	0.0%	44,954,455	41.6%	46,645,037	47.3%
Mozambique	2,561,067	2.2%	118,487	1.6%	2,442,580	2.3%	3,183,786	3.2%
Agrovisa	42,285	0.0%	24,812	0.3%	17,473	0.0%	16,997	0.0%
Celmoque	2,207,151	1.9%	93,675	1.3%	2,113,476	2.0%	3,166,789	3.2%
Vista Alegre Atlantis Mozambique	311,631	0.3%	0	0.0%	311,631	0.3%	0	0.0%
Angola	7,115,913	6.2%	2,586,882	34.7%	4,529,032	4.2%	4,625,879	4.7 %
Álamo Angola	3,830,034	3.3%	803,242	10.8%	3,026,792	2.8%	2,886,956	2.9%
Visaconstroi	3,285,879	2.8%	1,783,640	23.9%	1,502,240	1.4%	1,738,924	1.8%
Spain	5,695,378	4.9%	0	0.0%	5,695,378	5.3%	5,835,224	5.9%
Vista Alegre Atlantis Spain	5,695,378	4.9%	0	0.0%	5,695,378	5.3%	5,835,224	5.9%
Brazil	2,883,090	2.5%	0	0.0%	2,883,090	2.7%	1,591,174	1.6%
Vista Alegre Atlantis Brazil	2,883,090	2.5%	0	0.0%	2,883,090	2.7%	1,591,174	1.6%
United States of America	283,788	0.2%	0	0.0%	283,788	0.3%	0	0.0%
Vista Alegre Atlantis USA	283,788	0.2%	0	0.0%	283,788	0.3%	0	0.0%
France	200,408	0.2%	1,100	0.0%	199,308	0.2%	0	0.0%
Mob Cuisines	200,408	0.2%	1,100	0.0%	199,308	0.2%	0	0.0%
England	44,276	0.0%	0	0.0%	44,276	0.0%	164,793	0.2%
Vista Alegre Atlantis UK	44,276	0.0%	0	0.0%	44,276	0.0%	164,793	0.2%
TOTAL	115,628,607	100.0%	7,456,981	100.0%	108,171,626	100.0%	98,718,678	100.0%

TOURISM

Portugal	29,199,463	70.8%	8,223,207	95.1%	20,976,256	64.4%	21,630,505	64.3%
Visabeira Turismo, SGPS	433,352	1.1%	433,352	5.0%	0	0.0%	0	0.0%
Empreedimentos Montebelo	9,613,986	23.3%	2,743,718	31.7%	6,870,269	21.1%	6,735,349	20.0%
Movida	13,661,993	33.1%	3,271,777	37.8%	10,390,216	31.9%	11,358,537	33.8%
Mundicor	1,763,921	4.3%	946,911	10.9%	817,010	2.5%	1,081,563	3.2%
Prato Convivas	348,003	0.8%	19,649	0.2%	328,354	1.0%	305,163	0.9%
Ródia	2,490,762	6.0%	754,638	8.7%	1,736,124	5.3%	1,973,384	5.9%
Zambeze	887,445	2.2%	53,162	0.6%	834,282	2.6%	176,509	0.5%
Mozambique	12,028,955	29.2%	426,504	4.9%	11,602,451	35.6%	11,990,525	35.7%
Turvisa	12,028,955	29.2%	426,504	4.9%	11,602,451	35.6%	11,990,525	35.7%
TOTAL	41,228,418	100.0%	8,649,711	100.0%	32,578,707	100.0%	33,621,030	100.0%

REAL ESTATE

Portugal	7,896,293	64.7%	779,312	51.0%	7,116,980	66.6%	850,753	25.8%
Visabeira Imobiliária, SGPS	435,962	3.6%	435,962	28.5%	0	0.0%	3,166	0.1%
Ifervisa	1,711,602	14.0%	77,667	5.1%	1,633,935	15.3%	182,150	5.5%
Visabeira Imobiliária, SA	5,748,729	47.1%	265,683	17.4%	5,483,046	51.3%	665,436	20.2%
Mozambique	4,317,122	35.3%	748,970	49.0%	3,568,152	33.4%	2,450,505	74.2%
Imovisa	4,317,122	35.3%	748,970	49.0%	3,568,152	33.4%	2,450,505	74.2%
TOTAL	12,213,414	100.0%	1,528,282	100.0%	10,685,133	100.0%	3,301,258	100.0%

Business Areas	Total		Group		Consolidated 2013		Consolidated 2012	
FINANCIAL HOLDINGS								
Portugal	47,429,157	59.7%	47,090,360	76.4%	338,797	1.9%	1,769,855	14.5%
Visabeira Participações, SGPS	567,725	0.7%	567,725	0.9%	0	0.0%	0	0.0%
Benetrónica	25,689,562	32.3%	25,592,628	41.5%	96,934	0.5%	299,808	2.5%
Digispirit	514,053	0.6%	110,789	0.2%	403,264	2.3%	441,021	3.6%
Iutel	380,666	0.5%	5,804	0.0%	374,862	2.1%	355,000	2.9%
Joafil **	0	0.0%	0	0.0%	0	0.0%	304,949	2.5%
Predibeira	0	0.0%	0	0.0%	0	0.0%	18	0.0%
Ptc	12,000	0.0%	12,000	0.4%	0	0.0%	0	0.0%
Visabeira Pro - Estud. e Investimentos	20,265,151	25.5%	20,801,414	33.7%	-536,263	-3.0%	36,400	0.3%
Visabeira Pro *	0	0.0%	0	0.0%	0	0.0%	332,658	2.7%
Spain	-51,926	-0.1%	0	0.0%	-51,926	-0.3%	0	0.0%
Telesp	-57,926	-0.1%	0	0.0%	-57,926	-0.3%	0	0.0%
Visabeira España	6,000	0.0%	0	0.0%	6,000	0.0%	0	0.0%
Mozambique	17,083,830	21.5%	9,900,929	16.1%	7,182,900	40.4%	5,785,217	47.5%
Autovisa	1,320,006	1.7%	718,777	1.2%	601,229	3.4%	746,245	6.1%
Combustíveis do Songo	1,265,327	1.6%	0	0.0%	1,265,327	7.1%	0	0.0%
Imensis	2,651,546	3.3%	9,844	0.0%	2,641,702	14.9%	2,831,041	23.3%
Mercury	9,105,464	11.5%	6,828,596	11.1%	2,276,868	12.8%	2,105,518	17.3%
Visabeira Mozambique	2,741,486	3.5%	2,343,712	3.8%	397,774	2.2%	102,414	0.8%
Angola	14,691,574	18.5%	4,664,321	7.6%	10,027,253	56.4%	4,615,534	37.9%
Catari Angola	995,566	1.3%	2,755	0.0%	992,812	5.6%	798,763	6.6%
Mercury Angola	2,731,146	3.4%	2,338,352	3.8%	392,794	2.2%	590,892	4.9%
Visabeira Angola	1,554,824	2.0%	1,367,590	2.2%	187,234	1.1%	80,314	0.7%
Visasecil	-23,681	0.0%	0	0.0%	-23,681	-0.1%	7,091	0.1%
Visatur	0	0.0%	0	0.0%	0	0.0%	111,824	0.9%
Visauto	9,433,718	11.9%	955,625	1.5%	8,478,094	47.7%	3,026,648	24.9%
South Africa	286,312	0.4%	0	0.0%	286,312	1.6%	0	0.0%
Mercury South Africa	286,312	0.4%	0	0.0%	286,312	1.6%	0	0.0%
TOTAL	79,438,946	100.0%	61,655,610	100.0%	17,783,336	100.0%	12,170,606	100.0%
HOLDING								
Portugal	2,689,443	100.0%	2,689,443	100.0%	0	100.0%	0	100.0%
Grupo Visabeira	2,689,443	100.0%	2,689,443	100.0%	0	100.0%	0	100.0%
TOTAL	2,689,443	100.0%	2,689,443	100.0%	0	100.0%	0	100.0%
OVERALL TOTAL	702,662,510	100.0%	139,807,147	100.0%	562,855,363	100.0%	533,954,046	100.0%

* companies merged into Visabeira Pro - Estudos e Investimentos, SA

** Companies merged into Benetrónica - International Commerce, Imp. e Exportação, SA

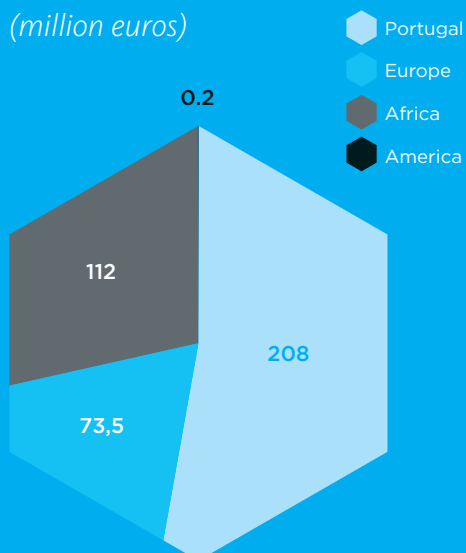


VISABEIRA GLOBAL

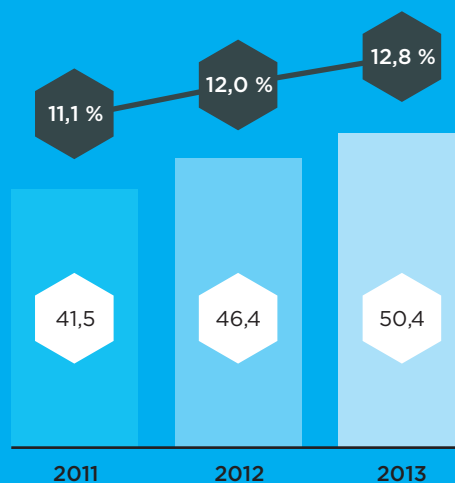
Consolidated turnover (Amounts expressed in million euros)

	2013	2012	Changes YoY
Turnover	394	386	2 %
EBITDA	50.4	46,4	9%
EBITDA Margin	12.8%	12,0%	0.8 p.p.
Operating income	38.4	48,0	20%
Operating margin	9.7%	12,4%	- 2.6 p.p.
Net income	16.8	28,1	-40%
Capex	68.4	47,0	45%
Debt	71.7	99,9	-28%
Inventories	52.1	43,2	21%
Fixed assets (Including goodwill)	199	145	37%

Turnover
(million euros)



EBITDA (million euros)
and Margin (%)



In 2013, the consolidated turnover of Visabeira Global increased by 2.2%, reaching 394 million euros and with EBITDA at 50.1 million euros, which represents an increase of 9% yoy. Consequently, the EBITDA margin increased by 0.8 p.p., having reached 12.7%. The greatest contributors to this performance were the business areas of telecommunication network engineering, energy and CATV services, which more than offset the decline in construction and ICT.

Foreign markets accounted for 39% of the total revenue of Visabeira Global and for 66% of EBITDA, which in foreign markets increased by 13%, to 35 million euros, supported by the business areas of telecommunications, TVCABO and construction in Angola and Mozambique. In Portugal, turnover was 208 million euros, an 11% decrease YoY.

TELECOMMUNICATIONS

Currently, the momentum of the domestic communications market is evident and, in recent years, it has translated into visible growth, particularly in the adherence to fibre optics services. In this sector, Viatel reinforced its status as a clear leader and as a dominant player in the segment of telecommunication network engineering in Portugal, with the signing of the new 2013/2016 FFT contract, which consolidated the scope of its triple play in the three main spheres of activity in fixed networks: Customer Network, Next-Generation Networks and the Commercial segment as well as the Mobile Network. During the year 2013, Viatel completed the construction of the network infrastructure in 42 municipalities in the Centre region, as part of the Zonas Remotas public tender and in 12 municipalities of the Azores, as part of the Next-Generation Networks. Also within the New Generation Networks, Viatel concluded a remarkable and emblematic work in the Azores, which is the connection of the two westernmost Portuguese islands - Flores and Corvo - to the rest of the world via a 700 km submarine cable.

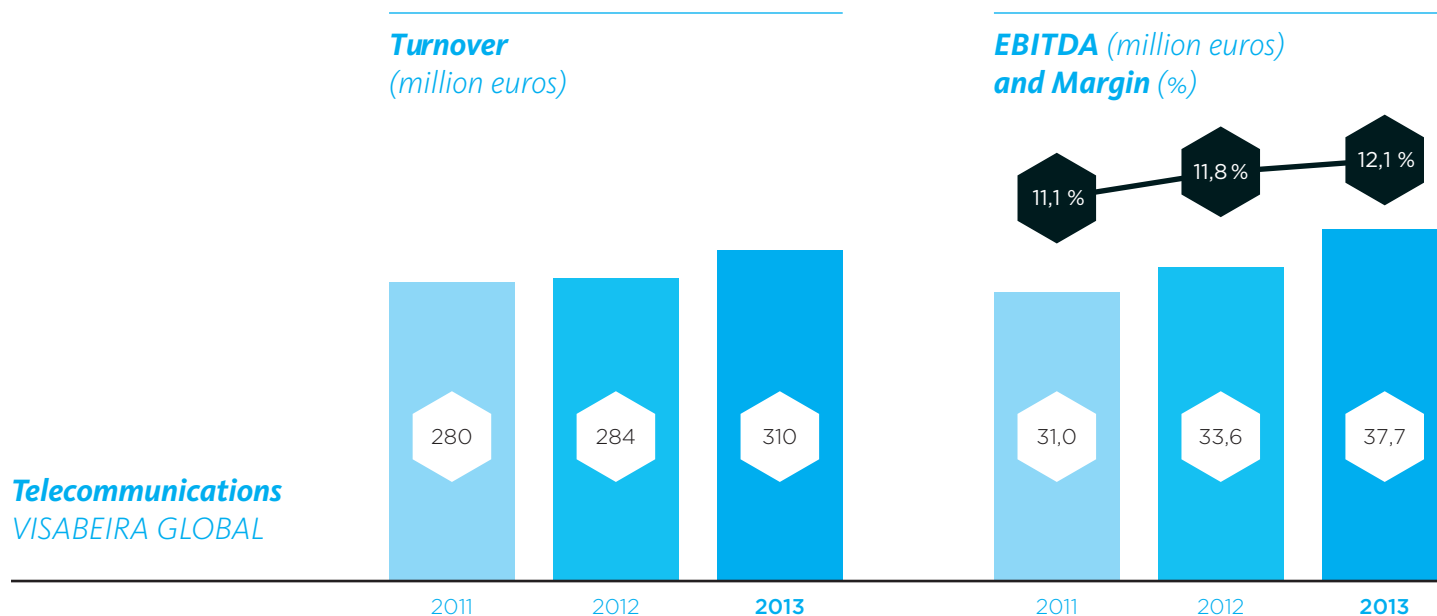
As a corollary of its performance in this financial year, it should be noted that, despite a slight decrease in turnover, the company significantly improved most of its operating and financial ratios and indicators, and is currently better prepared to face the challenges posed by a predictably competitive future.

Viatel is still in the exclusive group of the 200 largest Portuguese companies.

In a parallel market, confirming the current situation of the sector of subscription-based TV and data transmission services, PDT, in line with the industry trend, recorded a reduction in turnover by 11%, but has also improved its main activity ratios.

On the international level, in the French telecommunications segment, Constructel maintains its growth trend, recording an increase above 36% in 2013, strengthening its position as a reference partner for the leading French operator - Orange/France Telecom. As part of its partnership with Belgacom, Constructel managed to increase its share in the Belgian market, to 20%.

Throughout 2013, Visabeira Global continued to strengthen its strategic internationalisation process through Constructel GmbH in Germany, Constructel Sweden, and Constructel Africa in Mozambique, and is preparing to enter other countries, reaffirming the route towards international expansion as the main goal of the company.





NEW GENERATION NETWORKS
SUBMARINE CABLE
GRACIOSA - CORVO - FLORES - FAIAL

In Mozambique, Televisa, continued to strengthen its leadership position. Its growth, supported by its performance in the areas of engineering, design, installation, maintenance and repair of infrastructures, telecommunication systems and networks is well reflected in its turnover, which amounted to 26 million euros, a 25% increase YoY. The major contribution to this growth was the expansion of the fibre optics network and the new FTTH networks with GPON technology for important local operators. In 2013 highlight goes to the activities developed for customer Vodacom, with the implementation of 114 sites and the construction of 2,800 km of fibre optic backbone. In Angola, the word of the year in the industry was growth, and this was evident in the intense activity of Comatel, which ensured a 36% growth in its turnover, up to a total of 23 million euros. Of its companies in Angola, Comatel remains the one that contributes the most to Visabeira Global's turnover and this is visible in the works it carried out to implement fibre optic networks for TVCABO, Unitel and Movitel in the Kilamba centrality, as well as the construction of access roads to the centrality for operators Angola Telecom, TVCABO, Movitel, Unitel and Mercury Serviços Telecomunicações. This set of performances, overall very positive, allowed Visabeira Global to close the year with an 8% increase in the Telecommunications sector, which is significant, considering the current global macro economic scenario.

TVCABO

With regard to its activity in 2013, TVCABO Angola continued to focus on developing the brand +FIBRA Negócios for the corporate segment. Aiming at strengthening the position of TVCABO as a reference operator in the telecommunications industry, the focus remained on new products, with special emphasis on the introduction of the brand "VIV" for the Residential segment. The company also continued to develop its infrastructure, both in Luanda and Benguela, with highlight for the new centrality of Kilamba Kiayi, in partnership with Angola Telecom.

Guided by a policy of continuous improvement of its services, which contributes to Customer satisfaction, in 2013 an upgrade was made to the Luanda TVCABO/DStv TV service range. Also in this financial year, stores were opened, which included personalised spaces for meetings with corporate customers. The excellent performance of the company's commercial area is noteworthy. In 2013, the number of implemented contracts increased by 50% and there was an increase of about 40% in active services, against the previous year. This increase, supported by products and services, led to turnover exceeding 44.7 million euros (5.8 billion kwanza), corresponding to a growth of 38%. The Financial Autonomy and Solvency ratios stood at 49% and 96%, respectively, demonstrating the continuous improvement of the company's performance.

TVCABO Mozambique also continues to establish itself as leading operator in the field of cable TV and Internet distribution. In 2013, it continued the expansion of the FTTH fibre optics network, with GPON technology, in the cities of Maputo, Beira, Nampula, Pemba and Tete. Highlight also goes to the launching of its new range of Wi-Fi HotSpots, as a complement to its range of services.

On the financial level, the company's operating income increased by about 24%, from 13.4 million euros (532.5 billion metical) in 2012 to 16.6 million euros (662 billion metical) in 2013. As a result of the company's expansion and subsequent hiring of more qualified personnel, staff costs have increased by 50% and the heading External Supplies and Services has also increased by 40%. With the general increase in operational costs, naturally, there was a decrease in operating income, which stood at 1.7 million euros (67.6 million metical).

In the global cable television operations, the turnover of TVCABO Angola and TVCABO Mozambique increased by 26% YoY, having reached 61 million euros.

ENERGY

The turnover of the Group's operations in the Portuguese and Mozambican energy markets, following the industry's trend, dropped by 25%, reaching 40 million euros in 2013.

In Portugal, with regard to the energy distribution and transport network, the ongoing project stayed on track, with the completion of the Vermoim, Siderurgia Nacional da Maia and Feira substations and start of the construction works to connect the mains to the Recarei substation.

Under the Empreitada Contínua EC2010 contract with EDP, in 2013, Visabeira maintained its intervention, ensuring the works awarded in the 41 municipalities of 3 Operational Areas (Loures OA, Portalegre OA and Santarém OA). In this context, the work volume in 2013 was in line with that initially planned, and there was also a significant improvement on virtually all contractual performance indicators.

Also noteworthy are the effects of the new update to Visabeira's Permit, with a subsequent increase in activities for customer REN - Redes Energéticas Nacionais (National Energy Grids).

The following are some of the most important works in this field: REN Valdigem-Recarei; 400-kV branch from the Palmela-Sines 3 to the Fanhões substation, in the Loures region and general electrical installation for the expansion of the Frades substation, in Vila Nova, Vieira do Minho.

In the renewable energy sector, countering the general declining trend, ENERGY SOLUTIONS recorded an activity increase in the area of Microgeneration, which already accounts for 50% of turnover in this area.

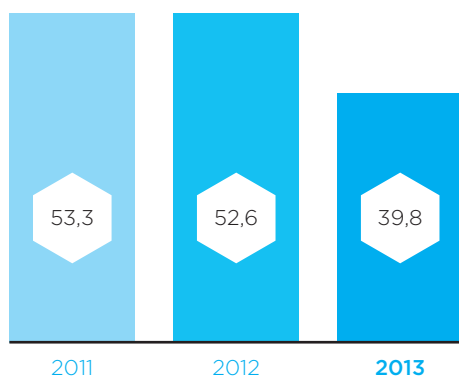
In Mozambique, in the electricity segment, Electrotec continued to develop, especially for its main customer - EDM - Eletricidade de Moçambique -, its activity, which focuses mainly on the construction and maintenance of infrastructures for High-, Medium- and Low-Voltage electricity transmission and distribution, providing comprehensive services throughout Mozambique, from Maputo to Niassa. Despite the current situation of instability that has been affecting the country since mid-2013, namely affecting road connections between the South and the Centre/North regions of the country, the company managed to consolidate its market position. In this context, Electrotec achieved a performance that allowed it to ensure a 35% increase in turnover over the previous year, to stand at 9 million euros (362 million meticals).

The company remains associated with major projects, among which the following can be highlighted for their importance: rural electrification in the provinces of Niassa, Manica and Maputo for OIA - Overseas Infrastructure Alliance (India) Private Limited; rural electrification in the districts of Balama and Namuno, in the Niassa province between Metangula and Cobue, and the construction of Medium- and Low-Voltage Grids in Maputo, Nampula, Nacala and Pemba for EDM - Eletricidade de Moçambique.

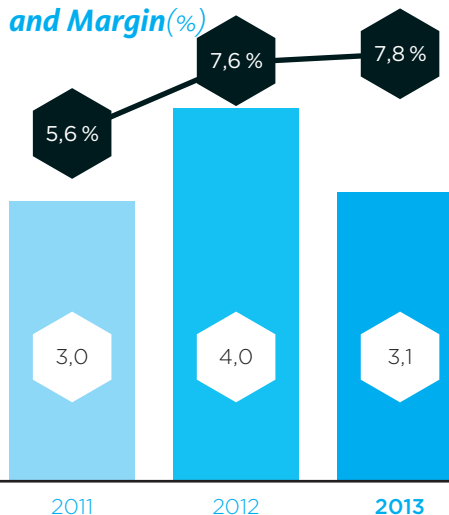
In the gas sector, despite an increase in the amount of works carried out in 2013, turnover decreased by 18% due to the overall reduction of prices in each new contract and the reduction in contracts with Duriensegás. Consistent with its commitment to continuous improvement and excellence, Visabeira has strengthened its programmes for operational fine-tuning and improving of the quality of the services provided, which allowed it to keep its contracts with Beiragás and Tagusgás and increase its portfolio with new contracts with Lisboaagás and EPAL.

In Mozambique, and in the water sector, Hidroáfrica, a company specialising in the construction of hydraulic infrastructures, operates virtually nationwide, always associated with important projects, among which: the construction of the Centro de Demonstração e Treinamento em Aquacultura (Aquaculture Demonstration and Training Centre) in Chókwè, for INAQUA ([Instituto Nacional de Desenvolvimento da Aquacultura] National Institute for the Development of Aquaculture), of the Ministry of Fisheries; the project for the rehabilitation of the Chókwè irrigation for FUNAE; and electrification works for the the mini-hydro power plant in Chiurairue, also for FUNAE.

Turnover (million euros)



EBITDA (million euros) and Margin(%)



In 2013, Hidroáfrica kept its customer portfolio, which includes the National Directorate of Water, National Directorate of Agrarian Services, Fipag, Ara-Sul, AIAS and Funae. Águas de Maputo was also added to this list. Its momentum in 2013 allowed for its turnover to reach 5.4 million euros (215 million meticaís).

CONSTRUCTION

During the year 2013, construction showed very different dynamics, geographically. In Portugal, despite the recovery of some indicators, the sector remains in negative territory, still with strong declines in the production volume.

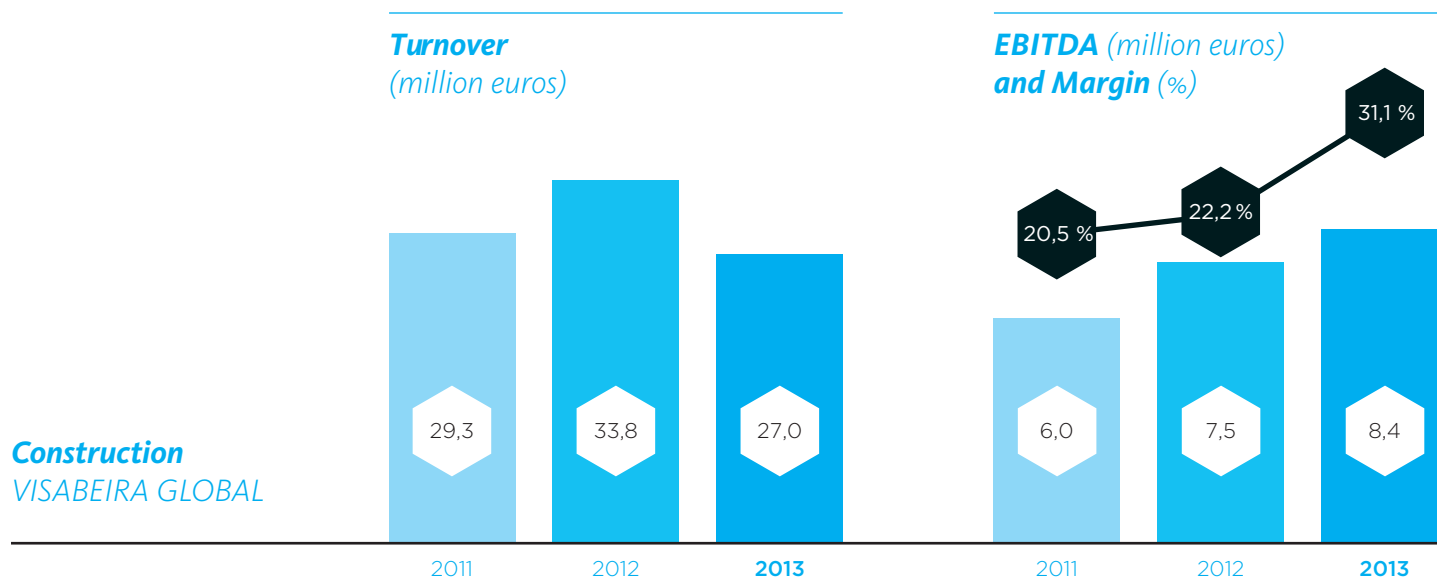
Construction in the residential segment remains stagnant, due to the extensive stock of new buildings, a situation exacerbated by a reduction in the volume of public works contracts. Alternatively to the low vitality of the industry and the lack of contracts in the country, Edivisa invested in strengthening its position in markets such as Angola and Mozambique.

Mozambique currently presents very positive dynamics in the construction industry, largely influenced by ongoing investment in the rehabilitation and construction of infrastructures. With regard to the Angolan market, the construction industry maintains a path of strong growth, supported by the implementation of a public investment programme dedicated to large-scale infrastructure and housing projects.

In 2013, confirming the adequacy of the strategy implemented, Edivisa's consolidated turnover increased from 29.3 million euros to 35.7 million euros, which represents a 22% increase. Also maintaining its domestic activity, Edivisa carried out the construction of a new plant in Aveiro, as part of the important Ria Stone project.

On the international front, highlight goes to the works carried out in Mozambique, where, through its subsidiary, Edivisa Moçambique, the company was involved in several projects, of which the following stand out: "emergency construction works on the Sena Line" in an overall amount of 34 million euros and the works to "Increase the capacity of the Sena Line to 20MTPA," in the amount of 162 million euros, for Caminhos de Ferro de Moçambique (C.F.M.) (Mozambique railway company). Both are projects developed under a consortium with Mota-Engil.

The year 2013 was the year of Sogitel's consolidation in the Mozambican construction market, with highlight to the company's entry into the public works sector. The most noteworthy works are the following: participation in the rehabilitation of the Chókwè Irrigation network, in the amount of 6 million euros (239 million meticaís), for the National Directorate of Agrarian Services (DNSA) as part of the Hidroáfrica/Sogitel/Empocil/Insitu Consortium; the construction of high-voltage towers for the 66-kV power line between Zimpeto and Costa do Sol, amounting to 936,000 euros (37 million Meticaís); the construction of a Metalworking Unit in Nacala, in a total amount of 7 million euros (282 million meticaís) for Martifer AMAL; and the construction of the Aquaculture Training and Demonstration Centre in Chókwè for INAQUA, in the amount of 2.8 million euros (112 million meticaís).





TVCABO
ANGOLA AND MOZAMBIQUE
FTTH - FIBRE OPTICS TO THE CUSTOMER'S HOME

In 2013, in order to combat the activity decrease in its area, Visacasa invested in the improvement of its customers' buildings, presenting integrated solutions. Through this approach, it offers its customers reduced costs, increased equipment life and improved energy efficiency. In this context, it acquired important new customers, including: MARL (maintenance of MARL's equipment and facilities), the Municipality of Oeiras (maintenance of refrigeration equipment in municipal markets), the Institute of Social Security (HVAC maintenance and servicing in 11 ISS buildings), EDP (maintenance of HVAC equipment in substations) and Porto Salus (general upkeep of facilities). At the international level, Visacasa expanded its activities, of which an example is the installation of a fire detection and extinction system in Angola. The company continued to adopt several policies to rationalise resources and costs, recording a turnover of 3.8 million euros.

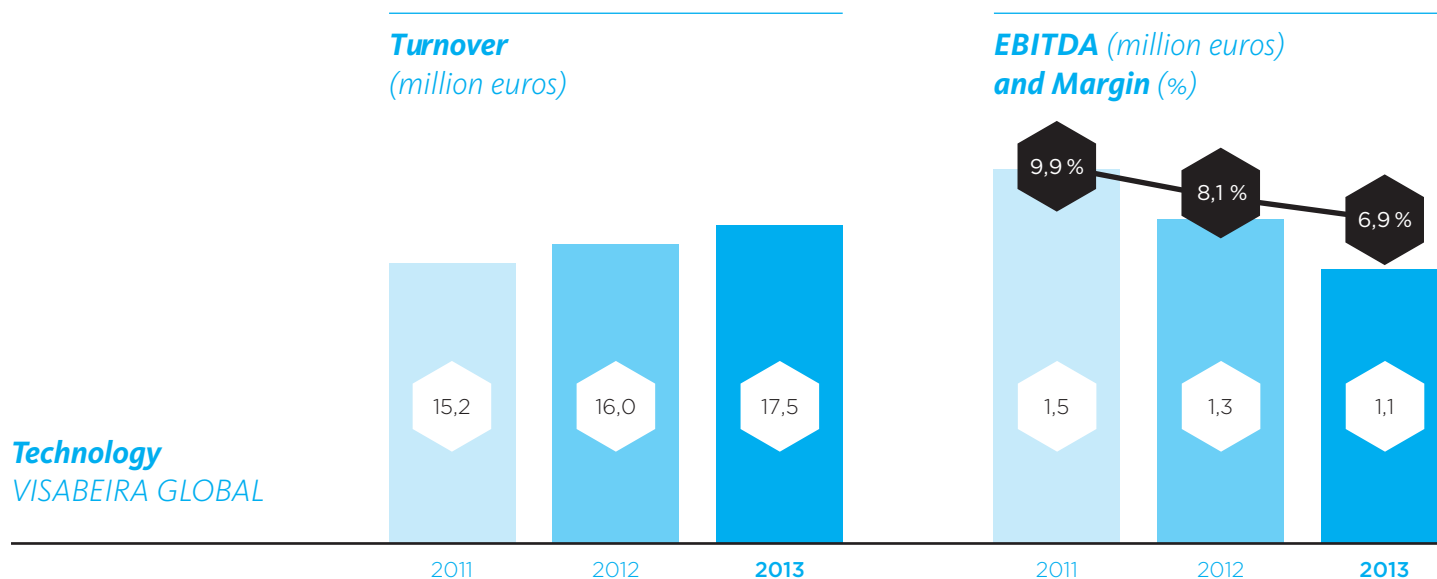
Overall, Visabeira Global's aggregate construction turnover was positive, amounting to 27 million euros in 2013.

COMMUNICATION AND INFORMATION TECHNOLOGIES

Visabeira Global's consolidated turnover in the CIT area amounted to 17 million euros, a 6% increase over the previous year. This positive performance, despite a reduction in the equipment sales segment (affected by much of the companies' investment cuts), was driven by the good performance of a service provision segment that increased its weight on turnover. As a result of this new activity mix, the EBITDA margin stood at 6.9%, which compares negatively with 8.1% in 2012.

With regard to Real Life, and to the context of enormous challenges and difficulties in the Portuguese economy, with obvious impacts on the ICT sector, the company recorded growth in turnover, exceeding, in the domestic market, 17 million euros, which corresponds to a growth of nearly 3% against 2012. In the international context of its growth strategy, Real Life Technologies developed ICT projects in various geographical regions, with highlight to its presence in Mozambique, where, in addition to its core activity, it runs a certified training centre, the Real Life Advanced Technologies Academy, which, in the context of the partnerships established, contributes for the technological development of the country and of the ICT market in which it operates.

The year 2013 was also marked by a high level of certification and acquisition of skills, which, combined with continued focus on customer appreciation, the expansionist strategy and the enrichment of the value creation model, allowed for the growth of the business and the improvement of its efficiency, recording an increase in EBITDA of around 9%.



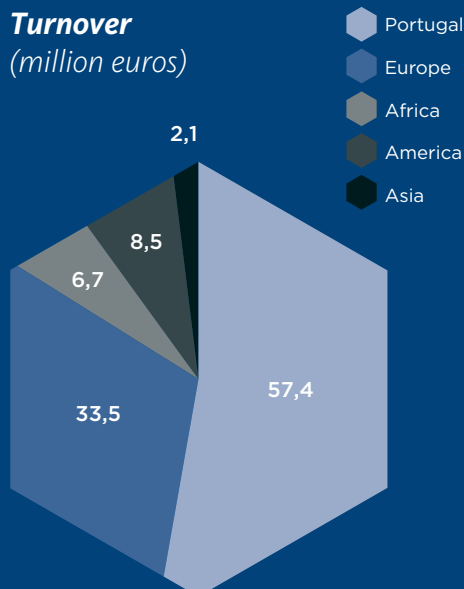


VISABEIRA INDÚSTRIA

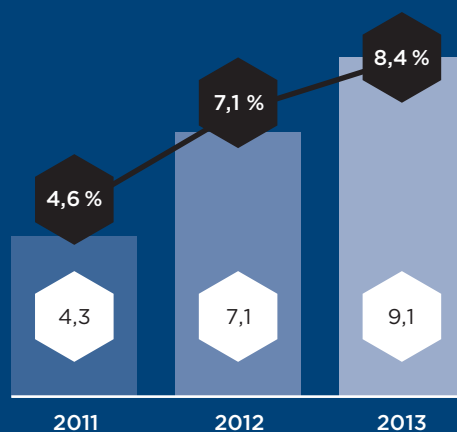
Consolidated turnover (Amounts expressed in million euros)

	2013	2012	Var YoY
Turnover	108.2	98,7	10%
EBITDA	9.1	7,1	29%
EBITDA Margin	8.4%	7,1%	1.3 p.p.
Operating income	1.4	-0,4	436%
Operating margin	1.3%	-0,4%	1.8 p.p.
Net income	-6.8	0,6	-1223%
Capex	24.9	4,8	418%
Debt	68.7	83,9	-18%
Inventories	38.9	36,5	6%
Fixed assets (Including goodwill)	197	178	11%

Turnover (million euros)



EBITDA (million euros) and Margin (%)



CERAMICS AND GLASSWARE

In the context of the economic environment of foreign markets during the year 2013, there was a recovery in consumption, leading to a clear growth in demand, particularly in terms of ceramics, leveraged by the application of the European anti-dumping rate on ceramic products from China.

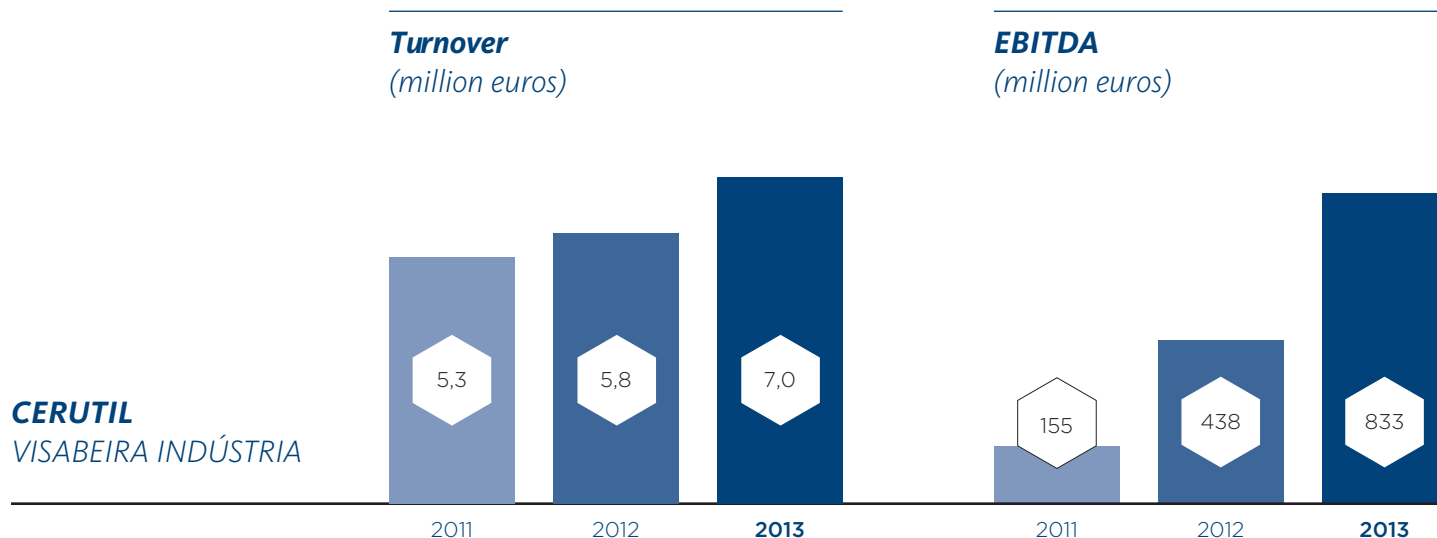
Turnover in this area totalled 64 million euros, with a growth of 3.5% YoY and an EBITA of 3 million euros.

In this context, the year 2013 was a year of organic growth for Cerutil, which took on a prominent role in the industry sector, with a turnover of 7 million euros, corresponding to an increase of 21% against 2012.

The foreign market remains Cerutil's main focus, and around 81% of its sales were made in the following markets: France, Italy, England, United States and Germany. Highlight goes to the Italian and English markets, where sales rose by 105% and 179%, respectively.

The company continued to mark its presence in international trade shows, in addition to making regular visits to the target markets, always bearing in mind penetration into new markets, the satisfaction of new customers and the consolidation of the loyalty of current ones.

Aiming at stimulating the interest of its customers, Cerutil has developed new products, new designs and new decorations, in order to enhance and complement its portfolio of products and collections. This strategy of always placing innovative products on the market has been achieved in combination with a reduction in operating costs, as evidenced by the increase in the EBITDA margin by 1 percentage point to 9%, reaching 648,000 euros. The good performance of 2013 allowed reaching a net result of 632,000 euros.



In 2013, the Vista Alegre Atlantis Group achieved a turnover level similar to that of the previous year, of 54 million euros. The evolution was differentiated, depending on the business, and while a positive behaviour was recorded in the ceramics industry, the glass and crystal segment recorded reduced sales.

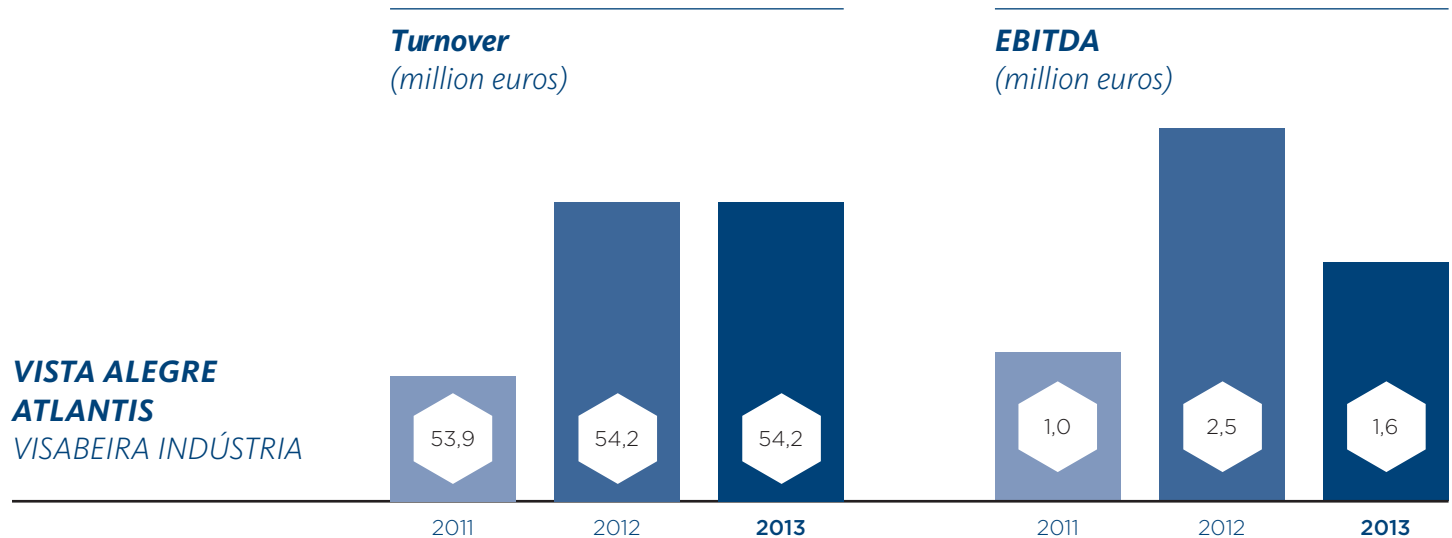
Despite the still very unfavourable situation in the domestic market, it was possible to grow by 13%, which shows a remarkable strengthening of the brand in this market, a fact which is not unrelated to the remodelling of most of its retail stores and a commitment to the continuous improvement of the customer service that is the hallmark of the Vista Alegre Atlantis stores.

In the international context, investment focused heavily on product presentation, through presence in major industry trade shows, both in the retail and hotel sectors, of which the most noteworthy are Maison&Objet, Ambient in Frankfurt, ABUP in São Paulo, Tabletop in NYC and many others. The company also recorded an increase in the sales of products under its own brand in non-traditional markets, such as China, Japan, Colombia and Mexico.



Highlight also goes to the opening of a Vista Alegre Atlantis store in China, in partnership with a local company, located in Beijing, at the You Yi Shopping City - Beijing Lufthansa Center, which is considered one of the most prestigious shopping centres in the city.

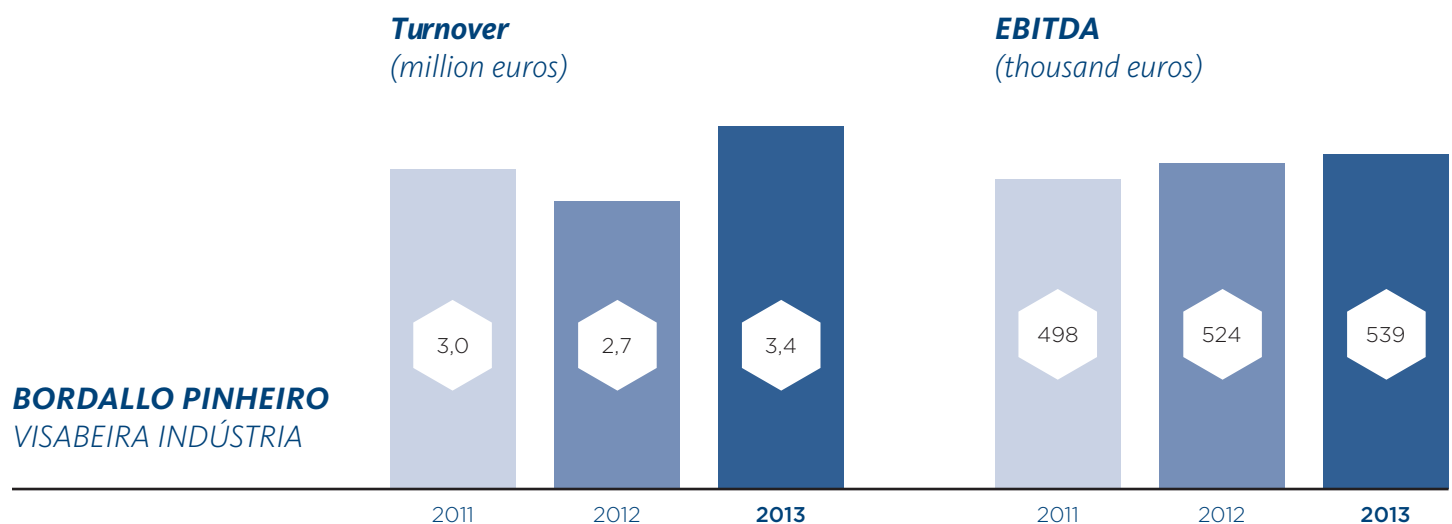
In 2013, the launching of new products was extremely innovative and bold, with the release of four collections with the French house Christian Lacroix, new collections with contemporary sculptors and Gallery (with designers). The brand gave continuity to its former collections associated with highly prominent names (PAC, 1+1=1, 2i, SEL, Aves de Portugal, among others). The connection to artists, designers and stylists has intensified and gave rise to a constant presence in any media related with design, decoration and lifestyle.



For the company Faianças Artísticas Bordallo Pinheiro, the year 2013 was characterised by an increase in turnover, with the consolidation of existing customers and the acquiring of new ones, in all markets, particularly the USA.

The activity of Faianças Artísticas Bordallo Pinheiro, during the year 2013 was mainly aimed at expanding the concept and the brand of the artist Rafael Bordallo Pinheiro, through innovation and creation of new lines, which allowed creating new products with greater added value.

Turnover stood at 3,4 million euros, which corresponds to a 24% increase against 2012. The national agent market represents 40% of sales, which highlights the importance of the intra and extra EU market, which already represents 60% of the business.



Internationalisation remains a key strategy for the company, particularly to countries like the USA, Spain, Denmark and Japan. The extra-community market continues to be the most representative in turnover, accounting for 37% of total sales, and it should be pointed out that the United States market accounted for about 26%.

EBITDA amounted to 539,000 euros, 3% higher than that of 2012, and operating income reached 209,000 euros, 4% higher than in the previous year, showing a quite positive performance, even in a turbulent period at all levels. With regard to the main financial indicators, highlight goes to the gross margin, which was higher than in 2012, as well as the good ability to generate resources, with a net cash flow of 446,000 euros.

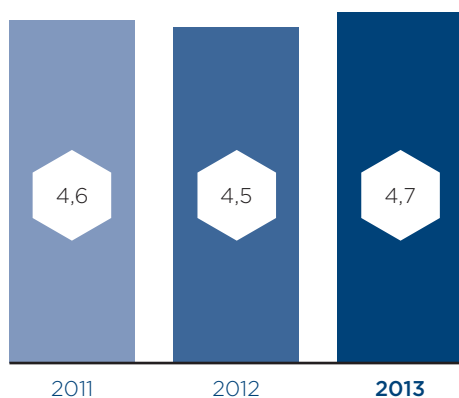
KITCHENS

It has been clear that, in recent years, the construction industry has recorded a decrease in activity, with direct repercussions in the associated sectors, particularly the furniture industry.

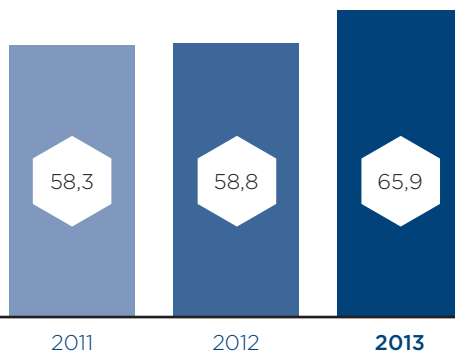
MOB is positioned in its market as a kitchen manufacturer specialising in the design and production of modern and ergonomic high-end concepts. The focus on space, aesthetics and functionality are some of the distinguishing factors that make up the excellence of MOB kitchens. In a continuing effort to increase the notoriety and presence of the MOB brand, in 2013, the company continued to invest in other markets such as: Angola, with the opening of a store in the Luanda city centre; United Arab Emirates, with participation in the Saadiyat Island project; Azerbaijan, opening of a retail store in the centre of the capital - Baku; and the increase of its presence in France, where the company opened a retail store in the heart of Paris. It should be noted that, following its strategy of increasing the number of outlet points, MOB took the opportunity to begin marketing new products, such as wardrobes and bathroom furniture, in order to enter new niche markets. Despite the adverse context, in 2013, MOB consolidated its leadership position in the segment of kitchen furniture.

In this evolution, the company grew its turnover by 6%, reaching an amount of 4.7 million euros. Consistent with the performance of the previous year, EBITDA grew by 36%. The gross margin achieved reflects the dynamic productive and commercial activity, which reflected in an increase of 7% against 2012, reaching 2.8 million euros.

Turnover
(million euros)



Financial autonomy
(values in percentage)



MOB
VISABEIRA INDÚSTRIA

With regard to cost structure, highlight goes to an increase in the cost of goods sold and raw materials consumed, from 1.8 million euros in 2012 to 2.9 million euros. As a result of increased revenue, the operating income rose, reaching, in 2013, the still negative amount of 487,000 euros. Financial indicators reflect the maintenance of the solvency of short-, medium- and long-term commitments, with financial autonomy standing at 66% and solvency at 204%.

BIOFUELS AND THERMAL ENERGY

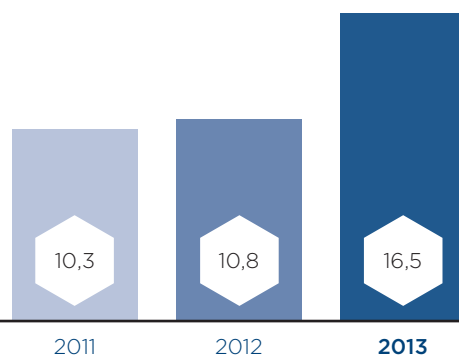
Ambitermo is a company dedicated to the development and design of Boilers and Energy Recovery Systems. Its experience, combined with versatility, allows designing, manufacturing and installing thermal power plants and energy-generating systems that are tailored to its customers' requirements. On the international scenario, Ambitermo was present in a wide range of markets, among the most noteworthy, due to their volume, are the UK, in Europe, and, in the African market, Angola, Morocco and Cape Verde. In Morocco it is represented by its subsidiary - Ambitermo Maroc - Chaudières Industrielles SARL AU. The Moroccan market is booming and there are already good prospects for major customers, acquired mainly in the agri-food industry.

In 2013, highlight goes to the signing of a supply contract for a non-recyclable waste burning plant in Glasgow (Scotland), in the amount of 8 million euros, and the company expects to garner recognition in the northern European markets, in order to grow the company internationally, most notably in Milton Keynes (England), where a similar contract in the amount of 5 million euros is being negotiated.

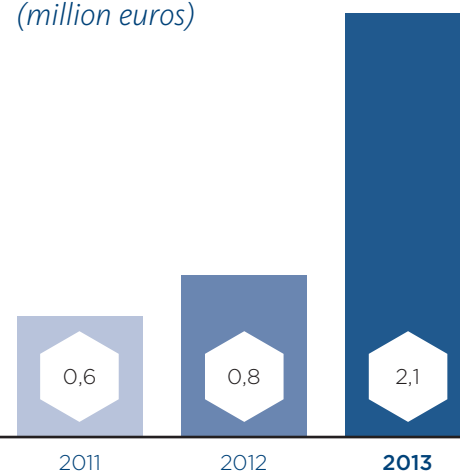
In 2013, Ambitermo's turnover reached an amount of 16.5 million euros, representing an increase of about 53% against 2012. This exceptional performance in turnover is marked by the course of a phase of greater work volume in the works of the combined cycle power plant for Sonangol, Angola. EBITDA stood at 2.1 million euros, 163% higher than that of 2012 and net income was 938,000 euros, a 44% increase in relation to the previous year, which shows a clearly positive performance. With regard to the main financial indicators, highlight goes to the company's solvency, which was 50% higher than in 2012, as well as the good ability to generate resources, with a net cash flow of 2.2 million euros. Ambitermo will thus maintain the strategy that has garnered it recognition and reward for the excellence of its work, ensuring the loyalty and trust of its customers and suppliers.

AMBITERMO
VISABEIRA INDÚSTRIA

Turnover
(million euros)



EBITDA
(million euros)





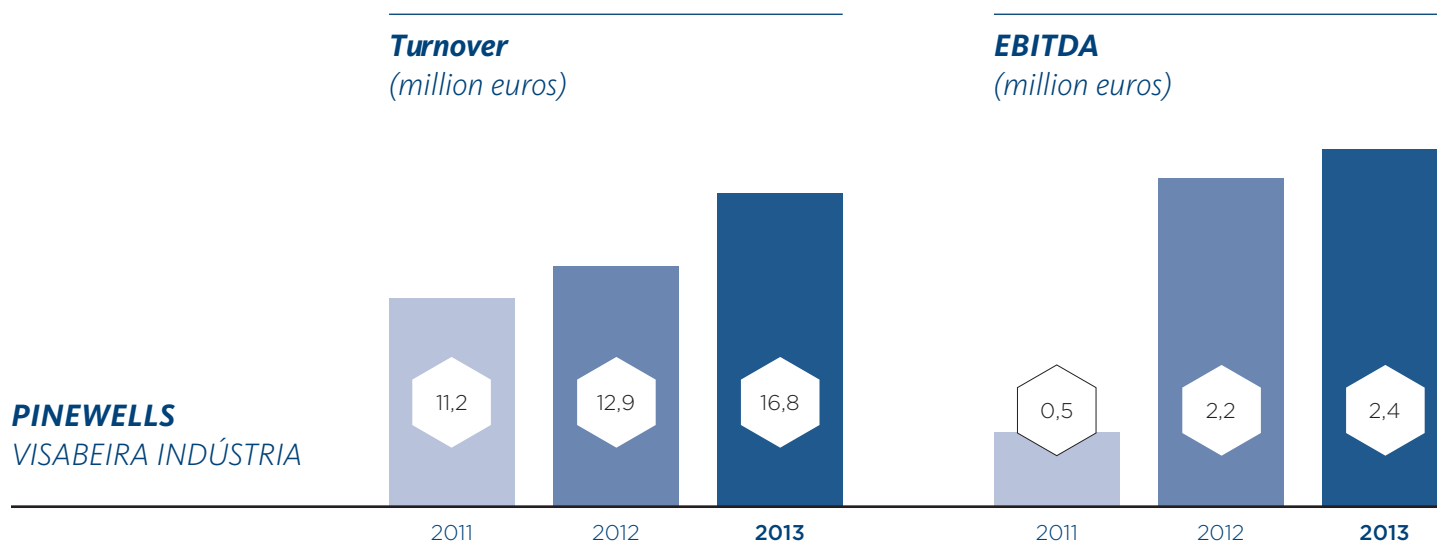
BIOFUELS
PELLET FACTORY
EXPANSION OF THE PRODUCTION UNIT
AND INCREASE OF THE PRODUCTION CAPACITY

Pinewells is a modern pellet production unit, located in the Arganil industrial park, which is equipped with the latest technology, ensuring a finished product of high quality and in accordance with the most demanding requirements of international customers and with the European standard ENPlus. The year 2013 was characterised by the consolidation and growth of Pinewells' turnover, with particular relevance to the growth recorded in the sector of domestic pellets, which accounts for about 50%. Turnover increased by 23.3% in relation to 2012, reaching 16.8 million euros. EBITDA grew by 10% over the previous year and stood at 2.4 million euros. The EBITDA margin grew by 41% from 7.4% in 2012 to 10.4% in 2013.

The net income stood at 1.4 million euros, which is considered the culmination of a significantly positive performance, given the current economic climate.

Total assets increased by 9.4% compared to 2012, reaching 20 million euros. Total equity amounted to 6 million euros, which represents a 22% increase compared to 2012.

The company continues to evidence robust financial solidity, with key indicators showing highly positive figures, with financial autonomy nearing 31% and the solvency ratio at 45.6%.



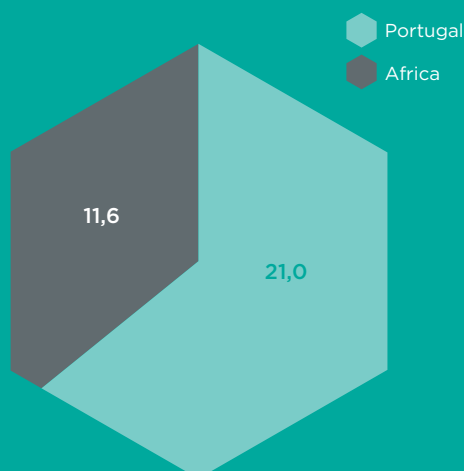


VISABEIRA TURISMO

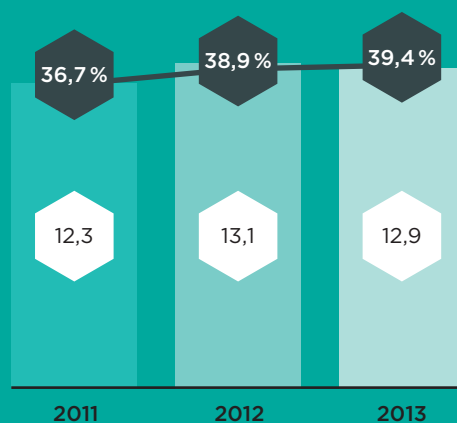
Consolidated turnover (Amounts expressed in million euros)

	2013	2012	Var YoY
Turnover	32.6	33,6	-3%
EBITDA	12.9	13,1	-2%
EBITDA Margin	39.4%	38,9%	0.6 p.p.
Operating income	8.6	7,3	17%
Operating margin	26.3%	21,8%	4.5 p.p.
Net income	5.6	1,8	211%
Capex	2.5	7,3	-65%
Debt	36.2	41,2	-12%
Inventories	1.5	1,3	14%
Fixed assets (Including goodwill)	126	126	0%

Turnover (million euros)



EBITDA (million euros) and Margin (%)



The Tourism area, in line with the global economic downturn trend and the sharp reduction in the industry's activity, recorded a decrease in turnover by 3% yoy, standing at 32.6 million euros. This slowdown was due to a general decline in consumption in the domestic market, as the external market (Mozambique) remained broadly at the same levels as in 2012. EBITDA stood at 12.9 million euros, with Movida standing out as the largest contributor, with 8 million euros.

HOSPITALITY

In Portugal, the Montebelo hotel chain, with its integrated offer of hospitality, golf, entertainment, sports, adventure, wellness and catering, integrated into Empreendimentos Turísticos Montebelo (ETMB), even in an adverse climate, managed to remain the leader of the region's tourism industry. This was only possible through a constant concern in optimising the productive circuits of its various operating centres, accompanied by a continuous effort in managing human and material resources, as well as with improving service levels. The focus on the values of quality and innovation capacity remained major factors of competitiveness and profitability.

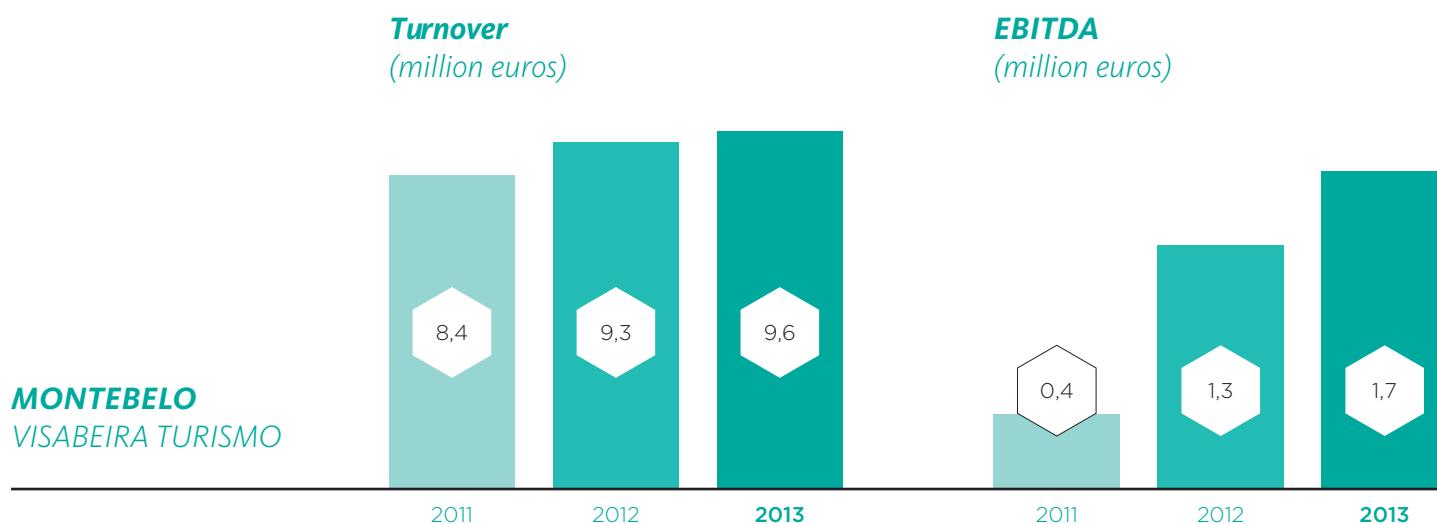
With the aim of reaching a larger number of markets, Montebelo invested in the participation in various international trade fairs, most notably in Madrid (FITUR), Berlin (ITB), London (WTM) and Lisbon (BTL), along with its integration in several trade missions and participation in international workshops.

An aspect that must be pointed out is the fact that Montebelo Aguieira Lake Resort & Spa was chosen as the training centre for various international canoeing teams, including the team of athletes Fernando Pimenta and Emanuel Silva, who were among the 26 Portuguese medalists at the London Olympics.

In 2013, the following also stand out for intense activity: The Montebelo Viseu Hotel & Spa and Hotel Casa da Ínsua, where major events were held in various sectors, such as: health (medical congresses and seminars), sports (training and meetings), business (meetings of important companies), leisure and entertainment (concerts and gatherings). They have contributed a great deal to the good performance of 2013.

Thus, the favourable development and positive performance in the financial year is evident in the growth of turnover, which stood at 9.6 million euros.

This growth in activity was accompanied by restraint in terms of operating costs, with most cost items recording declines in relation to the same period of the previous year. Operating income stood at 610,000 euros and EBITDA reached 1.7 million euros. The company has a financial autonomy ratio of 60% and solvency is at 148%. Its figures remain at very comfortable levels.





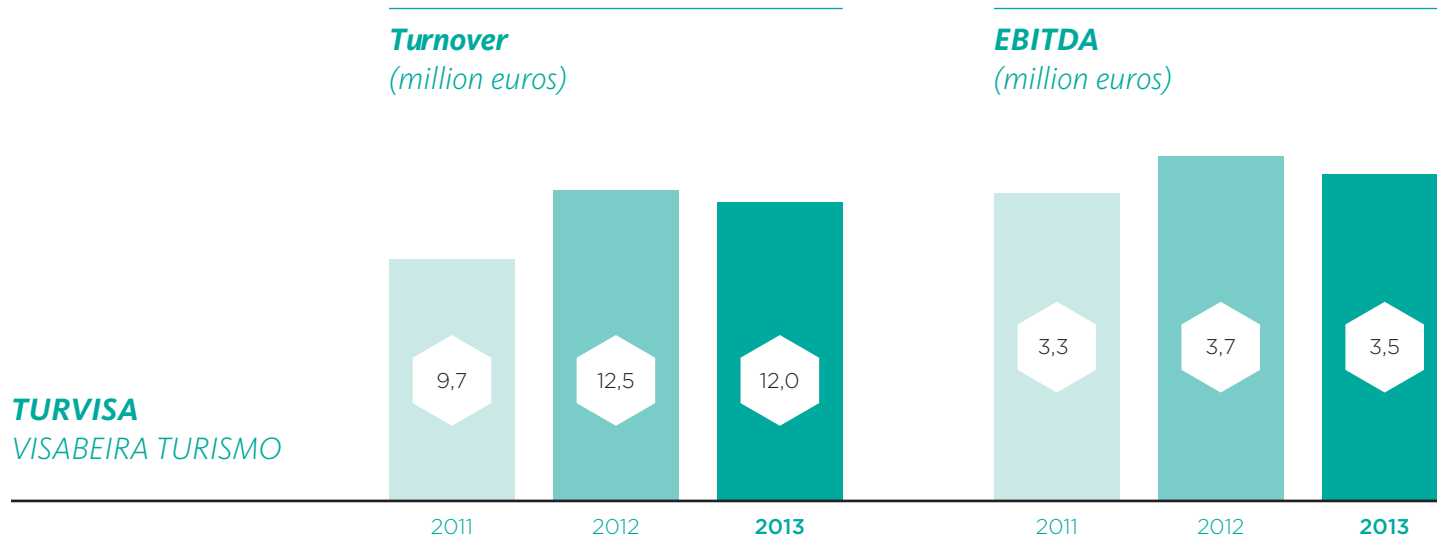
MONTEBELO AGUIEIRA
LAKE RESORT & SPA
THE CRADLE OF 26 MEDALS
AT THE LONDON OLYMPIC GAMES

In Mozambique, Turvisa concentrates all of the Group's activities in the tourism sector, particularly in the hospitality and catering industries. Its most prominent establishments are the Girassol Indy Congress Hotel & Spa and Girassol Bahia Hotel, both located in the city of Maputo, the Girassol Lichinga Hotel in Lichinga, the Girassol Nampula Hotel in Nampula, the Girassol Gorongosa Lodge & Safari, which is integrated in the Gorongosa National Park and its newer unit, the Girassol Songo, located at the Cahora Bassa Dam, in Songo, as well as the Rodízio Real Restaurant, which remains one of the top restaurants in Maputo.

The geographical expansion of its units and improvement of its services was recognised by KPMG (a company providing Audit, Tax and Advisory services in Mozambique), which considered Turvisa to be one of the top 100 companies operating in Mozambique, giving it an honourable mention, as a result of its leadership in terms of turnover, in the strategic sector of food and beverages. This positioning catapults the brand to a position of great prominence in the increasingly dynamic Mozambican market.

Turvisa's good performance in 2013 translated into a turnover of 12 million euros (478.7 million meticaís).

The activity growth and improved operational efficiency have contributed decisively to the good performance of operating results, which stood at 2 million euros (79 million meticaís) and EBITDA was 3,5 million euros (132 million meticaís), which resulted in a significant EBITDA margin of 28.6%.



RESTAURANTS

In the restaurant segment, Ródia aggregates most of Visabeira Turismo's units in this sector.

Through its business units, this company offers a very wide range of culinary concepts and offerings, which include, among others, and in addition to regional cuisine, the Brazilian rodízio [Brazilian-style barbecue restaurant], international cuisine, typical brewery dishes, chicken à la Guia, piglet à la Bairrada, theme-based menus and pastries, with its own production.

The economic climate of 2013 continued to have a negative impact on the restaurant business, which called for constant innovation both in the updating and creation of new menus for restaurants and the promotion of themed events, causing turnover to reach 2.5 million euros.

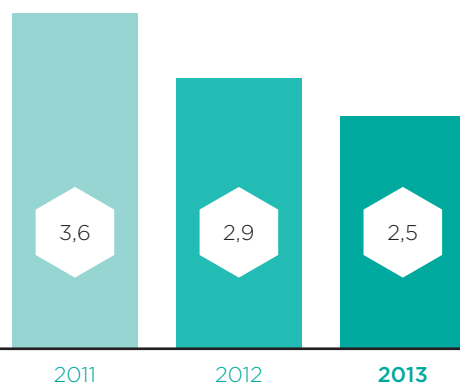


ZAMBEZE RESTAURANT
CAPITAL OF PORTUGUESE
AND MOZAMBIKAN CUISINE
EXPANSION AND OPENING OF NEW SPACES

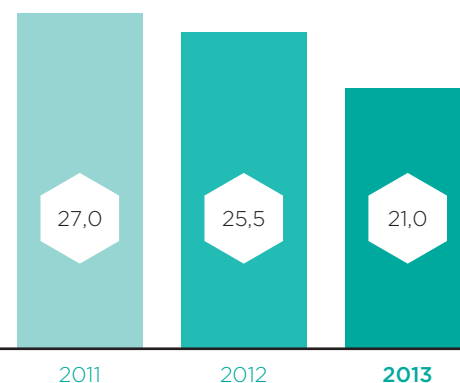
The company sought to maintain its concern with containing its cost structure, and managed to achieve an overall decrease, which allowed for a significant improvement in operating results, which, although still negative, recorded a recovery of about 41%.

RÓDIA VISABEIRA TURISMO

Turnover (million euros)



Financial autonomy (values in percentage)



SERVICES

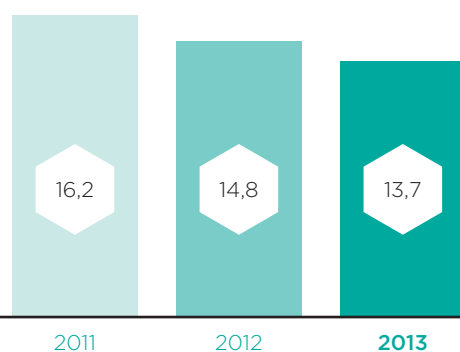
Movida, with the aim of consolidating the notoriety of Palácio do Gelo Shopping, continued to base its activity on innovation and differentiation in terms of its offer and on precision in terms of the services it provides, through the development of several marketing campaigns.

The good performance recorded by some of its stores, which, despite the downturn in the industry, managed to increase their sales volumes, contributed to help Movida's turnover reach 13,7 million euros, still slightly below the previous year. Despite this decrease, the company recorded an operating income of 3,5 million euros.

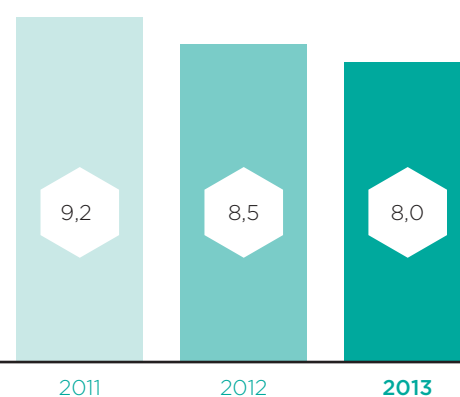
EBITDA was very close to 8 million euros, and the respective margin was at 55%. In terms of its financial structure, the maintenance of the main short- and medium-term indicators is noteworthy, as it demonstrates the company's financial consolidation, with financial autonomy standing at 38% and solvency at 60%.

MOVIDA VISABEIRA TURISMO

Turnover (million euros)



EBITDA (million euros)



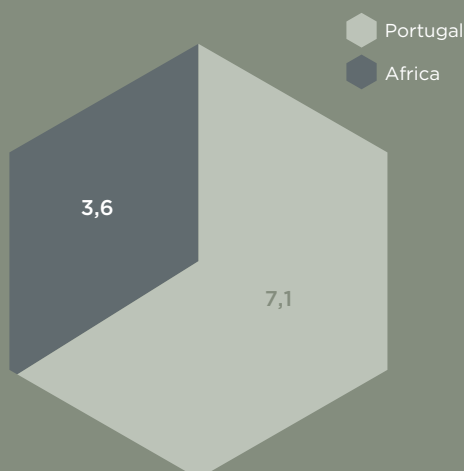


VISABEIRA IMOBILIÁRIA

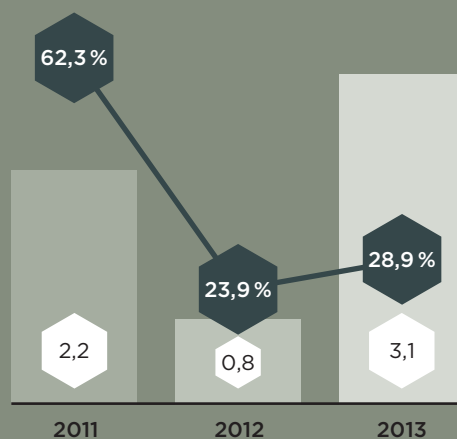
Consolidated turnover (Amounts expressed in million euros)

	2013	2012	Var YoY
Turnover	10.7	3,3	224%
EBITDA	3.1	0,8	290%
EBITDA Margin	28.9%	23,9%	4,9 p.p.
Operating income	5.3	0,6	726%
Operating margin	49.3%	19,3%	30.0 p.p.
Net income	0.7	-1,5	145%
Capex	0.2	0,1	59%
Debt	22.3	38,3	-42%
Inventories	86.0	83,4	3%
Fixed assets (Including goodwill)	4.1	4,3	-4%

Turnover (million euros)



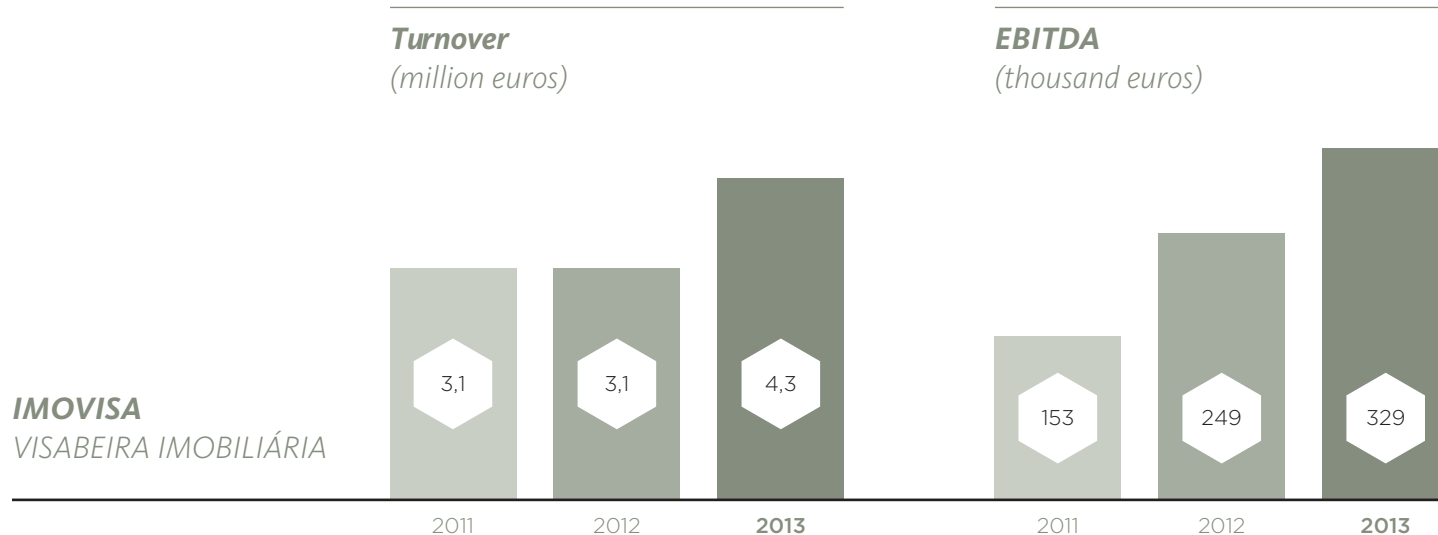
EBITDA (million euros) and Margin (%)



The current housing market is a complex system that requires a good understanding of its workings by the major stakeholders. The de-motivation felt in the industry and amidst the target audience, composed mainly of middle-/upper-middle-class customers, who are currently undergoing serious economic and financial difficulties and professional instability, negatively influences the interest in home ownership. In order to counter this trend in the market, Visabeira Imobiliária continues to focus on alternative strategies, other than the simple selling of real estate, focusing also on property exchange and leasing.

Imovisa is a company specialising in the provision of services, whose scope of activity includes real estate management and brokerage, facility hygiene and building rehabilitation and maintenance. Its major clients include: Banco de Moçambique, Mozal, TDM, Standard Bank, Visabeira Moçambique, Turvisa and TVCABO.

In order to adapt the company's structure to the market's demands, particularly in the industrial segment, for the large client Mozal, in 2013, a strong growth was recorded in the number of employees, which has increased from 545 in 2012 to 632 in 2013.



Even so, in 2013, there was a slight decrease in the company's turnover, which recorded a considerable amount, exceeding 4.3 million euros (171.8 million meticaïs).

On the other hand, and as a result of its efforts towards operational efficiency, Imovisa managed to reduce the cost of supplies and external services, which allowed for its operating income to grow, reaching 74,000 euros (2.9 million meticaïs). EBITDA showed a substantial improvement of 32%, as it went from 249,000 euros (9.9 million meticaïs) in 2012 to 329,000 euros (13.1 million meticaïs) in 2013.

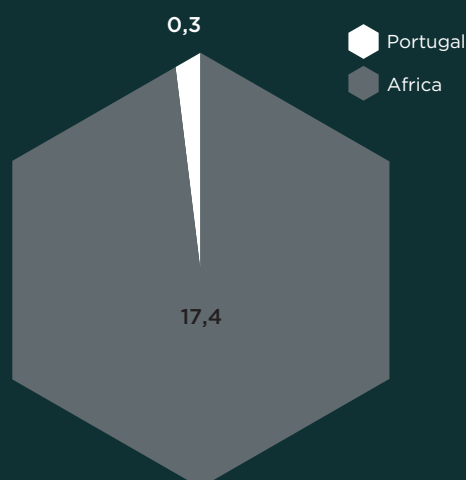


VISABEIRA PARTICIPAÇÕES

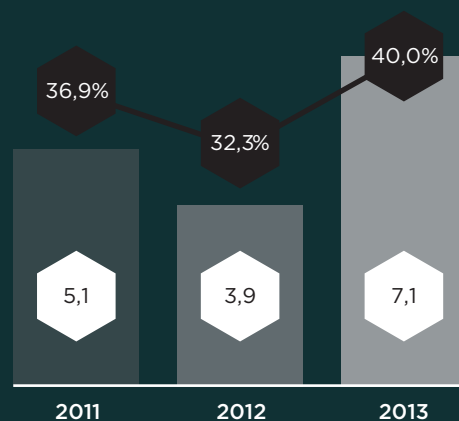
Consolidated turnover (Amounts expressed in million euros)

	2013	2012	Var YoY
Turnover	17.8	12,2	45%
EBITDA	7.1	3,9	83%
EBITDA Margin	40.0%	32,3%	7.7 p.p.
Operating income	10.1	3,2	217%
Operating margin	57.0%	26,2%	30.8 p.p.
Net income	-11.0	-21,4	49%
Capex	2.4	1,3	84%
Debt	465	417	12%
Inventories	5.6	3,5	61%
Fixed assets (Including goodwill)	28.8	26,7	8%

Turnover (million euros)



EBITDA (million euros) and Margin (%)



Visabeira Participações Financeiras incorporates the Group's trading activities and shared services and it encompasses minority shareholdings, with highlight to Portugal Telecom, Zon Multimédia and EDP, all listed in the stock exchange.

The new challenges of globalisation require that companies adopt new business models, leading to a search for new strategies, new business and the adaptation of their processes and operations.

In this regard, a few mergers took place within the Group, in order to increase the focus on the quality of the services provided by its subsidiaries.

COMMITMENT TOWARDS SOCIETY

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Research and Development

In current times, companies cannot stagnate; they must evolve every day in order to remain competitive. It is in this context that, in order to thrive in the markets where it operates, Grupo Visabeira feels the need for a constant search for innovation. The fundamental pillars of Grupo Visabeira's activities are creativity, innovation, research, competitiveness, dynamism and ambition. These values underpin its position and guide the actions of all employees in the organisation. The goals of Grupo Visabeira's companies are mainly the expansion of their activity through internationalisation, both in new markets and in traditional market segments but with higher added value, and this requires the adoption of new processes or products, in a broad context of innovation, which translates into new organisational forms of operation, which will ensure increased competitiveness for Grupo Visabeira. It was with this in mind that, during the year 2013, research and development projects were carried out, mainly in companies operating in the areas of information technology, industry and tourism, allocating equipment and resources and establishing partnerships with organisations in the scientific and technological system, always in search of innovation. In 2013, the company continued to gear its activity towards the development of new innovative and technological projects, while ensuring the continuity of the projects started in the previous year.

TECHNOLOGY AND TELECOMMUNICATIONS

If there is a sector that is generally in constant evolution, it is undoubtedly the sector of information and communication technologies (ICT). This area is cross-sectional to all companies, and so it is the sector that invests the most in streamlining processes and operations. This led to the creation of Business Intelligence (BI) - a productive process based on the processing of information with a view to build corporate knowledge - one of the projects that have been under development during the year 2013 by Visabeira Digital. In all organisations, correctly planning, managing, controlling and distributing information is a critical factor for success and it is in this context that Business Intelligence was created. The main goal is to integrate the flows of process management, usually connected to the company's ERP (Enterprise Resource Planning) and information systems, usually based on historical data managed through information extraction tools. That is, it involves the use of products and solutions developed using cutting-edge analytical technology, which allows transforming stored data and databases into information that is useful for decision-making at the various levels of an organisation. The main product of Business Intelligence is intelligence, i.e., the transformation of data into information, after these are analysed or entered within a particular environment. After this information is processed and applied to one or more decision-making processes, it generates a competitive advantage for the organisation, which is able to monitor all kinds of information in real time, thus allowing for quick and correct decision-making.

TOURISM, ENTERTAINMENT AND LEISURE

In the tourism sector highlight goes to Empreendimentos Turísticos Montebelo (ETMB), for the creation of an experimental thistle field, in partnership with the Agrarian School of Viseu and APPACDM, whose goal was to assess what types of cheese can be obtained using different thistle ecotypes. This project was created as part of Casa da Ínsua's cheese production. It was started in 2012, and was now completed, in 2013.

INDUSTRY

With regard to industry, highlight goes to Ambitermo, which, having successfully completed the two research and development (R&D) projects started in 2012 - the Combined Cycle Power Plant and the Incineration Waste Gas Recovery Boiler - began a new cycle of R&D projects in 2013. The schedules of these two projects (developed in 2012) were kept without any significant deviations, which allowed achieving the main expected results within the deadlines set, and so, at the end of 2012, both projects were at the final stage, and in preparation to go into marketing, which has already happened in 2013. During the year 2013, as a result of the integration of Ambitermo into an international consortium, which allowed it to be awarded a tender to supply a turn-key solution for a Non-recyclable Waste Incineration Plant in Scotland, in which the company will supply boilers, the investment in research and development was constant. 2013 was thus marked by intense R&D activity, as a result of this new challenge, given that it consists of the development and supply of large-dimension (over 30 tons) equipment, such as boilers, heat recovery systems, incinerators and reservoirs/tanks. These are products that, due to their technical complexity, in terms of thermal fluid thermodynamics, conceptual aspects, design and engineering, and also in terms of manufacturing, involve intense research, innovation and new design tools.

The strategy of this R&D project is to produce new solutions for industrial boilers and thermal co-generation, aiming at penetrating new geographical and sectoral markets. It is, therefore, important for the company and for its international positioning as a major player in the production of boilers for non-recyclable waste incineration plants with sizes above 200 tonnes.

Also in the industrial sector, Cerutil stands out with a project to develop a robotic system to support the glazing of ceramic pieces, replacing the previous manual process. This project aimed at optimising the process of glazing the pieces manufactured by Cerutil, streamlining and rationalising the production process and enabling the reallocation of human resources to other tasks. In this particular project, through the reduction of production times, it was possible to increase the daily number of pieces produced while lowering production costs, with the reallocation of resources to other areas of the company's production, which were understaffed. At Vista Alegre Atlantis, the High Class Hotelware (HCH) project, started in 2011, is still ongoing and is scheduled to be concluded only in February 2014. This research and development project, sponsored by a consortium consisting of Vista Alegre Atlantis (VAA) and Mota II Soluções Cerâmicas (MSC), aims at creating a new line of porcelain products for the hospitality industry, based on significantly improved pastes and glazes. This process will give greater mechanical strength and greater resistance to scratching and metal marking, in comparison with currently existing products, while maintaining competitive prices. Additionally, this project allows for a reduction in the energy needs of the production process, which obviously entails a reduction in costs. During the year 2013, highlight goes to the completion of the preliminary studies, definition of the product's technical characteristics and development of the productive process, and, at the end of the year, the project was at a stage of development of paste and glaze prototypes and respective testing, setting of target prices, promotion and dissemination. This project is expected to result in a standard product with innovative features - increased impact resistance on the edges, scratch resistance, resistance to detergents and resistance to acid attacks - with a significant reduction in energy consumption. This project is expected to last until February 2014, when the effective marketing of this product line should begin. Also at Vista Alegre Atlantis, but in the crystal segment, highlight to the ongoing project Nobly Decorated Crystal (Nobledec), whose main goal is the development of a new line of crystal products with high added value, decorated with noble metals (especially gold), through the research and development of new materials and new decorating techniques (e.g., cooking techniques: laser beam irradiation or local heating through induced currents and techniques for the application of decorative materials by spraying). This new line is intended for sectors that use bottles, jars and luxury packaging (namely spirits, perfumes, decoration, among others). Nobledec could not exist without the partnership established with entities of the Scientific and Technological System (TCS), namely the Centre for Research in Ceramics and Composite Materials of the University of Aveiro (in Portuguese, UA / CICECO) and Instituto Tecnológico e Nuclear [Nuclear and Technological Institute] (in Portuguese, ITN). 2013 was the year of the preliminary stages of research and analysis of technical characteristics of the product as well as of the development of prototypes for testing and trials. The company expects major technological advances which it can then deploy in its production line. Its completion is expected for June 2015.

Information Systems

Because SAP is Grupo Visabeira's ERP, supporting, among others, the shared services processes, the Group continued to invest in this tool so as to use it to support a more efficient processing of information, with the aim of optimising resources and adopting best practices in the execution of said processes.

During the year 2013, several changes have occurred in the tax/financial areas and also in the area of human resources, and the information systems must address all the new requirements.

Business Intelligence and other tools that support analysis and decision-making continue, year after year, to deserve great attention. Work also continued on the development of e-commerce services, in order to increase the customer base and the sales volume, particularly in foreign markets.

The growth in turnover of TVCABO Angola / Mozambique was accompanied by the strategic review of the respective information systems. A project was started for the implementation of a new solution - Altitude Software - in the TVCABO Contact Centre, with the aim of improving customer service by adding new, unified communication channels, as well as providing further support to TVCABO's operations.

TVCABO's current billing solution is unable to meet the company's growth needs or provide the flexibility that the business and the competition require. Therefore, during the last half of 2013, a study was conducted which aimed at finding the best solution, capable of meeting the requirements of these two companies. This led to the creation of SAP BRIM (Billing Revenue Innovation Management), a comprehensive software that supports the processes of customer management (CRM), billing and invoicing, and pre- and post-paid services. The project to implement this solution, highly critical for the business, shall begin in early 2014.

Quality, Environment and Safety

Global growth, coupled with technological advances and increased human life expectancy, caused a change in the concept of industrial development.

This change requires that companies broaden their business management paradigm, refraining from focusing only on products and services, but focusing also on the well-being of its employees, by providing good working conditions, in a secure environment.

Labour practices at Grupo Visabeira are in compliance with Portuguese legislation and with that of the countries in which it operates and are also based on the fundamental principles of the International Labour Organisation (ILO).

As an employer, the Group is aware that it contributes to one of society's most widely accepted goals, which is the improvement of living standards through full employment, job security and dignified work.

On the other hand, environmental management has been a growing concern in the planning of the Group's activities. The assessment of environmental aspects and the calculation of the respective environmental impacts is an ongoing activity, which aims at determining effective measures to minimise impacts and determine the set of parameters that must be monitored.

The minimisation of environmental impacts and the involvement of all employees, both internal and external, has been instrumental in promoting the spreading of greater environmental responsibility within the Group.

Thus, the commitment made by Grupo Visabeira in 2012, upon its adherence to the UN Global Compact, was renewed and strengthened in 2013, with the preparing of its first Communication on Progress (COP) report. With this report, Grupo Visabeira reaffirms its commitment to continuing to integrate the Global Compact and its principles into its strategy and culture and into the daily operations of the organisation, employing its best efforts to publicly disseminate this commitment among its employees, partners, customers and the general public.

ENVIRONMENT QUALITY AND SAFETY

Grupo Visabeira views Environment, Quality and Safety as permanent and priority objectives.

The proper management of the three components within the company consolidates this policy, to ensure the greatest degree of satisfaction of its stakeholders.

With its Environmental, Quality and Safety Policy, disseminated among its main stakeholders, Grupo Visabeira undertakes to take all the measures and develop the necessary actions in order to:

- Comply with the legislation applicable to its companies' activity, as well as with customers' requirements and any rules relating to the services provided;
- Comply with the environmental, quality and safety procedures established by the company, in order to prevent pollution, technical failures, accidents and occupational illnesses;
- Promote the continuous improvement of the environmental, quality and safety management system so as to ensure the stakeholders' satisfaction;
- Establish and periodically review the goals and targets of the environmental, quality and safety system;
- Plan prevention, integrating all levels and all the activities of the company, risk assessment and the respective preventive measures;
- Train, inform and involve all employees in the management and development of the environmental, quality and safety management system;
- Prevent and minimise environmental accidents;
- Ensure the protection of all workers, service providers and any third parties that may, directly or indirectly, be affected by our activities;
- Identify and minimise any risks to the safety and health of workers, facilities and workplaces;
- Promote communication and collaboration with stakeholders;
- Disseminate and enforce this Policy among Service Providers.

CONTINUOUS IMPROVEMENT IN 2013

Following the guidelines set in the Environmental, Quality and Safety Policy, in 2013, several improvement actions were developed and implemented in the context of management systems, of which the most noteworthy are:

- Development and implementation of a course on the topic "Environmental Passport," aiming at developing a mechanism to provide all employees involved in the construction/maintenance of power grids with the essential theoretical and practical knowledge for appropriate environmental performance, fostering the motto "Caring Today, Thinking about Tomorrow;"
- Provide teams with the means to act as first responders in an emergency situation, through the distribution of environmental kits with absorbent material, retention basins and containerisation equipment for waste resulting from environmental accidents. The goal is to have teams intervene at an early stage of the accident, in order to minimise the resulting environmental impacts;
- Conducting of environmental accident drills, in order to improve responsiveness and test the means of intervention in environmental emergencies;
- Conducting of an energy audit on the vehicle fleets of the companies Viatel and Visabeira. This audit was conducted in accordance with the Energy Management Regulations for the transport sector and aimed at quantifying the energy consumption of the fleet, in order to identify the potential for reducing it and consequently reducing the energy bill;
- Strong commitment to training in the area of security. In 2013, 388 training programmes were held, involving 3485 employees. Out of the topics addressed, highlight goes to Work at Height, on which 252 sessions were held, involving roughly 2,250 employees;
- Continuous monitoring of best practices in the areas of environment, quality and safety, through EQS visits and inspections in the areas of telecommunications and energy. 865 visits and/or inspections were held, involving nearly 2,500 employees;
- Continuous monitoring of best practices in the fields of hygiene and food safety, with over a hundred audits conducted to the various units of Visabeira Turismo. Following these audits, several training and awareness initiatives were developed concerning food safety awareness and best practices;
- Continuity of the monitoring of water quality at the Aguieira harbour, through a system of probes that continuously monitor various parameters of water quality, particularly hydrocarbon concentration, turbidity, dissolved oxygen level, pH, temperature and conductivity. This is a very sophisticated system that allows sending warnings via GSM whenever certain parameter values read by the probes exceed set limits;
- Monitoring of the Flora (zooplankton) in the area of the Aguieira harbour, with the purpose of assessing the impact of the harbour's activities on the reservoir's zooplankton community.

This set of actions, associated with daily activities, has allowed for consolidation and standardisation, especially of the companies' integrated management systems. In 2013, this increasing standardisation allowed consolidating the integrated system implemented by the sub-holding Visabeira Global, thereby enhancing the optimisation of processes and resources.

Following the results obtained by Visabeira Global, this methodology was also adopted by Visabeira Mozambique, aiming at integrating the management systems of the various companies of the Group in Mozambique, with a view to their certification in 2014.

The people

For Grupo Visabeira, human resource management takes on a key role in the overall strategy of the company.

Therefore, the Group's mission focuses not only on the promotion of best practices but also on the management of the personal and professional expectations of its employees, with the ultimate goal of ensuring that the people's values are in line with the organisational culture and with the values upheld by the Group.

In order to successfully fulfil this mission, individual goals were established, such as identifying employees with potential for development in key areas of the organisation. These employees are accompanied through customised plans that allow complementing their skills in accordance with the requirements of the organisational reality.

At the organisational level, and considering its geographical, national and international dispersion, measures are sought that allow managing teams and sharing the Group's strategy:

- performance and career management;
- promotion of occupational hygiene, health and safety;
- providing of training plans tailored to each position and employee;
- recruitment and selection increasingly aligned with the organisational reality;
- enhancement of internal communication and knowledge management;
- promotion of leadership skills, innovation and creativity.

On 31 December 2013, the number of persons employed by Grupo Visabeira was 8,290, whose distribution *by sub-holding and* respective evolution was as follows:

People

	2013	2012	2011	2010
VISABEIRA GLOBAL	3,881	3,268	2,502	2,144
Visabeira Indústria	2,327	2,308	2,240	2,346
Visabeira Turismo	847	831	714	477
Visabeira Imobiliária	632	558	462	706
Visabeira Participações Financeiras	603	580	639	601
Total	8,290	7,545	6,557	6,274

VOCATIONAL TRAINING

The mission of Visabeira Potencial Humano (Human Potential) is to promote innovative training projects, with quality and sustainable value, which contribute to maximise human potential and business growth.

In 2013 there was an increase of about 28% in the number of training plans implemented and in the number of trainees covered, when compared to 2012. In this year of 2013, 707 training plans were carried out from north to south and on the islands, with training activities also carried out abroad, in Berlin and Orleans, for example.

The training covered 6,471 employees and comprised a total of 8,147 hours.

Visabeira Potencial Humano promoted several projects of which the following are the most noteworthy:

- Participation in the structuring and implementation of the project sponsored by EDP to promote sustainability in outsourcing. This initiative culminated in the creation of Associação para a Qualificação Técnica do Sector Energético (Association for the Technical Qualification of the Energy Sector);
- Development and implementation of a safety project for PT, involving specific training on safety procedures for works at height and in manholes, which involved 694 PT employees, in 75 training sessions held on the mainland and the islands, comprising a total of 588 hours.

In 2013, Visabeira Potencial Humano renewed the Qualification issued by EDP, with the collaboration and commitment of the electricity business - Visabeira, Lda. Conjointly, and with the investment made in the Couto de Cima Training Centre Training park, Visabeira Potencial Humano is qualified by EDP to teach courses on Live Working - Low Voltage (in Portuguese - TET-BT) ; TET-LZT - Live Working - Cleaning and Upkeeping of MV/LV Transformer Stations; TET-MT/D – Live Works – Remote Intervention Method up to 30 kV; TET-MT/D – Live Works – Global Method up to 60kV; BTN measurements.

For 2014, the works to equip the Training Park for training in TET-AT - Live Working - Remote Intervention Method up to 60 kV.

Visabeira Potencial Humano submitted, in late 2013 its application for Certification Accreditation to DGERT, and it is currently under analysis.

Still in 2013, together with Visabeira Global's companies and businesses, a challenge was launched for 2014: the creation of the facilities for Academia Internacional para a Qualificação de Profissionais (International Academy for Professional Qualification). This Academy shall have all the necessary valences to provide the employees of Grupo Visabeira with the necessary know-how in the fields of telecommunications (land and mobile), energy, industry and tourism.

Communication

In 2013, Grupo Visabeira, its sub-holdings and the respective companies generated a flow of information with which their activity was disseminated among the general public. Communication took expression in various channels, especially national and regional media, with the aim of consolidating knowledge about the Visabeira universe. Throughout the year, Grupo Visabeira received several requests for comments on events. Vice-Chairman Paulo Varela was one of the managers most often under the spotlight, as he was distinguished as "Figura da Semana" (Personality of the Week) by the economy supplement of the Expresso newspaper, following the signing of the contract between Vista Alegre Atlantis and IKEA to create Ria Stone, a company that will manufacture utilitarian stoneware for the Swedish brand. The investments planned by Visabeira for Mozambique were the subject of a long interview with the Vice-Chairman of Grupo Visabeira, published in the SOL newspaper, under the title "Visabeira is inseparable from Mozambique's development". The 15-million-dollar investment in Tete, Mozambique, also motivated an interview in the economic newspaper OJE and the new markets in Southern Africa were the subject of a long interview for Dinheiro Vivo.

Also noteworthy was the conference "125 anos do Jornal de Notícias" held at Montebelo Viseu Hotel & Spa, where the Vice-Chairman of Visabeira was one of the speakers.

The signing of a contract between Visabeira and the Birla Group from India, for the construction of fibre optic networks and mobile networks in that country, was given much prominence by television networks (RTP, SIC, TVI), and by several national newspapers.

In terms of companies that have direct contact with the end consumer, Vista Alegre Atlantis, which has been part of Grupo Visabeira since 2009, was one of the companies with the largest impact among the media. The partnership between Vista Alegre Atlantis and the French house Christian Lacroix was one of the topics that generated a considerable flow of information, especially in the press and in speciality magazines. The visit of the Economic Affairs Minister, António Pires de Lima, accompanied by the Secretary of State for Tourism to the company's facilities in Ílhavo, was covered by television and radio networks and print media.

The presentation of the construction project for Hotel da Vista Alegre, the restoration of the chapel of Nossa Senhora da Penha de França and the renovation of the Vista Alegre Museum and Theatre received great attention by the news.

Highlight also to the media coverage of the launch of the Vista Alegre Atlantis pieces signed by Cruzeiro Seixas and Manuel Casimiro, in tribute to Manoel de Oliveira at the launch of the play "Aniki-Bóbó," which was released on the day of the filmmaker's 105th birthday, with his presence at the Clérigos store of, Oporto. Throughout the year, the initiatives undertaken by the Bordallo Pinheiro Stoneware Factory deserved special attention from the Media, namely the exhibition "Universo Bordalliano - 20 Bordallianos do Brasil," at the Calouste Gulbenkian Foundation, in Lisbon.

Throughout the year, Visabeira Turismo was responsible for an important flow of information.

The Zambeze Restaurant, in Lisbon, continued to arouse much interest from the media, particularly speciality media, which ensured the constant presence of the venue on their pages. Highlight goes, for example, to an article mentioning the restaurant in the Spanish newspaper ABC. In Portugal, the Expresso newspaper also devoted some lines to the Zambeze.

Palácio do Gelo Shopping and its multiple initiatives also merited coverage in regional and local newspapers. The celebrations of the 5th anniversary of Palácio do Gelo Shopping, with a mega fashion show, deserved great attention from the media, including major television channels.

Bar de Gelo Viseu was also subject to significant informative profusion, as a tourist attraction hub with unique characteristics in the country.

Montebelo Aguieira Lake Resort & Spa, one of the most prominent canoeing training centres worldwide, was also in the spotlights of major media throughout the year, with regular reports on the presence of major international canoeing teams.

The Casa da Ínsua, a charming hotel, was also publicised throughout the year. Highlight for the news coverage of the two medals, one gold and one silver, awarded to the wines produced at Casa da Ínsua at an Italian exhibition. The launch of the Ínsua Branco Grande Reserva 2012 white wine, the first major Dão reserve wine, was another heavily publicised topic.

Notícias Magazine dedicated an article to it, entitled “A Ínsua dos Amores”. Visão magazine published an extensive article with the title “Casa da Ínsua – Fidalgo por um Dia” (Casa da Ínsua - A Nobleman for a Day) and VIP Gourmet magazine presented some of the culinary specialities of its restaurant. The Spanish newspaper ABC listed Casa da Ínsua as one of the 10 best Portuguese venues to spend New Year's Eve.

Casa da Ínsua also served as the set for the shooting of the first episode of the RTP 1 show “Quem é que tu pensas que és”. The media also gave prominence to other initiatives and events promoted by Visabeira Turismo, including the twentieth anniversary of the Dinner Dance “Os Melhores Anos” (The Best Years). The various New Year's Eve proposals presented by the Montebelo Hotels & Resorts chain also deserved extensive coverage.

In conclusion, we can state that the activities of Grupo Visabeira and its sub-holdings were the subject of regular coverage by Jornal de Notícias, Diário de Notícias, Jornal de Negócios, Público, I, Económico, Destak, OJE, Dinheiro Vivo, Sol, Expresso, Diário de Viseu, Diário de Coimbra, Diário de Aveiro, As Beiras, Jornal Via Rápida, Lifecooler, Turisver, Publituris and Ambitur, as well as the following magazines: Flash!, VIP, Sábado and Visão, and in radio, with highlight to TSF and Antena 1, among many others.

The TV channels RTP 1, RTP 2, RTP Informação, SIC, SIC Notícias, TVI, TVI 24, CMTV and Porto Canal have also broadcast numerous reports on the activities of Grupo Visabeira.

Still regarding television, the Montebelo Aguieira Lake Resort & Spa was the backdrop for the 6-hour-long live show “Verão Total,” on RTP 1.

SIC covered the visit of Vista Alegre Atlantis and Bordallo Pinheiro to the European Parliament, where they presented some of their collections. Casa da Ínsua was the subject of a report on “Mais Mulher,” a show on the SIC Mulher channel. TVI made a report on Bar de Gelo Viseu.

The SIC show “Obra-Prima” dedicated an episode to the S. Rafael – Faianças Artísticas Bordallo Pinheiro Museum House, presenting the works of Master Rafael Bordallo Pinheiro.

Overall, in 2013, a total of 2,261 news pieces (newspapers, radio, TV and websites) were published concerning Grupo Visabeira, its sub-holdings and its companies.

INTERNAL COMMUNICATION

Intranet

The Intranet of Grupo Visabeira, Visabeira Angola, and Visabeira Mozambique, remains a means for direct communication with employees, incorporating some applications that are used as professional tools, including a platform dedicated to Human Resources. It is also in this online space that information relating to the Group and its companies is published.

Newsletter

The MyVisabeira newsletter is distributed every month in digital format and in hard copies to all employees of the Group in Portugal and in the countries where Visabeira's companies are based, presenting the main events in the life of the Group and its companies. The newsletter has become increasingly interactive with employees.

EXTERNAL COMMUNICATION

In the era of social media, a considerable number of companies in Grupo Visabeira have corporate pages, mainly on Facebook. It is through this “network” of fans that many initiatives, activities and competitions are disseminated, maintaining the closest possible proximity with its audiences. There is also a constant concern in updating the corporate websites with news, campaigns, and other publications, so that consumers can easily follow the life of the companies that comprise Grupo Visabeira and their products.

VIVA! Angola and VIVA! Mozambique are two major speciality magazines published by TVCABO in these two countries.

In Portugal, VLife Magazine is published once a year. Dedicated to lifestyle, this publication is, above all, a means of disseminating the activities of Grupo Visabeira throughout the year.

Social responsibility

Grupo Visabeira's values already include the principles of Corporate Social Responsibility. Its several initiatives in 2013 followed these principles. Several actions are based on sponsorships, on various levels and with a more or less direct impact on the population, including collaborations with social, sports, cultural, religious, educational, recreational, health and wellness associations, among others.

The corporate social responsibility policy of companies, and, in this case, of Grupo Visabeira, is undertaken at two levels: internally and externally.

In the first situation, the Group continued to be the mainstay in the financial support to Fundação Visabeira, which is entrusted with managing two kindergartens - "Infantinhos da Vilabeira" and "Infantinhos da Quinta do Bosque." These units also serve a social purpose, in that they support the families of employees of the Group's companies. However, the two kindergartens also provide a broader social response, welcoming children from the two geographical areas of the city of Viseu. The support of Grupo Visabeira takes on a very considerable weight in its overall social responsibility policy. With the aim of improving knowledge in this area, Fundação Visabeira invited the well-known psychologist Eduardo de Sá, who held a lecture directed at parents and guardians of children attending the institution's kindergartens. The approximately 200 participants discussed topics relevant for the age group of the users of the kindergartens, with significant participation by parents. Internally, Grupo Visabeira, aiming at consolidating team spirit and contributing to the strengthening of interpersonal relationships, once again held a set of initiatives directed at its employees. Highlight goes to the summer party held before the vacation period and Christmas dinners that brought together hundreds of employees from across the country, with particular emphasis on the dinner parties organised by the Group and by Vista Alegre Atlantis and Bordallo Pinheiro. This spirit of sharing was also promoted in Angola and Mozambique.

Externally, Grupo Visabeira continued to support the Portuguese NGO Associação Karingana Wa Karingana, collaborating in the awarding of a scholarship in Portugal to the winner of a literary contest created within that institution, which allows the winner to attend a degree study program at the University of Minho.

In terms of collaboration, highlight once more goes to APPACDM - Associação de Pais e Amigos do Cidadão Deficiente Mental of Viseu, which held its 4th gala with the support of Grupo Visabeira. The 1st Gala, "Viver a Vida," promoted by CMTV upon the launching of this television channel, was also sponsored by Grupo Visabeira. Montebelo Aguieira Lake Resort & Spa was the official partner of the Mortágua Solidária event, which aimed at raising donations for the charities "Ajuda de Berço" and "Associação Nacional de Ajuda aos Pobres".

Grupo Visabeira co-financed "Escolinhas Comunitárias do Niassa" (Niassa Community Schools), a pre-school education project launched by the NGO "Leigos para o Desenvolvimento", in partnership with the Lichinga-Niassa Diocese, in the Northern region of Mozambique. This philanthropic initiative provided more than 330 children from rural areas with access to preschool education, access to pedagogical training to 30 monitors and training on issues of hygiene and child health for 200 women.

As is also customary, Grupo Visabeira supported the humanitarian non-profit mission "Flight of Hope," an initiative started by a group of Portuguese pilots which aims at supporting the healthy and sustainable development of African children in primary education.

In terms of health promotion, Grupo Visabeira, through Visabeira Mozambique, sponsored yet another humanitarian surgical mission, conducted by a team from the Cardiothoracic Surgery Department of Coimbra University Hospital. Headed by surgeon Manuel Antunes, the team consists of 9 people, including surgeons, nurses and technicians, who were accommodated at the Girassol Indy Congress Hotel & Spa.

As part of the bilateral relationships between Portugal and Mozambique, Grupo Visabeira was the sponsor of the "Portugal Moçambique – Ligações Fortes" (Portugal Mozambique - Strong Connections) conference, an unprecedented initiative by the Expresso newspaper, SIC Notícias and the Mozambican communication group SOICO, held in early May at the Girassol Indy Congress Hotel & Spa, in Maputo.

With regard to TVCABO Moçambique, the operator donated two new servers to the Institute of Communications and Transport (In Portuguese - ISUTC), which will improve students' access to digital networks, and provided a free broadband Internet and television service for Escola Primária Completa 16 de Junho in Maputo.

TVCABO Moçambique was the official sponsor of the 12th International Half Marathon of the City of Matola. The Portugal Day Celebrations in Maputo were sponsored by TVCABO Moçambique, which also provided free WI-FI internet access at the Portuguese School, the venue chosen for the initiative. Also in Mozambique, Grupo Visabeira joined the presentation of the book "Obrigado Madiba", the work of Mozambican businessman Abílio Soeiro, at the Girassol Indy Congress Hotel & Spa in Maputo, Mozambique, in an event sponsored by Visabeira Moçambique.

On the musical front, Grupo Visabeira, through Vista Alegre Mozambique, was associated with the XIQUITSI project, having sponsored the classical music season of Maputo, whose closing session took place at the Girassol Indy Congress Hotel & Spa. In Mozambique, Grupo Visabeira also provided support for the shooting of a documentary on the Gorongosa National Park, starring Catarina Furtado, who, along with the rest of the RTP team, was accommodated at the Girassol Gorongosa Lodge & Safari.

In Portugal, the Palácio do Gelo Shopping, one of the areas of greater exposure of Grupo Visabeira, once again opened its doors for numerous initiatives to promote the well-being of the population. The most noteworthy are awareness-raising initiatives in the area of health, with numerous screenings, and, in particular, the partnership with the Tondela-Viseu Hospital Centre.

Also within its Social Responsibility Policy, the Palácio do Gelo Shopping was the stage for another New Year's Concert by Dr. José de Azeredo Perdigão Regional Music Conservatory.

Similarly to what has happened in the last 4 years, the Palácio do Gelo Shopping supported the construction of the Toypa Decor floats which took part in the traditional parade of Cavalhadas de Vildemoinhos.

With regard to exhibitions, throughout the year, the Palácio do Gelo Shopping welcomed many associations and/or entities with several exhibits. "The World's Largest Photo Album" and the aircraft exhibit by Aero Clube de Viseu are two examples of many exhibits that drew thousands of people to this venue. Palácio do Gelo Shopping maintained its connection to sports by sponsoring the football team Académico de Viseu, whose athletes also train at the ForLife gym. Also regarding football, Granbeira keeps its sponsorship of the football team Sport Clube Penalva do Castelo.

With regard to leisure and well-being, the Palácio do Gelo Shopping and the ForLife gym opened its doors for some Open Days, allowing the population to sample some of the sports practised there. The unit was also involved in the organisation of some outdoor events devoted to the promotion of healthy lifestyle habits, such as Feira do Desporto (Sports Fair) and the Mountain Bike tour.

The hotel units of Grupo Visabeira also served as the stage for several productions, which were provided to the public free of charge. Casa da Ínsua welcomed nearly 200 people for a classical music recital, by the group Leiden Baroque Ensemble with Nicola Wemyss.

Also in the cultural area, Grupo Visabeira sponsored the staging of the play "Dona Otília e outras histórias," an initiative of the Brazilian Embassy in Portugal, which was performed at the Mirita Casimiro Auditorium in Viseu, and was attended by the Brazilian Ambassador.

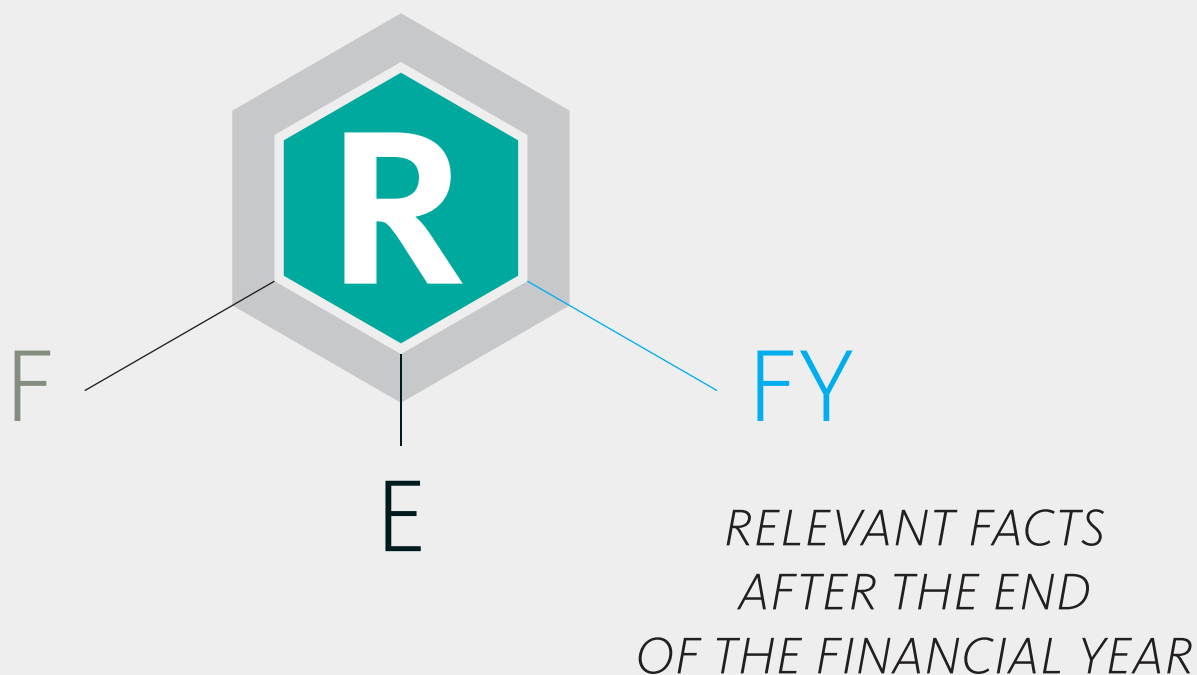
Visabeira Turismo once again sponsored the "Rally de Portugal Histórico ACP". The Golf Academy at the Príncipe Perfeito Sports Complex maintained a cooperation agreement with the Viseu Golf Club, aiming at promoting the sport and the free teaching of this sport to children and young people, particularly those from disadvantaged backgrounds. In terms of support to the disabled, Hípico Montebelo strengthened its collaboration with entities of the sector, in order to provide the ideal means and conditions for the provision of hippotherapy lessons to young users of those social institutions.

In terms of new technologies, Visabeira Indústria has a collaboration with Casa do Futuro, an initiative of the Portuguese Communications Foundation (FPC), and has equipped that space with a Mob kitchen. Casa do Futuro is one of the permanent exhibits of Fundação - Museu das Comunicações, in Lisbon.

Vista Alegre Atlantis also supported some cultural, sports and social initiatives, among which the sponsoring of the Casamentos de Santo António (Saint Antonio Weddings) initiative is one of the most noteworthy examples. The Group supported and offered the trophies for some competitions, including the Open de Portugal Tennis Tournament, the Douro Film Harvest, the Wine Magazine Awards, the Car of the Year Award, Troféu Volante de Cristal and the Expresso BPI Golf Cup.

Within an international project, Vista Alegre Atlantis opened its facilities to young designers: the International Design Pool (ID Pool), which helps young artists to develop their talent at the company's factory in Ílhavo, while staying in a temporary residence in the premises of the factory complex.

Highlight also goes to the exhibit by Vista Alegre Atlantis and Bordallo Pinheiro at the European Parliament (EP) from 17 to 19 September, an initiative of MEP Edite Estrela. On the opening day alone, the exhibit caught the attention of over 300 personalities, including MEPs, parliamentary staff and journalists from various European countries.

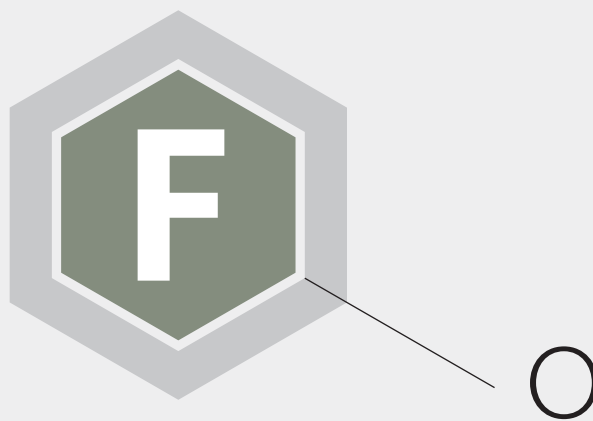


In early 2014, under the recently renovated FFT2013/2016 contract, Viatel increased its market share in the area of telecommunications engineering, and it now covers over 70% of the national territory in the global activity of installation and maintenance of telecommunication networks. The company also increased its presence in the commercial segment, by increasing its operations in this business segment.

Through Viatel, Fibroglobat started the year with the installation of the first fibre optics customers for the main national operator, on the next-generation network it had built in the Azores in the previous year. Having started on the Flores and Graciosa islands, it then extended the installation of new customers to S. Jorge, Santa Maria, S. Miguel, Pico and Corvo. In less than two months, this project has already reached 1,000 new customers served by fibre optics, and it is more than likely that it will achieve similar success as that of 2013, when it began the installation of customers in the next-generation networks in the Centre region, where, in less than a year, it has already exceeded 15,000 new customers in remote areas.

In March, Grupo Visabeira inaugurated the Porto Salus complex, located in Azeitão. With an area of 17,000 m², it integrates a retirement home with 53 rooms and 38 suites and also a hospital to support users and the general population, managed in partnership with Santa Casa da Misericórdia de Azeitão.

The hospital has 56 inpatient rooms, various medical specialities, and a physiotherapy centre equipped to respond to patients requiring long-term care.



FUTURE OUTLOOK

The Portuguese economy shows signs of moderate growth after the adoption of a set of budgetary consolidation measures, in view of the adjustment of the imbalances accumulated over the past few decades. Thus, the Group maintains moderate growth in the various investments it intends to make, which are expected to provide the due return with lower risk and higher profitability. Thus, and in accordance with the policy established, the following investments were deemed the most relevant:

VISABEIRA GLOBAL

Once again, the telecommunications sector is the privileged sector for investment, with TVCABO Angola investing 15.3 million euros, of which 8 million will go for network infrastructures, for the expansion to the province of Lubango, and 2.3 million euros will be spent in the opening of two new stores in the city of Luanda and one in the province of Lubango. Also noteworthy in Angola is the 2.8 million investment by Comatel, essentially intended for the renewal of the vehicle fleet, purchasing of tools, equipment and heavy machinery necessary to improve the working conditions of the technical teams, in order to strengthen their performance and the quality of their finished work.

TVCABO Moçambique plans to invest 9.5 million euros for the continuation of the construction of the network in the vicinity of Maputo and Matola, in order to increase the number of active customers and to expand the number of services offered, with a view to increasing customer loyalty. Also in Mozambique, Televisa plans to invest 1.9 million euros, mainly in modernising its vehicle fleet.

Edivisa is planning to invest 3.5 million euros, which will include the works awarded by the branch in Mozambique, namely the contract for the Sena Line - Phase 2.

As part of the consolidation of its business and its image before the operator Orange, Constructel France will invest around 2.4 million euros, primarily in the acquisition of new vehicles, in order to fulfil the contract for the massive replacement of poles and to carry out its strategy to grow the volume of work performed by internal staff.

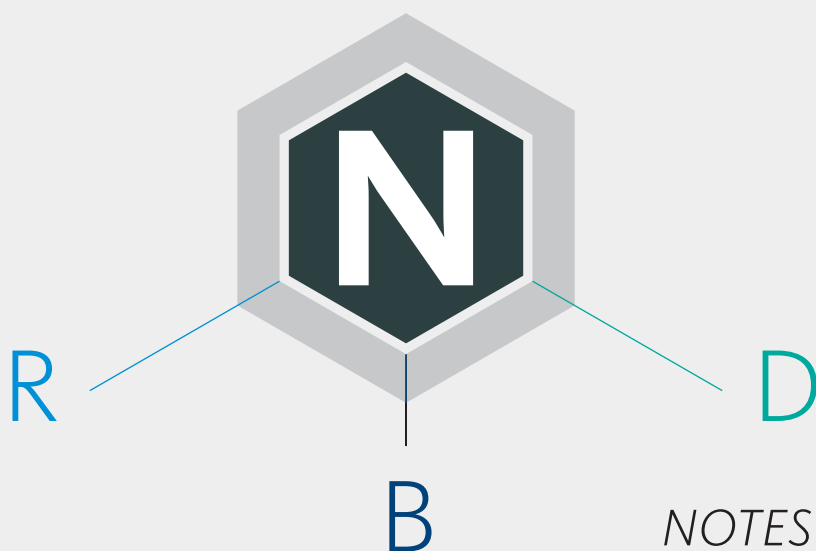
VISABEIRA INDÚSTRIA

In the plan of this sub-holding, emphasis goes to Grupo Vista Alegre Atlantis, with an overall investment of approximately 16.5 million euros, of which 10.7 million will be spent on the completion of the new Ria Stone production unit, dedicated to the production of ceramic-stoneware tableware, all intended for export. Of the remaining investment budget, 2 million will go into intervention works in the museum project. In order to expand, strengthen and internationalise the positioning of the Vista Alegre brand name and increase sales channels, the company plans to open new stores in Portugal and Brazil and to perform works in the equipment of various sections and production processes.

VISABEIRA TURISMO

In the area of Tourism, Turvisa is the company under the greatest financial stress, due to the strong competition that exists in this business area. In Mozambique, there is a need to renovate the structure and image of some of the units. Thus, an investment in the amount of 1.3 million euros is planned for the renovation of the Girassol Bahia Hotel and for minor improvement works at the Girassol Indy Congress Hotel & Spa.

In Portugal, the planned investment will go into turning the Palácio Vista Alegre, in Ílhavo, into a new charm hotel, integrated into the charismatic Workers Quarter of the Vista Alegre complex.



NOTES TO THE REPORT OF THE BOARD OF DIRECTORS

Pursuant to and for the purposes of Articles 447 and 448 of the Commercial Companies Code, we disclose the shareholdings of the members of management and supervisory bodies and the operations carried out during the year 2013.

SHAREHOLDER/MEMBER OF CORPORATE BODY

	Number of shares on 31 December 2013	%	Number of shares on 31 December 2012	%	Transactions in 2013
Fernando Campos Nunes *	18,020,434	78.26%	17,941,081	77.92%	79,353
Caixa Capital	1,568,258	6.81%	2,719,514	11.81%	-1,151,256
Grupo Visabeira (own shares)	2,302,512	10.00%	1,200,804	5.22%	1,101,708
Portugal Capital Ventures	1,008,397	4.38%	1,038,202	4.51%	-29,805
Total	22,899,601	99.45%	22,899,601	99.45%	0

* via personal holding

The Chartered Accountant

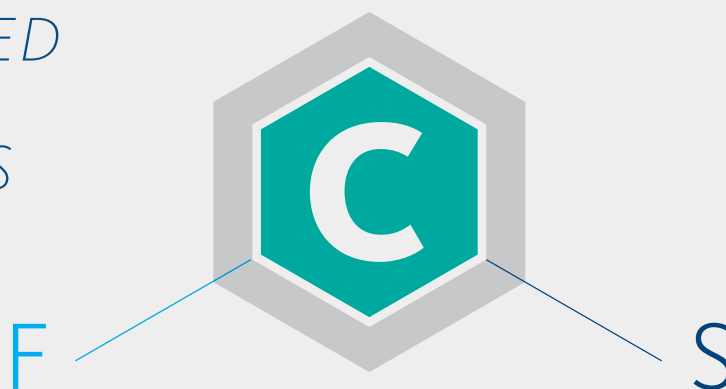
The Board of Directors



3

*CONSOLIDATED
REPORTING
DOCUMENTS*

CONSOLIDATED FINANCIAL STATEMENTS



CONSOLIDATED INCOME STATEMENT

Financial years ended 31 December 2013 and 2012

	Notes	2013	2012
Ongoing operations			
Sales		140,646,503	128,438,895
Services rendered		422,208,860	405,515,152
Turnover	11	562,855,363	533,954,046
Cost of sales and services rendered		-160,761,075	-155,229,614
Gross margin		402,094,288	378,724,433
Own work capitalised	12	3,877,275	3,278,564
Other income	13	8,415,284	6,524,134
External supplies and services	14	-212,294,557	-208,782,009
Staff costs	15	-113,549,551	-104,587,773
Other expenses	13	-6,021,971	-3,936,311
Recurring operating income (net of depreciations and provisions)		82,520,768	71,221,037
Changes in the fair value of investment properties	24	5,862,932	-1,914,947
Depreciations	16	-22,934,436	-19,542,308
Provisions and impairment losses	17	-1,672,936	8,974,002
Operating income		63,776,328	58,737,784
Interest borne, net	18	-28,114,255	-29,616,318
Gains/(losses) on listed shares	19	-9,431,786	-10,598,144
Other financial expenses (net)	20	-5,462,792	-8,100,056
Gains (losses) with associated companies	7	351,536	988,081
Pre-tax result		21,119,031	11,411,348
Current income tax	21	-10,727,818	-6,855,805
Deferred Income tax	21	-5,949,258	3,021,178
Net income		4,441,956	7,576,721
Attributable:			
Shareholders		231,871	2,152,617
Non-controlling interests	37	4,210,085	5,424,103
Earnings per share:			
Basic	35	0.01	0.09
Diluted	35	0.01	0.09

The notes are an integral part of this consolidated financial statement.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the years ended 31 December 2013 and 2012

	2013	2012
Consolidated net income for the period (a)	4,441,956	7,576,721
Other comprehensive income:		
Amounts that will be subsequently reclassified as profit and loss		
Currency translation adjustments		
Translation of transactions denominated in foreign currency	-4,530,695	-4,045,373
Derivatives and hedge accounting		
Changes in the market value	460,401	-1,015,503
Tax effect	-21,055	40,035
Impairments of assets		
Change in the fair value reserve of available-for-sale financial assets	23,190,144	4,534,791
Tax effect	4,761,531	-1,269,742
Other adjustments recognised directly in equity, net	4,694	223,069
Amounts that will not be subsequently reclassified as profit and loss		
Retirement benefits		
Actuarial gains / (losses)	139,600	49,655
Tax effect	-34,202	0
Other comprehensive income for period (b):	14,447,355	-1,483,067
Total comprehensive income for period (a) + (b)	18,889,311	6,093,654
Total comprehensive income attributable to:		
Non-controlling interests	3,581,418	4,865,927
Shareholders of Grupo Visabeira	15,307,893	1,227,727

CONSOLIDATED STATEMENT OF FINANCIAL POSITION*Financial years ended 31 December 2013 and 2012*

	Notes	2013	2012
ASSETS			
Non-current assets			
Tangible assets	22	433,982,399	362,487,184
Goodwill	23	32,908,305	32,566,809
Investment properties	24	248,681,529	245,123,803
Intangible assets	25	81,166,313	80,647,375
Investments in associated companies	7	28,770,705	20,356,374
Financial assets available for sale	26	155,956,929	144,281,011
Other financial investments	8	28,743,100	10,670,025
Deferred tax assets	21	15,779,515	24,448,867
Total non-current assets		1,025,988,795	920,581,448
Current assets			
Inventories	27	185,522,511	169,629,235
Customers and other receivables	28	138,496,666	140,786,059
State and other public entities	29	2,764,802	10,389,917
Other current assets	30	134,565,918	103,979,615
Other financial investments	8	0	18,000,000
Financial assets available for sale	26	0	48,911,792
Financial assets held for trading	31	708,104	336,735
Cash and cash equivalents	32	32,334,027	36,797,791
Total current assets		494,392,027	528,831,143
Total assets		1,520,380,822	1,449,412,591
EQUITY			
Capital	33	115,125,630	115,125,630
Own shares	34	-32,724,483	-16,290,767
Share premiums		44,493,578	44,493,578
Other reserves	36	50,245,808	17,981,561
Retained earnings	36	110,204,816	129,269,534
Equity attributable to shareholders		287,345,349	290,579,535
Non-controlling interests	37	40,320,085	39,509,508
Total equity		327,665,434	330,089,044
LIABILITIES			
Non-current liabilities			
Long-term bank loans	38	526,518,893	536,856,269
Other non-current liabilities	40	46,537,783	46,349,108
Shareholders	40	15,000,000	0
Deferred income tax liabilities	21	54,779,726	57,843,327
Provisions for other risks and expenses	43	4,253,543	5,351,403
Total non-current liabilities		647,089,945	646,400,108
Current liabilities			
Short-term bank loans	38	137,709,191	143,372,324
Suppliers and other payables	39	140,230,172	141,585,281
State and other public entities	29	8,460,072	5,312,301
Other current liabilities	40	259,226,008	182,653,534
Total current liabilities		545,625,443	472,923,439
Total liabilities		1,192,715,388	1,119,323,547
TOTAL EQUITY AND LIABILITIES		1,520,380,822	1,449,412,591

The notes are an integral part of this consolidated financial statement

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Financial years ended 31 December 2013 and 2012

	Capital	Share premiums	Own shares	Financial asset fair value reserve	Retained earnings and other reserves (Note 36)	Sub-total	Non-controlling interests	Total equity capital
On 1 January 2012	115,125,630	44,493,578	-16,290,767	0	145,001,748	288,330,189	35,462,698	323,792,887
Acquisitions, disposals and share capital increases	0	0	0	0	1,021,620	1,021,620	53,219	1,074,839
Comprehensive income for the period	0	0	0	3,265,050	-2,037,322	1,227,727	4,865,927	6,093,654
Operations with share capital holders								
Distributed dividends	0	0	0	0	0	0	-872,336	-872,336
On 31 December 2012	115,125,630	44,493,578	-16,290,767	3,265,050	143,986,046	290,579,535	39,509,508	330,089,044
On 1 January 2013	115,125,630	44,493,578	-16,290,767	3,265,050	143,986,046	290,579,535	39,509,508	330,089,044
Acquisitions, disposals and share capital increases	0	0	0	0	-2,108,363	-2,108,363	-2,237,604	-4,345,967
Comprehensive income for the period	0	0	0	18,428,613	-3,120,720	15,307,893	3,581,418	18,889,310
Operations with share capital holders								
Distributed dividends	0	0	0	0	0	0	-533,237	-533,237
Acquisition of own shares	0	0	-16,433,716	0	0	-16,433,716	0	-16,433,716
On 31 December 2013	115,125,630	44,493,578	-32,724,483	21,693,662	138,756,962	287,345,349	40,320,085	327,665,434

CONSOLIDATED CASH FLOW STATEMENT*Financial years ended 31 December 2013 and 2012*

	2013	2012
OPERATING ACTIVITIES		
Receipts from customers	656,028,382	666,707,704
Payments to suppliers	-452,843,768	-483,788,445
Payments to staff	-111,534,044	-104,411,844
Operating cash flow	91,650,571	78,507,415
Income taxes paid/received	-4,593,959	399,696
Other operating payments/receipts	470,251	-1,080,643
Cash flow generated before extraordinary items	87,526,862	77,826,469
CASH FLOW FROM OPERATING ACTIVITIES (1)	87,526,862	77,826,469
INVESTMENT ACTIVITIES		
Receipts from:		
Financial investments	48,671,570	1,093,828
Tangible fixed assets	0	214,469
Investment grants	19,089,781	9,253,602
Interest and similar income	2,079,460	2,322,863
Loans and receivables granted	26,070	0
Dividends	8,442,134	17,594,992
	78,309,015	30,479,754
Payments concerning:		
Financial investments	-1,321,668	-3,096,369
Tangible fixed assets	-87,413,120	-40,859,108
Loans granted	-19,407,428	-7,811,544
	-108,142,216	-51,767,022
CASH FLOW FROM INVESTING ACTIVITIES (2)	-29,833,202	-21,287,267
FINANCING ACTIVITIES		
Receipts from:		
Loans obtained	1,182,556,221	1,387,808,017
Shareholders' loans	15,000,000	1,000,000
	1,197,556,221	1,388,808,017
Payments concerning:		
Loans obtained	-1,193,467,300	-1,388,817,538
Depreciations of financial leasing contracts	-5,731,383	-6,453,892
Interest and similar costs	-43,051,315	-50,562,693
Acquisition of own shares	-16,433,716	0
	-1,258,683,714	-1,445,834,123
CASH FLOW FROM FINANCING ACTIVITIES (3)	-61,127,493	-57,026,106
Changes in cash and cash equivalents (1) + (2) + (3)	-3,433,832	-486,905
Cash and cash equivalents at the beginning of the period	34,399,185	34,886,090
Cash and cash equivalents at the end of the period	30,965,353	34,399,185

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

Financial years ended 31 December 2013 and 2012

1. Acquisition or disposal of companies	Price	Receipt. / Paym.
a1) Acquisitions/increases in holdings in the current financial year		
Beiragás	991,568	-991,568
Sem Amarras, SA	319,900	-319,900
Hospital Nossa Senhora da Arrábida	10,200	-10,200
	1,321,668	-1,321,668
a2) Disposals in the current financial year		
EDP, SA	48,671,570	48,671,570
	48,671,570	48,671,570

2. Breakdown of cash and cash equivalents:	2013	2012
a) Cash		
- Cash	172,930	377,319
- Bank deposits	30,149,842	36,327,128
- Bank overdrafts	-2,076,778	-2,735,341
b) Other Cash and Cash Equivalents		
- Tradable securities	2,719,358	430,079
Cash and cash equivalents at the end of the period	30,965,353	34,399,185
- Bank overdrafts	2,076,778	2,735,341
Cash and cash equivalents in the balance sheet *	33,042,131	37,134,526

* Includes tradable financial assets

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

On 31 December 2013 (amounts in euros)



1. INTRODUCTORY NOTE

Grupo Visabeira started its activity in 1980, in the telecommunications and electricity sector. With head office in Viseu and the fruit of a combined commitment to human resources, an integrated information and logistics system, its own transport network and strategically located facilities, the Group rapidly extended its activity throughout Portugal and became the largest employer in the centre region.

Its contribution to modernising and developing telecommunications, by offering integrated and global solutions, earned it market leadership in the field of telecommunication network engineering, a position it has held for over 30 years.

Focusing on the diversification of its activities - Telecommunications, Construction, Industry, Real Estate, Tourism and Services, as well as maintaining a presence in several different markets, the Group adopted a strategy to structure its operations into sectoral sub-holdings, in order to maximise each of its business lines and streamline the Group's ability to perform.

The engine of its development strategy relies on a management model based on global information systems, which connects all the business units and integrates all the Group's resources.

Based on the trust it has earned in the market, it has defined and consolidated a bold internationalisation strategy, which consolidated the Group's capabilities and dynamics into two parallel fronts.

On the one hand, it expanded and consolidated its operating model in new countries, as a natural extension of its current markets and in emerging economies, through a policy of investment in partnerships or creation of local companies. Initially focusing on Portuguese-speaking countries, the Group has been exporting its model since the 1980s and, as a result of this strategy, it now holds solid companies in Mozambique, Angola, France, Belgium, Germany and Brazil and is present in many other countries.

Through the internationalisation of its markets, the Group promoted the placement of its products in over sixty countries on all five continents, of which the most important are the EU market, Scandinavian countries, North America, Africa, Australia and Japan.

Currently, through its investment policy, Grupo Visabeira continues to consider external growth to be the key pathway for development, fuelled by its multi-sectoral matrix and by an attitude of constant technological updating.

The Grupo Visabeira of tomorrow, leveraging its distinctive skills and entrepreneurial dynamism, will keep operating in increasingly global scenarios, expanding its markets in a sustained way, always envisaging leadership in its business strategies.

On 31 December 2013, its turnover amounted to 562,855,363 euros. Its equity amounted to 327,665,434 euros, of which 40,320,085 euros are non-controlling interests.

In 2013, Grupo Visabeira employed an average of 8,099 employees (7,085 in 2012).

The financial statements were authorised for issue by the Board of Directors, which convened on 27 February 2014, and are pending approval by the General Meeting of Shareholders, pursuant to current Portuguese corporate law. The Board of Directors believes that the financial statements will be approved without any changes.

2. ACCOUNTING POLICIES

The most relevant accounting policies used in the calculation of the annual net income and the presentation of the financial position are as follows:

2.1 BASIS FOR PRESENTATION

Pursuant to Decree Law No. 35/2005 of 17 February, as subsequently amended by Decree Law No. 158/2009 of 3 July, which transposed into Portuguese legislation the provisions of Regulation (EC) No. 1606/2002 of the European Parliament and of the Council, dated of 19 July 2002, these consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IAS/IFRS) issued by the "International Accounting Standards Board" ("IASB") and the Interpretations issued by the "International Financial Reporting Interpretations Committee" ("IFRIC") or the former "Standing Interpretations Committee" ("SIC"), adopted by the EU, effective as of 1 January 2013.

In preparing the consolidated financial statements in accordance with IFRS, the Board of Directors of Grupo Visabeira SGPS employs estimates and assumptions that affect the application of policies and the amounts of assets and liabilities. Actual results may differ from these estimates. The estimates and judgements used in preparing the financial statements are presented in Note 3. The consolidated financial statements have been prepared from the accounting books and records of the companies included in the scope of consolidation (Notes 5 and 6), maintained in accordance with accounting principles generally accepted in Portugal and adjusted in the consolidation process so that the consolidated financial statements are presented in accordance with IAS/IFRS.

The consolidated financial statements have been prepared on the assumption of continuity of operations, based on historical cost, except in the case of investment property, derivatives, investments held for trading and available-for-sale investments, which have been measured at fair value.

Unless stated otherwise, the amounts are expressed in euro (EUR). The Company's financial statements were prepared in accordance with the historical cost convention.

2.2 BASES OF CONSOLIDATION

a) Reference dates

The consolidated financial statements include, in reference to 31 December 2013, the assets, liabilities and profit and loss of the companies of the Group, understood as the entirety of Grupo Visabeira and its subsidiaries, which are presented in notes 5 and 6.

b) Financial holdings in companies belonging to the Group

Companies belonging to the Group are those controlled by Grupo Visabeira. Control exists when Grupo Visabeira has the power to, directly or indirectly, govern the financial and operating policies of a company, with the aim of influencing benefits resulting from its activities. Any exercisable voting rights are taken into account in determining whether or not there is control. It is deemed that there is control whenever the share held exceeds 50%.

Companies belonging to the Group are included in the consolidation according to the full consolidation method, from the date when control is acquired until the date it effectively ends.

The acquisition method is the method used to recognise the entry of the Group's subsidiaries upon their acquisition.

Acquisitions made after 2010:

In the acquisition method, the difference between: (i) the consideration transferred along with the non-controlling interests and the fair value of the equity interests previously held, and (ii) the net amount of identifiable assets acquired and liabilities assumed, is recognised, on the date of acquisition, as goodwill, if positive, or as a gain if negative.

The consideration transferred is measured at fair value, calculated as the aggregate amount of fair values, on the date of acquisition, of assets transferred, liabilities incurred and equity instruments issued by the Group. For the purpose of determining goodwill/gains resulting from the combination, the transferred consideration is net of any part of the consideration that concerns other transaction (e.g. remuneration for the rendering of future services or payment of pre-existing relationships) whose margin is recognised separately in the income statement.

The transferred consideration includes the fair value, on the date of acquisition, of any contingent consideration. Subsequent changes in this value are recognised: (i) as equity if the contingent consideration is classified as equity, (ii) as an expense or income in the statement of profit or loss or as other comprehensive income if the contingent consideration is classified as a financial asset or liability under IAS 39 and (iii) as expenses, pursuant to IAS 37 or other applicable standards, in remaining cases.

Expenses related to the acquisition are not part of the transferred consideration and thus do not affect the determination of goodwill/gains resulting from the acquisition, being recognised as expenses in the year they occur.

On the date of acquisition, the classification and designation of all assets acquired and liabilities transferred are reassessed in accordance with IFRS, with the exception of leasing and insurance contracts, which are classified and designated based on the contractual terms and conditions, on the contract's commencement date. Assets arising from contractual indemnities paid by the seller concerning the outcome of contingencies related, in whole or in part, to a specific liability of the combined entity, shall be recognised and measured using the same principles and assumptions of the related liabilities.

The calculation of the fair value of acquired assets and contingent liabilities takes into account the fair value of contingent liabilities arising from a present obligation caused by a past event (if the fair value can be reliably measured), whether an outflow is expected or not.

For each acquisition, the Group can choose to measure "non-controlling interests" at their fair value or by their respective share in the assets and liabilities transferred from the acquiree. The choice of method influences the calculation of the goodwill amount to be recognised. When the business combination is effected in stages, the fair value on the date of acquisition of the interests held is remeasured to the fair value on the date when control is obtained, by the income of the period in which control is achieved, affecting the valuation of goodwill.

Goodwill is considered to have an indefinite useful life and thus is not amortisable, being subject to annual impairment tests, irrespective of whether or not it shows signs of impairment.

Whenever a combination is not completed on the reporting date, the provisional amounts recognised on the date of acquisition shall be adjusted retrospectively, for a maximum period of one year counting from the date of acquisition and any additional assets and liabilities shall be recognised if new information is obtained on facts and circumstances existing on the date of acquisition which would result in the recognition of such assets and liabilities, should it have been known on that date.

Acquisitions made before 2010:

Compared to the treatment described above, applicable as of 1 January 2010, the major differences are the following:

- The cost of an acquisition would include costs directly attributable to such acquisition, thus affecting the calculation of goodwill;
The acquiree's "non-controlling interests" (formerly designated "minority interests") were measured only by the acquiree's share in the identifiable net assets, but did not influence the calculation of goodwill/gains resulting from the combination;
- When the business combination was effected in stages, the fair value on the previous acquisition date of the interests held was not remeasured on the date of obtaining control and the goodwill amount previously recognised remained unchanged;
- Any contingent acquisition value was only recognised if the Group had a present obligation, the outflow was likely and the estimate was reliably determinable; subsequent changes in this value were recognised against goodwill.;

Intergroup balances and transactions, as well as unrealised gains on transactions between Group companies, are removed. Unrealised losses are also eliminated, unless the transaction evidences impairment of a transferred asset.

The subsidiaries' accounting policies are changed whenever such is necessary to ensure consistency with the policies adopted by the Group.

In situations where the Group has substantial control of entities created for a specific purpose, even if it has no direct shareholdings in these entities, they shall be consolidated using the full consolidation method.

c) Financial holdings in jointly controlled companies

Jointly controlled financial holdings are consolidated by the proportional consolidation method, from the date on which joint control is acquired until the date it effectively ends. The classification of financial investments in jointly controlled entities is determined based on the existence of shareholder agreements that demonstrate and regulate joint control. According to this method, those companies' assets, liabilities, income and expenses were incorporated into the financial statements, item by item, in the proportion of control attributable to the Group.

The excess of the cost of acquisition over the fair value of the Group's share in the jointly controlled assets identified is recognised as goodwill. If the cost of acquisition is lower than the fair value of the net amount of the assets of the jointly controlled entity acquired, the difference is recorded directly in the consolidated income statement.

d) Financial holdings in associated companies

Associated companies are entities over which Grupo Visabeira exercises significant influence in determining operating and financial policies. It is assumed that there is significant influence whenever the holding percentage exceeds 20%.

These holdings are consolidated by the equity method; i.e., the consolidated financial statements include the Group's interest in the associate's total gains and losses recognised, from the date on which the significant influence commences until the date it effectively ends. Dividends received from these companies are recorded as a reduction in the value of financial investments.

The Group's participation in the gains and losses of its associates is recognised in the income statement, and its share of movements in Post-acquisition Reserves are recognised in Reserves. The cumulative post-acquisition movements are adjusted according to the cumulative movements in the financial investment. When the Group's share of losses in an associate equals or exceeds its investment in that associate, including any unsecured receipt transaction, the Group does not recognise any further losses, unless it has incurred in obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition of a financial investment over the Group's share in the fair value of the assets, liabilities and contingent liabilities identified on the date of acquisition of the associated company is recognised as goodwill, which is included in the value of the financial holding and whose recovery is assessed annually as part of the financial investment. If the cost of acquisition is lower than the fair value of the net amount of the assets of the associate acquired, the difference is recognised directly in the income statement.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's share in the associates. Unrealised losses are also eliminated, unless the transaction evidences impairment of a transferred asset. The associates' accounting policies are changed whenever necessary to ensure consistency with the policies adopted by the Group.

e) Other capital holdings

Stakes for which the Group does not ensure a significant influence on activity, or whose fair value is not reliably measured, are recorded at either their acquisition cost or their net realisable value, whichever is lower.

f) Non-controlling interests

The equity amounts of subsidiaries consolidated under the full consolidation method, attributable to shares or interests held by third parties to the undertakings included in the consolidation are recorded in the consolidated balance sheet under the heading "non-controlling interests."

Interests held on the net income of consolidated subsidiaries belonging to the Group are identified and adjusted by deduction from the Group's income and recorded in the consolidated income statement under non-controlling interests.

g) Changes in the scope of consolidation

During the year 2013, there were several changes in the scope of consolidation (note 9), although none significantly affecting the Group's financial position or performance.

2.3 RECOGNITION OF REVENUE

a) Sales and services rendered

Income derived from sales is recognised in the income statement when risks and advantages inherent to the possession of the assets sold are transferred to the purchasing party. Income from services rendered are recognised in the income statement at the time they are rendered, taking into account the ratio between services rendered in the financial year and the total services contracted.

The costs of construction contracts are recognised when incurred. When revenue arising from the contract cannot be reliably measured, income is recognised to the extent of costs recovered. When revenue arising from the contract can be reliably measured and it is probable that the contract will be profitable, revenues are recognised throughout the period of construction. If the contract is not profitable, the expected loss is recognised immediately as an expense in the financial year.

The percentage of completion method is used to recognise revenue in each period. The percentage of completion is measured taking into account the weight of costs incurred in the total estimated costs. Costs incurred in the financial year, which are associated with the future activities of the contract, are excluded from the calculation of the percentage of completion and are classified as inventories, deferred costs or other.

Key income is recognised at the time of conclusion of the contract of reservation of ownership and subsequent receipt.

The Group presents as assets any amounts to be recovered from customers for contracts in progress whose costs incurred, plus recognised income (and subtracted from recognised losses), exceed the amounts invoiced. Unpaid invoices are presented in the heading "trade receivables."

Income from sales and services rendered are not recognised if there are doubts as to the collectability of the proceeds from the sale or services rendered.

b) Grants

State grants are only recognised when received or upon sufficient certainty that the Group can comply with the conditions required for their granting.

Investment grants are included in the heading "Other non-current liabilities" and the associated income is recognised on a straight-line basis over the estimated useful lives of the respective assets.

c) Net financial results

Net financial results essentially comprise interest from loans obtained, net of interest from financial investments and exchange rate gains and losses.

Financial costs and income are recognised in the results on an accrual basis during the period to which they relate.

d) Dividends

This income is recognised upon the establishment of the shareholder's right to receive it.

e) Own work capitalised

Internal expenses (e.g., labour, materials, transportation) incurred in the production of tangible assets and inventories are capitalised only when the following conditions are met:

- (i) the assets are identifiable and reliably measurable;
- (ii) it is highly likely that they will generate future economic benefits.

No internally generated margins are recognised.

f) Accrual basis

In general, income and expenses are recorded on an accrual basis, whereby they are recognised as they are generated, regardless of the moment in which they are received or paid. The differences between the amounts received and paid, and the corresponding income and expenses, are recorded in the consolidated statement of financial position under "Other current assets" and "Other current liabilities", respectively.

2.4 TRANSACTIONS DENOMINATED IN A CURRENCY OTHER THAN EURO

The Group's functional and presentation currency is the Euro. Companies based in Angola and Mozambique have different functional currencies and, thus, their financial statements are translated into U.S. Dollars applying Kwanza and Metical cross rates and then from Dollars to Euro.

Monetary assets and liabilities denominated in foreign currencies for which there are no rate fixing agreements are translated into Euro using the exchange rates in effect on the date of the balance sheet. Favourable and unfavourable exchange differences resulting from the comparison between the exchange rates in force on the date of the transactions and those in force on the date of collections, payments or on the date of the balance sheet, are recognised as income or expenses in the income statement, except for exchange differences arising from the translation of loan balances which, in practice, are an extension of financial investments abroad and whose repayment is not expected in a near future, which are recognised in equity until the disposal of the investment, at which time they are transferred to the income statement.

Non-monetary assets and liabilities denominated in foreign currency and recorded at fair value are converted into the functional currency of each subsidiary, using the exchange rate in effect on the date when the fair value was determined.

The financial statements of subsidiaries and associated companies expressed in foreign currency are translated using the following exchange rates:

- The exchange rate in force on the date of the balance sheet for the translation of assets and liabilities;
- The average exchange rate for the period used to translate the income statement headings;
- The average exchange rate for the period used to translate cash flows (where such exchange rate is close to the actual rate. The remaining cash flows are translated using the exchange rate in force on the date of the operations);
- Historical rate for the headings "financial investment"/"equity," used at the time of the first consolidation.

Exchange differences arising from the translation into Euro of the financial statements of subsidiaries and associated companies expressed in foreign currencies are included in equity, under "Foreign currency translation reserves."

On 31 December 2013 and 2012, assets and liabilities denominated in foreign currencies were translated into Euro using the following exchange rates:

Exchange rate

2013	2012	Code	Name
8.93	8.62	SEK	Swedish Krona
108.08	105.55	DZD	Algerian Dinar
11.38	11.13	MAD	Moroccan Dirham
1.38	1.32	USD	American Dollar
134.03	126.97	AON	Angolan Kwanza
0.84	0.82	GBP	British pound
41.31	39.32	MZN	Mozambican Metical
4.47	4.44	RON	New Romanian Leu
59.41	53.27	DOP	Dominican Peso
18.00	17.21	MXP	Mexican Peso
3.25	2.71	BRL	Brazilian Real

In the financial years 2013 and 2012, the financial statements of subsidiaries expressed in foreign currency were translated using the following exchange rates:

Average exchange rate

2013	2012	Code	Name
128.84	124.42	AON	Angolan Kwanza
39.80	36.35	MZN	Mozambican Metical

2.5 FINANCIAL ASSETS AND LIABILITIES

All purchases and sales of these instruments are recognised on the date of the negotiation or when the respective contracts to buy or sell are signed, regardless of the date of the settlement.

2.5.1 Financial assets

Assets are initially recorded at their acquisition cost, which is the fair value of the price paid, including transaction costs, except for assets measured at fair value through profit and loss, in which transaction costs are immediately recognised in profit and loss.

These assets are not recognised when: (i) the contractual rights of the Group regarding the receipt of cash flows have expired, or (ii) the Group has substantially transferred the control over the assets or all the risks and benefits associated with its ownership.

Financial assets are classified as follows, depending on the intention of the Board of Directors at the time of their acquisition:

- a) Loans and accounts receivable
- b) Investments held to maturity;
- c) Investments measured at fair value through profit and loss (held for trading);
- d) Financial assets available for sale

a) Loans and accounts receivable

These consist of non-derivative financial assets with fixed or determinable payments for which there is no active market. Loans and accounts receivables are initially recorded at fair value and subsequently at amortised cost, based on the effective interest rate (where the effect of time is significant), net of any impairment losses. Impairment losses are recorded based on the estimation and evaluation of losses associated with doubtful debt loans, on the date of the balance sheet, so that they reflect their net realisable value.

When the amounts receivable from customers or other debtors are past due and its terms are subject to renegotiation, they shall not be considered overdue and shall be treated as new loans.

b) Investments held to maturity

Investments held to maturity are classified as non-current investments, unless they mature within 12 months from the date of the balance sheet, and this heading includes investments with a defined maturity date for which the Group has the intention and ability to hold them until such date.

Investments held to maturity are recorded at their amortised cost, net of any impairment losses.

c) Investments measured at fair value through profit and loss

This category includes financial assets held for trading and assets recorded at fair value through profit and loss at the moment of their initial recognition; they are presented as current assets.

A financial asset is classified as held for trading if it is:

- acquired or incurred chiefly for the purpose of selling or repurchasing it in the near term;
- Part of a portfolio of identified financial instruments that are managed together and for which there is evidence of an effective recent pattern of short-term profit-taking;
- a derivative (except for a derivative that is a designated and effective hedging instrument).

Gains and losses resulting from a change in the fair value of investments measured at fair value through profit and loss are recorded in the income statement for the period.

d) Financial assets available for sale

Available-for-sale investments are non-derivative financial assets, which the Group intends to hold indefinitely, that are classified as such at the time of acquisition or that do not fit the remaining categories of financial assets. They are presented as non-current assets, except if there is an intention of transferring them in the 12 months following the date of the balance sheet.

After their initial recognition, available-for-sale investments are measured at their fair value by reference to their market value on the balance sheet date, without any deduction of transaction costs that may be incurred upon their sale. Investments that are not quoted, and whose fair value cannot be reliably estimated, are stated at their acquisition cost, net of any impairment losses.

Gains or losses from changes in the fair value of available-for-sale investments are recognised as equity, under the reserves heading, until the investment is sold, collected or otherwise disposed of or until the fair value of the investment falls below the acquisition cost, thus corresponding to an impairment loss, at which time the accumulated gain or loss is recorded in the income statement. This decision requires judgement. To make this judgment, Grupo Visabeira assesses, among other factors, the changes in stock prices and the time/duration for which the market value of the shares is lower than the acquisition cost.

2.5.2 Financial Liabilities

Financial liabilities are classified according to the substance of their contractual arrangement, regardless of the legal form, and are classified as follows:

- a) Financial liabilities measured at fair value through profit and loss
- b) Bank loans;
- c) Accounts payable.

a) Financial liabilities measured at fair value through profit and loss

This category includes financial liabilities held for trading and derivatives that do not qualify as hedge accounting instruments and are initially classified as such.

Gains and losses resulting from a change in the fair value of financial liabilities at fair value through profit and loss are recorded in the income statement for the period.

b) Bank loans

Loans are initially recognised at their fair value, minus transaction costs incurred and are subsequently measured at their depreciated cost. Any differences between the issuing value (net of transaction costs incurred) and the nominal value is recognised under profit and loss during the term of the loans, according to the effective interest method.

Loans obtained are classified as current and non-current liabilities (in the latter case when their maturity exceeds 12 months after the balance sheet date).

c) Accounts payable

Outstanding balances to suppliers and other accounts payable are initially recorded at their nominal value, which is understood to be their fair value and subsequently at their amortised cost, in accordance with the effective interest method (whenever the effect of time is significant)

2.5.3 Equity instruments

Equity instruments are classified according to the substance of their contractual arrangement, regardless of its legal form. Equity instruments issued by companies of the Group are recorded at the value of proceeds received, net of any costs related to their issuance.

Own shares are recorded at their acquisition value as a deduction from equity. Gains or losses incurred in the disposal of own shares are recorded under "Other reserves" and are not considered in the results for the period in which they occur.

2.5.4 Derivatives and hedge accounting

On 31 December 2013, a series of derivative financial instruments was contracted, primarily aiming at minimising the risk of exposure to changes in interest rates.

The contracting of such financial instruments was made after a careful analysis of the risks and benefits inherent to this type of operation and a survey of various institutions involved in the market. These operations are subject to prior approval by the Executive Committee and involve the continuous monitoring of the evolution of financial markets and positions held by the Group. The market value (*fair value*) of these instruments is determined at regular intervals throughout the year, in order to enable a continuous assessment of these instruments and their financial implications. Derivative financial instruments are initially measured at fair value on the contract date and are subsequently remeasured at fair value on the balance sheet date.

The classification of a derivative as a hedging instrument complies with the provisions of IAS 39.

A hedging relationship exists when:

- there is formal documentation of such relationship on the date of the contract;
- there is an expectation that the hedging will be highly effective;
- the effectiveness of the hedging can be reliably measured;
- the hedging is continually assessed and proves highly effective throughout the financial reporting period;
- concerning a planned transaction, it must be highly probable.

Changes in the fair value of derivative instruments classified as fair value hedges are recognised as financial income for the period.

Changes in the fair value of derivative instruments designated as cash flow hedges are recognised as equity, in its effective component, and as financial results in its non-effective component. Amounts recognised in equity are transferred to income when the hedged item also has effects on income.

When derivative financial instruments, although contracted for the purpose of hedging, according to the Group's risk management policies, do not comply with all requirements stipulated in IAS 39 to qualify for hedge accounting, they are classified as derivatives held for trading and the respective changes in fair value are recorded as results for the period.

When there are derivatives embedded in other financial instruments or other contracts, these are treated as separate derivatives in situations where the risks and characteristics are not closely related to contracts, and in situations where the contracts are not presented at fair value with unrealised gains or losses recorded in the income statement.

2.5.5 Cash and cash equivalents

The heading cash and cash equivalents includes cash, demand deposits and treasury investments with short maturities and quickly mobilisable, without significant risk of changes in value.

For the purposes of the cash flow statement, the heading "Cash and cash equivalents" also includes bank overdrafts included in the caption "Bank loans," and the financial assets held for trading.

2.6 TANGIBLE ASSETS

Tangible fixed assets are recorded at their acquisition cost, net of any accumulated depreciations and impairment losses.

Subsequent costs are included in the carrying amount of the asset or recognised as separate assets, when future economic benefits are likely to flow to the company, surpassing the originally assessed performance standard of the existing asset and the cost of the asset for the company can be reliably measured. All other subsequent expenditure is recognised as expenses in the period it is incurred.

Financial charges related to the financing of the production/acquisition of assets that require a substantial period of time to be ready for use are added to the cost of those assets.

Depreciations

Lands are not depreciated, except those used for mining activities. The depreciation of the remaining assets is calculated by applying the straight-line method, on a duodecimal basis, to the acquisition amount. The annual rates applied satisfactorily reflect the economic useful life of assets.

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, on each balance sheet date.

The depreciation rates applied correspond, on average, to the following estimated useful lives:

Depreciation rates

	2013	2012
Land and natural resources	2.50%	2.50%
Buildings and other edifications	2.00% - 50.00%	2.00% - 50.00%
Basic equipment	0.67% - 33.33%	6.67% - 33.33%
Transportation equipment	16.66% - 25.00%	16.66% - 25.00%
Tools and utensils	4.00% - 25.00%	4.00% - 25.00%
Administrative equipment	4.00% - 10.00%	4.00% - 10.00%

2.7 INVESTMENT PROPERTIES

These include lands and buildings held to earn rental income or for capital appreciation, or both, and that are not used in the course of normal business.

Investment properties are initially measured at their acquisition cost, including transaction costs. Subsequently, investment properties are measured at fair value.

Gains or losses arising from changes in the fair value of investment properties are recorded in the income statement, in the year in which they are generated.

Investment properties are de-recognised when they are disposed of or when they are decommissioned with no expectations of future economic benefits resulting from their removal. Any gains or losses arising from the de-recognition of investment properties are recognised in the income statement of that year.

Costs incurred with investment properties in use, such as maintenance, repairs, insurance and property taxes, are recognised in the consolidated income statement, in the period to which they relate.

The transfer to, or from, investment property shall be made when, and only when, there is a change in its use. In the transfer of an investment property carried at fair value to an owner-occupied property, the cost considered for subsequent accounting shall be its fair value on the date of the change in use. If an owner-occupied property becomes an investment property carried at fair value, the Group must use the same accounting principles that apply to tangible fixed assets, up to the date of the change in use.

The Group considers that properties held to earn rents or for capital appreciation shall be classified as investment properties. If the Group begins the development or construction of a building with the intention of selling it, it must be transferred to inventory. If this property is measured at fair value, this transfer must be measured at fair value on the date of the transfer and that shall be the cost considered for the recognition of the property in inventory.

2.8 LEASES

Leasing contracts for which the Group substantially assumes all the risks and rewards inherent to their ownership are classified as finance leases.

Finance lease contracts are recorded on the contract commencement date as assets and liabilities at either the fair value of the leased property or the present value of future lease payments, whichever is lower.

Assets acquired under finance leases are depreciated in accordance with the policy established by the company for tangible fixed assets.

Rents are calculated as the financial cost plus the financial repayment of the capital. The financial costs are allocated to the respective period during the term of the lease at a constant periodic interest rate on the lessor's remaining net investment.

Rents classified as operating leases, namely due to the lack of an intention to purchase the asset, are recognised as expenses in the financial year.

2.9 INTANGIBLE ASSETS AND GOODWILL

2.9.1 Intangible assets

All intangible assets are recorded at their acquisition cost minus accumulated depreciations and impairment losses.

Depreciation is calculated on the acquisition value, by the straight-line method on a duodecimal basis for its useful life (usually 3 years).

Costs related to internally generated intangible assets and own brands are recorded in the income statement for the period as they are incurred.

Costs of research carried out in the quest for new technical or scientific knowledge or in the quest for alternative solutions, are recognised under results when incurred. Development costs are capitalised when the technical feasibility of the product or process under development can be proven, and when the Group intends and is able to complete its development and begin its marketing or use.

2.9.2 Goodwill

Positive differences in consolidation (goodwill) represent the excess of the acquisition cost over the fair value of identifiable assets and liabilities on the date of their acquisition or first consolidation, and are recorded as non-current assets (goodwill associated with the acquisition of subsidiaries is recorded in financial investments). Negative differences in consolidation (badwill) represent the excess of the fair value of identifiable assets and liabilities on the date of acquisition, on the acquisition value, and are recorded in profit or loss. Goodwill related to investments in companies based abroad, acquired after 1 January 2005, is recorded in those companies' reporting currency and translated into Euro at the exchange rate in effect on the balance sheet date. Exchange rate differences arising from the translation of foreign currencies are recognised in equity.

Goodwill is not depreciated and any impairment losses, determined annually on the balance sheet date or whenever there are indications of a possible loss of value are deducted from the goodwill amount. Any loss in value or impairment is recorded in the income statement for the period and cannot be subsequently reversed.

2.10 IMPAIRMENT OF TANGIBLE AND INTANGIBLE FIXED ASSETS

Assets that have an indefinite useful life are not subject to depreciation but are subject to annual impairment tests. Impairment tests are also performed for assets that, having a finite useful life, are subject to depreciation, whenever circumstances change and their carrying value may not be recoverable.

An impairment loss is the amount by which the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value, net of costs to sell, and its value in use, which results from future cash flows updated based on pre-tax discount rates that reflect the present value of the capital and the risk specific to the asset(s) concerned.

To determine the recoverable amount, the assets are analysed individually or grouped at the lowest level for which they are identified separately as cash-flow generating unit. A cash-generating unit (CGU) is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Whenever the carrying amount of the asset is higher than its recoverable amount, an impairment loss is recognised in the income statement, in the period to which it relates. If this loss is subsequently reversed, the carrying amount of the asset is increased accordingly, but it can never be higher than the amount that would be recognised if the impairment loss had not been recorded. The impairment reversal is also recognised in the income statement in the period to which it relates.

2.11 ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

This category includes assets or groups of assets whose value is realisable through a sale transaction or jointly as a group in a single transaction, and any liabilities directly associated with these assets that are transferred in the same transaction. For this situation to take place, the sale needs to be highly probable (expected to be realised within less than 12 months) and the asset has to be available for immediate sale in its present condition, in addition to the Group's commitment in effecting the sale.

The depreciation of assets in these conditions ceases from the moment they are classified as held-for-sale. On 31 December 2012 and 2013, there are no assets in these conditions.

2.12 INVENTORIES

Inventories are valued at either cost or net realisable value, whichever is lower. The net realisable value is the selling price minus cost to sell.

Raw materials and consumables - Includes lands for future real estate projects which are valued at purchase price plus the cost of purchase, which is lower than its market price. The remaining raw materials and consumables are valued at purchase price plus the cost of purchase, including storage.

Finished goods and work in progress - When corresponding to fractions of buildings for sale in completed developments and products in progress, these are valued at production cost, which is lower than their market value. Production cost includes the cost of raw materials used, direct and indirect labour, subcontracts, other fixed and variable costs and financial charges. Financial charges considered correspond to the actual borrowing costs incurred on financing agreements that explicitly refer to the development, to the maximum extent, within reason, concerning its application.

Other finished goods and work in progress are valued at production cost, which includes all direct costs and manufacturing overheads.

Goods are valued at their average purchase price, including shipping and storage costs.

2.13 PROVISIONS

Provisions are created in the balance sheet whenever the Group has a present obligation (legal or implicit) resulting from a past event and whenever a decrease in resources, which can be reasonably estimated, incorporating economic benefits is likely to be demanded in order to clear the obligation.

- Restructuring: A provision for restructuring is recognised after the formal approval of a restructuring operation, once it has been started or made public. Operating expenses shall not be included in the value of such provision.
- Onerous Contracts: A provision for onerous contracts is recognised when the benefits expected from the fulfilment of the contract are lower than the costs arising from the obligations arising from it.

Provisions for the costs involved in the dismantling, removing of goods and restoration of the site are recognised when the goods begin to be used and if the respective obligation can be reliably estimated. The amount of the provision recognised is the present value of the obligation, and the financial update is recorded in results as a financial cost, in the heading "net interest."

Provisions are reviewed and updated on the balance sheet date, so as to reflect the best estimate of the obligation in question at that time.

2.14 CONTINGENT ASSETS AND LIABILITIES

Contingent liabilities are not recognised in the consolidated financial statements; they are presented in the Notes, unless the possibility of a cash outflow is remote, in which case they are not subject to disclosure.

Contingent assets are not recognised, and are only disclosed when there is a likelihood of a future economic benefit.

2.15 INCOME TAX

Income tax is calculated based on the taxable results of the companies included in the scope of consolidation and it includes deferred taxation.

Grupo Visabeira is covered by the special scheme for the taxation of groups of companies, which includes all companies in which the Group directly or indirectly holds at least 90% of the share capital and which are based in Portugal and subject to Corporate Income Tax (IRC).

The remaining subsidiary companies, not covered by the special scheme for the taxation of groups of companies, are taxed individually, based on their respective taxable results and applicable tax rates.

Deferred tax is calculated based on the balance sheet liability method, from temporary differences between the accounting value of the assets and liabilities in question and the respective tax base. No deferred tax is calculated on consolidation differences or on temporary differences in the initial recognition of an asset or liability when it does not affect the accounting or tax results. The tax base of assets and liabilities shall reflect the tax consequences arising from the way the Group expects, on the reporting date, to recover or settle the carrying amount of its assets and liabilities, based on decisions that, from the fiscal point of view, are substantially implemented on the date of the consolidated income statement.

The amount of tax to be included either in the current or deferred taxes resulting from the transactions or events recognised in equity is recorded directly in these same headings and does not affect the income statement for the financial year.

Deferred tax assets are recognised whenever it is likely that future taxable profit will be generated in excess of the profits arising from the reversal of existing taxable temporary differences, against which the assets can be used. Active deferred taxes are reviewed on a yearly basis and are reduced whenever they are not likely to be used.

Deferred taxes are determined by tax (and legal) rates enacted or substantially enacted on the balance sheet date, which are expected to apply in the period in which the deferred tax asset is realised or the deferred tax liabilities are settled. According to the legislation in force, the income tax rate considered is 23% and, in situations not related to tax losses, a 1.5% surcharge is added to the value of temporary differences that originated deferred tax assets or liabilities.

2.16 EMPLOYEE BENEFITS

2.16.1 Provisions for retirement pensions - defined benefit plan

Some of the Group's companies have assigned pension schemes to former employees, in the form of a defined benefit plan, which is a pension plan that defines the amount of pension benefit that an employee will receive upon retirement, usually dependent on one or more factors such as age, years of service and remuneration. The Group has in place various retirement benefit plans, some managed by the Group and others by FUTURO, of Grupo Montepio.

The liability amount recognised in the balance sheet which concerns defined benefit plans is the present value of the defined benefit obligation on the balance sheet date. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows, using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Any actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised directly as equity.

Past-service costs are recognised immediately in results, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, past-service costs are amortised on a straight-line basis over the vesting period.

Gains or losses resulting from the curtailment or settlement of a defined benefit plan are recognised in the results of the financial year in which the curtailment or settlement takes place. A curtailment occurs when there is a material reduction in the number of employees or the establishment plan is changed so that the defined benefits are reduced, with material effects, thus causing a reduction in the plan's liability.

2.16.2 Cessation of employment

Employment termination benefits are due when there is termination of employment before the normal retirement date or when an employee accepts voluntary redundancy in exchange for those benefits. The Group recognises these benefits in the profit-and-loss statement, provided it can prove to be forced to eliminate current positions, according to a detailed formal plan for terminations and there being no realistic alternative, or if these benefits are granted to encourage voluntary termination. Where termination benefits fall due more than 12 months after the balance sheet date, they shall be discounted to their current value.

2.16.3 Holiday, holiday pay and bonuses

According to the labour law, employees are entitled to 22 annual leave days, as well as one month of holiday allowance, vested in the year prior to their payment. These liabilities are recorded when incurred, regardless of when they are paid, and are reflected in the heading "Accounts payable and other."

2.16.4 Labour Compensation Fund (LCF) and Labour Compensation Guarantee Fund (LCGF)

With the publication of Law no. 70/2013 and subsequent legislation through Order no. 294-A/2013, on 1 October, the Labour Compensation Fund (LCF) and Labour Compensation Guarantee Fund (LCGF) entered into force. In this context, companies that hire a new employee are required to deduct a percentage of their salary for these two new funds (0.925% for LCF and 0.075% for LCGF), in order to ensure the future partial payment of the corresponding compensation in case of dismissal.

Taking into account the characteristics of each Fund, the following was considered:

- Monthly payments made by the employer to LCGF are recognised as expenses in the period when they occur.
- The monthly payments made by the employer to LCF are recognised as a financial asset of that entity, measured at fair value and with the respective changes recognised in profit or loss.

2.17 MEASUREMENT AT FAIR VALUE

The Group measures part of its financial assets as financial assets available for sale and held for trading, and some of its non-financial assets, such as investment properties, are measured at fair value on the reference date of the financial statements.

The fair value measurement assumes that the asset or liability is exchanged in a transaction between market participants to sell the asset or transfer the liability, on the measurement date, under the current market conditions.

The fair value measurement is based on the assumption that the transaction to sell the asset or transfer the liability can take place: on the main market of such assets and liabilities, or, in the absence of a main market, it is assumed that the transaction takes place in the most advantageous market. The most advantageous market is that which maximises the amount that would be received upon the sale of the asset or that minimises the amount that would be paid to transfer the liability, considering transaction and transportation costs.

Because different entities and different businesses within a single entity can have access to different markets, the main or most advantageous market for the asset or liability can vary from one entity to another, or even between businesses within the same entity, but it is assumed that they are accessible to the Group.

Fair value measurement relies on assumptions that market participants would use in pricing the asset or liability, assuming that market participants would use the asset to maximise its value and use.

The Group uses valuation techniques that are appropriate to the circumstances and for which there is sufficient data to measure the fair value, maximising the use of relevant observable data, and minimising the use of non-verifiable inputs.

All assets and liabilities measured at fair value or for which disclosure is mandatory are classified according to a fair value hierarchy, which classifies the data to be used in the fair value measurement into three levels, as detailed below:

Level 1 - Quoted market prices, unadjusted, in active markets for identical assets or liabilities, accessible to the entity on the measurement date;

Level 2 - Valuation techniques using inputs that, although not quoted, are directly or indirectly observable;

Level 3 - Valuation techniques using inputs not based on observable market data, i.e., based on non-observable data.

The fair value measurement is classified entirely in the same level of the fair value hierarchy at the lowest level of input most meaningful for measurement as a whole.

2.18 INFORMATION BY SEGMENT

Business segment

A business segment is a distinguishable component of the Group, engaged in providing an individual product or service, and subject to different risks and rewards in relation to other business segments. Their internal organisational and management structure, as well as their reporting system, are geared toward the analysis of business performance by activity.

Geographical segment

A geographical segment is an individual area of the Group committed to providing products or services within a particular economic environment, which is subject to risks and rewards that are different from those of other areas operating in other economic environments. The Group has subsidiaries in Angola, Mozambique and France, so these countries are identified as geographical segments.

2.19 SUBSEQUENT EVENTS

Any events occurring after the date of the balance, which may provide additional information on the conditions that existed on the date of the balance, shall be reflected upon the consolidated financial statements. Any events after the date of the balance which may provide information on the conditions that occurred after the date of the balance, if material, are presented in the notes to the consolidated financial statements.

3. JUDGMENTS AND ESTIMATES

In the preparation of the consolidated financial statements in accordance with IAS/IFRS, the Board of Directors of Grupo Visabeira, SGPS, uses estimates and assumptions that affect the application of policies and the amounts reported. Estimates and judgements are continually assessed and are based on experience of past events and other factors, including expectations concerning future events considered likely to take place under the circumstances on which the estimates are based or the result of acquired information or experience. The most significant accounting estimates reflected in the consolidated financial statements are the following:

a) Analysis of goodwill impairment

The Group conducts annual tests on goodwill to check for impairment. The recoverable amounts of cash-generating units were determined based on the value-in-use method. The use of this method requires the estimation of future cash flows from the operations of each cash-generating unit and the choice of a suitable discount rate.

b) Valuation and useful life of intangible assets

The Group has made assumptions in the estimation of future cash flows from the intangible assets acquired as part of company acquisition processes, including the estimated future revenues, discount rates and useful lives of said assets.

c) Recognition of provisions and adjustments

The Group is a party in various legal proceedings for which, based on the opinion of its legal advisers, it makes a judgement to determine whether a provision should be recorded for such contingencies (note 42). Adjustments for accounts receivable are calculated mainly based on the ageing of the accounts receivable, on the customers' risk profile and on their financial situation. Estimates related to adjustments for accounts receivable differ from business to business.

The Group's policy regarding the imposing of ceilings on loans granted, be it nationally or internationally, relies on companies specialising in credit risk coverage.

Excluding state agencies and customers with higher national and international credit ratings, it is noted that the average internal risk exposure is 20%. However, a detailed analysis of the changes in annual provisions clearly demonstrates that there is almost zero risk of non-collection. Furthermore, the Group has access to major market databases, which, together with its technical analysis team, allows for a clear assessment and minimised credit risk.

d) Fair value of investment properties

The Group relies on external entities to calculate the fair value of investment properties. Note 24 describes the assumptions used, as well as the respective sensitivity analysis. An appraisal is an estimate of the market value but it is not a guarantee of the value that would be obtained in a transaction. In addition, other evaluators can legitimately calculate a different market value.

e) Calculation of the fair value of financial instruments

The Group chooses the method of assessment it deems appropriate for financial instruments not quoted in an active market based on its best knowledge of the market and of the assets, applying the valuation techniques commonly used in the market and using assumptions based on market rates.

f) Analysis of impairment of available-for-sale financial assets

The Group considers that there is an impairment of available-for-sale financial assets when there is a prolonged or significant devaluation of their fair value. This determination requires judgement. When making the decision, the Group's Executive Committee evaluates, among other variables, the normal volatility of share prices. In the specific case of the Zon Multimédia, EDP and Portugal Telecom shares held, impairment losses have already been recognised (see note 26) and ZON Multimédia (in 2012) and EDP (in 2013) have already partially reversed this impairment (into equity).

Estimates were based on the best information available on the date of the preparation of the consolidated financial statements. However, situations may occur in subsequent periods, which, not being foreseeable at the time, were not considered in these estimates. Changes to these estimates, which occur after the date of the consolidated financial statements, are corrected in results on a prospective basis, in accordance with IAS 8.

4. CHANGES TO ACCOUNTING POLICIES

These consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IAS/IFRS) issued by the "International Accounting Standards Board" (IASB) and the Interpretations issued by the "International Financial Reporting Interpretations Committee" (IFRIC) or the former "Standing Interpretations Committee" (SIC), adopted by the EU and in force for financial years started 1 January 2013. The most relevant accounting policies used in the preparation of these financial statements can be found in Section 2. These policies were consistently applied during the comparative periods, except where stated otherwise.

The consolidated financial statements were prepared based on the assumptions of continuity of operations, accrual basis, consistency of the presentation, materiality and aggregation, no compensation and comparative information.

During the year 2013, there were no voluntary changes in accounting policies in relation to those considered in the preparation of the financial information of the previous year presented in the comparative statements.

With regard to new standards and interpretations, the following issues, revisions, amendments and improvements were introduced to the standards and interpretations used:

(1) Revisions, amendments and improvements to the standards and interpretations endorsed by the EU with effects on the accounting policies and disclosures adopted by the company/group as of 1 January 2013

- **IFRS 13 Fair value measurement (Issuance).** IFRS 13 provides a single framework for measuring fair value in accordance with IFRS. IFRS 13 does not indicate when an entity should use fair value, but it provides guidance on how fair value should be measured whenever it is permitted or required.

Fair value is defined as the "price that would be received in the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants on the measurement date."

The adoption of IFRS 13 had no significant impacts on the Group. According to the requirements of the other IFRS, and whenever necessary, additional disclosures are presented in each note for each asset or liability. The fair value hierarchy is presented in note 41.

- **IAS 1 - Presentation of financial statements (Amendment).** The amendment to IAS 1 changes the aggregation of items presented in the Statement of Comprehensive Income. Items that may be reclassified (or "recycled") as future profit or loss (for example, on the date of derecognition or settlement) shall be presented separately from items not likely to be reclassified as profit or loss (e.g., revaluation reserves set forth in IAS 16 and IAS 38).
This amendment does not alter the nature of the items that must be recognised in the Statement of Comprehensive Income, nor whether they should or not be likely to be reclassified to future profits or losses.
- **IAS 19 - Employee Benefits (Revised).** IAS 19 - Employee Benefits (Revised) includes the following major changes:
 - the elimination of the option to defer the recognition of actuarial gains and losses, known as "corridor method;" Actuarial Gains and Losses are recognised in the Statement of Comprehensive Income when they occur. Amounts recognised in profit or loss are limited to current and past service cost (which includes gains and losses on curtailments), gains and losses on settlement and costs/income related to net interest. All other changes in the net value of the asset (liability) arising from the defined benefit plan shall be recognised in the Statement of Comprehensive Income without subsequent reclassification as profit or loss.
 - The objectives for disclosures relating to defined benefit plans are explicitly referred to in the revision of the standard, as are any new or revised disclosures. These new disclosures include quantitative information regarding sensitivity analyses on the liability of defined benefits to possible changes in each of the actuarial assumptions.
 - Employment termination benefits must be recognised at the moment immediately before: (i) a commitment to their assignment cannot be revoked, and (ii) the provision for restructuring is constituted in accordance with IAS 37.
 - The distinction between short- and long-term benefits shall be based on the timeliness of the settlement of the benefit, regardless of the employee's entitlement to benefit having already been given.
- **IAS 12 - Income taxes.** The amendment to IAS 12 clarifies that the calculation of deferred taxes on investment property measured at fair value under IAS 40 shall be made taking into account its recovery through its future sale. However, this presumption can be repealed if the entity has a business plan that demonstrates that the recovery of such tax shall be effected through the use of the investment properties.

Additionally, the amendment states that deferred taxes recognised for non-depreciable tangible fixed assets that are measured in accordance with the revaluation model shall be calculated on the assumption that their recovery will be effected through their sale.

- **IFRS 1 - First-time adoption of international financial reporting standards – Hyperinflationary economies**
- **IFRS 1 First-time adoption of international financial reporting standards (Amendment) and IFRS 9 and IAS 20 Accounting for government subsidies and disclosure of government assistance**
- **IFRS 7 Offsetting financial assets and financial liabilities (Amendment)**
- **IFRIC 20 - Stripping costs in the production phase of a surface mine**
- **Annual improvements in relation to the 2009-2011 cycle.** With regard to improvements relating to the 2009-2011 annual cycle, IASB issued amendments on five standards, whose abstracts are presented below:

IFRS 1 (Amendment) - First-time adoption of international financial reporting standards

IAS 1 (Amendment) Presentation of financial statements

IAS 16 - Tangible fixed assets

IAS 32 - Financial Instruments

IAS 34 - Interim Financial Reporting

(2) The standards and interpretations recently issued by IASB and endorsed by the European Union, whose application is mandatory only for financial years begun after 1 January 2013, and which were not subject to early adoption by the company/group are the following:

- **IFRS 10 - Consolidated financial statements.** IASB issued IFRS 10 - Consolidated Financial Statements, which replaces the consolidation requirements provided for by SIC 12 - Consolidation - Special Purpose Entities and IAS 27 - Consolidated and Separate Financial Statements. IFRS establishes a new control concept that shall apply to all entities and special-purpose vehicles. The changes introduced by IFRS 10 will require management to use a significant amount of judgement to determine which entities are controlled and, therefore, included in the consolidated financial statements of the parent company.
- **IFRS 11 - Joint arrangements.** IFRS 11:
 - supersedes IAS 31 – Interests in joint ventures and SIC 13 – Jointly controlled entities - non-monetary contributions by venturers.
 - It changes the concept of joint control and removes the option to account for a jointly controlled entity through the proportional consolidation method, prescribing that an entity account for its interests in these entities through the equity method.
 - It also defines the concept of joint operations (combining the existing concepts of controlled assets and jointly controlled operations) and redefines the concept of proportionate consolidation for these operations; thus, each entity shall record in its financial statement the absolute or relative interests it has in assets, liabilities, income and expenses.
- **IFRS 12 - Disclosure of interests in other entities.** IFRS 12 – Disclosure of interests in other entities establishes the minimum disclosures in respect to subsidiaries, joint ventures, associated companies and other non-consolidated entities. This standard includes, therefore, all the disclosures that were mandatory under IAS 27 – Consolidated and Separate Financial Statements relating to the consolidated accounts, as well as the disclosures included in IAS 31 – Interests in Joint Ventures and IAS 28 – Investments in Associates, besides any new additional information.
- **IAS 27 - Consolidated and Separate Financial Statements (Revised in 2011).** With the introduction of IFRS 10 and IFRS 12, IAS 27 merely provides for the accounting treatment concerning subsidiaries, joint ventures and associates in separate accounts.
- **IAS 28 - Investments in associates and joint ventures.** With the amendments to IFRS 11 and IFRS 12, IAS 28 has been renamed and it now describes the application of the equity method also for joint ventures, similarly to what already happened with associates.
- **IFRS 10, IFRS 12 and IAS 27 (Amendments) – Investment Entities**
- **IAS 32 – Financial instruments (Offsetting financial assets and financial liabilities)**
- **IAS 36 - Impairment of assets (Amendment): Disclosure of the recoverable amount for non-financial assets**
 - **IAS 39 - Financial Instruments (Amendment): Novation of derivatives and continuation of hedge accounting** No material impacts are expected from the application of these standards and interpretations on the financial statements of the Group, although the impacts of the adoption of IFRS 10 are still under assessment.

(3) Standards and interpretations issued by IASB but not yet endorsed by the European Union

- **IFRS 9 – Financial Instruments (introduces new requirements for classifying and measuring financial assets and liabilities).** The first phase of IFRS 9 – Financial Instruments addresses the classification and measurement of financial assets and liabilities. IASB continues to work on and discuss issues related to impairment and hedge accounting, in order to review and completely replace IAS 39. IFRS 9 applies to all financial instruments that fall within the scope of IAS 39.

- **IAS 19 R - Employee Benefits (Amendment): Employee Contributions**

- **Annual improvements in relation to the 2010-2012 cycle.**

IFRS 2 - Share-based Payment

IFRS 3 - Business Combinations

IFRS 8 - Operating Segments

IFRS 13 - Measurement at fair value

IAS 16 - Tangible fixed assets

IAS 24 - Related Party Disclosures

IAS 38 - Intangible Assets

- **Annual improvements in relation to the 2011-2013 cycle.** In terms of annual improvements in relation to the 2011-2013 cycle, IASB introduced 4 improvements in 4 standards, whose abstracts are presented below:

IFRS 1 - First-time adoption of the International Financial Reporting Standards

IFRS 3 - Business Combinations

IFRS 13 - Measurement at fair value

IAS 40 - Investment Properties

- **IFRIC 21 - Levies (Issuance)**

5. GROUP COMPANIES INCLUDED IN THE CONSOLIDATION

	Conditions for inclusion	Registered office	% of capital owned	
			2013	2012
GRUPO VISABEIRA, SGPS, SA		Viseu	Parent company	Parent company
VISABEIRA GLOBAL				
Comatel - Const. Manut. Sistemas Telecomunicações, Lda		Luanda	100.00%	100.00%
Constructel - Constructions et Telecommunications Belgique		Mons	99.98%	99.98%
Constructel - Constructions et Telecommunications, SARL		Valence	99.96%	99.96%
Constructel África, SA		Maputo	100.00%	-
Constructel Infra-Structures, SAS.		Santo Domingo	51.00%	51.00%
Constructel GmbH		Berlin	99.98%	99.98%
Constructel Sweden AB		Stockholm	99.99%	99.99%
Edivisa - Empresa de Construção Lda		Luanda	100.00%	100.00%
Edivisa - Empresa de Construções, SA		Viseu	100.00%	100.00%
Electrotec - Projecto, Execução e Gestão de Redes de Energia, Lda	a)	Maputo	49.00%	49.00%
Electrovisa, Lda.		Luanda	100.00%	100.00%
Fibroglobal - Comunicações Electrónicas SA		Viseu	94.98%	94.98%
Gatel, SAS		Domessin	100.00%	100.00%
Hidroáfrica - Comércio e Indústria, SARL		Maputo	85.52%	85.52%
Intelvisa, Gestão de Participações, SA	a)	Maputo	50.00%	50.00%
Naturenergia - Agro-Energias, SA		Viseu	100.00%	100.00%
PDT - Projectos e Telecomunicações, SA		Lisbon	99.29%	99.29%
Real Life - Tecnologias de Informação, SA		Algés	65.00%	65.00%
Real Life Advanced Technologies Academy MZ, S.A.		Maputo	65.70%	65.70%
Real Life Technologies MZ, S.A.		Maputo	65.70%	65.70%
SCI Constructel		Valence	100.00%	100.00%
Selfenergy Moçambique, SA	a)	Maputo	34.60%	34.60%
Sogitel - Sociedade de Gestão Imobiliária, Lda		Maputo	90.00%	90.00%
Televisa - Sociedade Técnica de Obras e Projectos, Lda	a)	Maputo	50.00%	50.00%
Televisa Marrocos, SA		Casablanca	100.00%	100.00%
TVCABO - Comunicações Multimédia, Lda	a)	Maputo	50.00%	50.00%
TVCABO Angola, Lda	a)	Luanda	50.00%	50.00%
Viatel - Tecnologia de Comunicações, SA		Viseu	99.29%	99.29%
Vibeiras, Sociedade Comercial de Plantas, SA	a)	Maputo	34.35%	34.35%
Visabeira - Sociedade Técnica de Obras e Projectos, Lda		Viseu	60.00%	60.00%
Visabeira Digital - Sistemas Informação e Multimédia, SA	b)	Viseu	-	100.00%
Visabeira Global, SGPS, SA		Viseu	100.00%	100.00%
Visabeira Investigação & Desenvolvimento Tecnológico, SA	b)	Viseu	-	100.00%
Visacasa - Serviços de Assistência e Manutenção Global, SA		Cacém	100.00%	100.00%
Visagreen, SA		Viseu	100.00%	100.00%
Visaqua - Gestão de Infra- estruturas e Serviços, Ambientais, SA	a)	Maputo	25.50%	25.50%
Yetech, SA	a)	Cancun	30.00%	30.00%
Visabeira Indústria				
Agrovisa - Agricultura e Pecuária, Lda		Maputo	100.00%	100.00%
Álamo - Indústria e Desenvolvimento Florestal, Lda		Luanda	100.00%	100.00%
Ambitermo - Engenharia e Equipamentos Térmicos, SA		Cantanhede	51.00%	51.00%
Ambitermo Maroc Chaudieres Industrielles, SARL		Casablanca	51.00%	51.00%
Bordalgest, SA		Lisbon	56.00%	56.00%
Celmoque - Cabos de Energia e Telec. de Moçambique, SARL		Maputo	70.38%	70.38%
Cerexport - Cerâmica de Exportação, SA *		Aveiro	81.37%	76.89%
Cerutil - Cerâmicas Utilitárias, SA		Sátão	100.00%	100.00%
Faianças Artísticas Bordallo Pinheiro, Lda	a)	Caldas da Rainha	47.04%	47.04%
Faianças da Capôa - Industria de Cerâmica, SA *		Aveiro	81.37%	76.89%
Granbeira - Soc. de Exploração e Com. de Granitos, SA		Viseu	98.75%	98.75%
Granbeira II - Rochas Ornamentais, SA		Vouzela	100.00%	100.00%
Marmonte - Mármore de Moçambique, SARL		Maputo	80.00%	80.00%
Mob - Indústria de Mobiliário, SA		Viseu	97.77%	97.77%
Mob Cuisines, SASU		Paris	97.77%	-
Pinewells, SA		Arganil	63.53%	63.53%
Ria Stone - Fábrica de Louça de Mesa em Grés, SA*		Ílhavo	81.37%	76.89%
Tubangol - Tubos de Angola, Lda		Luanda	100.00%	100.00%
Visabeira Indústria, SGPS, SA		Viseu	100.00%	100.00%
Visaconstroí - Construção e Gestão Imobiliária, Lda		Luanda	100.00%	100.00%

Visabeira Indústria (cont.)

Vista Alegre Atlantis, SA*		Lisbon	81.37%	76.89%
Vista Alegre Atlantis Brasil - Comércio, Importação e Exportação, SA*		Vitória	62.14%	57.66%
Vista Alegre Atlantis Imobiliária e Investimento, SA.*		Ílhavo	81.37%	-
Vista Alegre Atlantis Moçambique, Lda.*		Maputo	81.37%	76.89%
Vista Alegre Atlantis, SGPS SA		Ílhavo	81.37%	76.89%
Vista Alegre Atlantis UK LTD.*		London	81.37%	76.89%
Vista Alegre Atlantis USA *		Nova Iorque	81.37%	-
Vista Alegre Espanha, SA*		Madrid	81.37%	76.89%
Vista Alegre Grupo - Vista Alegre Participações, SA*		Lisbon	80.83%	76.35%
Vista Alegre Renting, Lda*		Ílhavo	81.37%	76.89%

Visabeira Turismo

Convisa Turismo, Lda	a)	Luanda	50.00%	50.00%
Empreendimentos Tur. Montebelo - Soc. Tur. e Recreio, SA		Viseu	99.83%	99.83%
Imobiliária Panorama, Lda.		Maputo	70.00%	-
Inhambane Empreendimentos, Lda		Maputo	80.00%	80.00%
Movida - Empreendimentos Turísticos, SA		Viseu	99.83%	99.83%
Mundicor - Viagens e Turismo, SA		Viseu	100.00%	100.00%
Prato Convivas - Sociedade Hoteleira, Lda	a)	Viseu	100.00%	50.00%
Ródia - Sociedade Beiraltina de Turismo e Diversões, SA		Viseu	100.00%	100.00%
Turvisa - Empreendimentos Turísticos, Lda		Maputo	100.00%	100.00%
Turvisa, Lda	a)	Lubango	30.00%	30.00%
VAA - Empreendimentos Turísticos, SA		Ílhavo	98.12%	95.55%
Visabeira Turismo, SGPS, SA		Viseu	100.00%	100.00%
Zambeze - Restauração, S.A	a)	Lisbon	50.00%	50.00%

Visabeira Imobiliária

Ifervisa - Sociedade de Promoção e Desenvolvimento Imobiliário, SA		Lisbon	100.00%	-
Imovisa - Imobiliária de Moçambique, Lda	a)	Maputo	49.00%	49.00%
Visabeira Imobiliária, SA		Viseu	100.00%	100.00%
Visabeira Imobiliária, SGPS, SA		Viseu	100.00%	100.00%

Visabeira Participações Financeiras

1101 Solutions, Unipessoal Lda.		Viseu	100.00%	100.00%
Agrovisa - Agricultura e Pecuária, Lda		Luanda	100.00%	100.00%
Arte e Cena - Proj., Obras e Constr. Cinematográficas, Lda	c)	Viseu	-	90.00%
Autovisa - Serviços Auto, SARL		Maputo	80.00%	80.00%
Benetrónica - International Commerce, Imp. e Exportação, SA		Lisbon	100.00%	100.00%
Catari Angola, Lda	a)	Luanda	50.00%	50.00%
Combustíveis do Songo, SA		Songo	100.00%	-
Convisa Engenharia, Lda	a)	Luanda	50.00%	50.00%
Digispirit - Gestão e Exploração de Espaços Comerciais, Lda		Viseu	100.00%	100.00%
Imensis - Soc. Gestão Empreem. Imobiliários, Lda	a)	Maputo	49.00%	49.00%
Iutel - Infocomunicações, SA	a)	Viseu	50.00%	50.00%
Joafil - Acessórios Automóveis, Lda	c)	Viseu	-	90.00%
Mercury Comercial, Lda		Maputo	100.00%	100.00%
Mercury Comercial, Lda		Luanda	100.00%	100.00%
Mercury South Africa, Lda		Johannesburg	100.00%	100.00%
PDA - Parque Desportivo de Aveiro, SA		Aveiro	54.57%	54.57%
Predibeira - Compra e Venda de Propriedades, Lda	a)	Viseu	50.00%	50.00%
PTC - Serviços de Telecomunicações, SA		Lisbon	100.00%	100.00%
Rentingvisa, Unipessoal Lda		Viseu	100.00%	100.00%
Telesp Telecomunicaciones, Electricidad y Gas de España, SA		Madrid	100.00%	100.00%
Visabeira Angola - Investimento e Participações, Lda		Luanda	100.00%	100.00%
Visabeira Espanha, SA		Madrid	100.00%	100.00%
Visabeira Estudos e Investimentos, SA		Viseu	100.00%	100.00%
Visabeira Investimentos Financeiros, SGPS, SA	b)	Viseu	-	100.00%
Visabeira Moçambique, Lda		Maputo	100.00%	100.00%
Visabeira Participações Financeiras, SGPS, SA		Viseu	100.00%	100.00%
Visabeira Pro - Gestão de Serviços Partilhados, Lda	b)	Viseu	-	100.00%
Visabeira Saúde, SA		Viseu	100.00%	100.00%
Visarocha - Rochas de Angola, Lda		Luanda	100.00%	100.00%
Visasecil - Prestação From Services, Lda.		Luanda	100.00%	100.00%
Visatur - Empreendimentos Turísticos, Lda		Luanda	100.00%	100.00%
Visauto - Reparações Auto, Lda		Luanda	100.00%	100.00%

Visabeira Turismo e Imobiliária, SGPS, SA

Viseu	100.00%	-
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* Consolidated by VAA, SGPS, listed company.

a) The undertakings listed above are considered subsidiaries and are consolidated using the full consolidation method, as Grupo Visabeira has the power to govern the financial and operating policies of these companies and obtain benefits from their activities. In the assessment of the existence of actual control, particular aspects were taken into account, such as the holding of majority voting rights, management agreements, and representation in corporate bodies.

b) Companies merged into Visabeira Pro - Estudos e Investimentos, SA

c) Companies merged into Benetrónica - International Commerce, Imp. e Exportação, SA

6. JOINTLY CONTROLLED COMPANIES

	Registered office	% of Capital owned 2013	% of capital owned 2012
Visabeira Global			
ACEEC - A.C.E. Eléctricas do Centro, ACE	Viseu	50.00%	50.00%
Domingos da Silva Teixeira/Visabeira, ACE	Lisbon	50.00%	50.00%
Visabeira Imobiliária			
Ifervisa - Sociedade de Promoção e Desenvolvimento Imobiliário, SA	Lisbon	-	50.00%

In the financial year 2013, the Group acquired the remaining 50% of Ifervisa, becoming its sole owner and therefore applying the comprehensive method of consolidation (see note 5).

7. ASSOCIATED COMPANIES

	Registered office	2013	Holding 2012	Equity 2013	Net result 2013	Carrying value 2013	2012	Effect of the E.M. 2013	2012
VISABEIRA GLOBAL									
Beiragás, SA	Viseu	23.52%	23.52%	30,009,398	4,319,227	9,131,312	8,153,837	977,475	946,194
Beiragás, SA - Empréstimos	-	-	-	-	-	2,238,111	1,246,543	-	-
Visabeira Imobiliária									
Figueira Paranova, SA *	Figueira da Foz	-	48.00%	-	-	-	0	-	0
Visabeira Turismo									
Doutibelo, Lda	Viseu	19.97%	19.97%	1,724,353	-565,304	2,995,217	3,108,278	-113,061	-100,507
Doutibelo, Lda - empréstimos	-	-	-	-	-	1,606,497	-	-	-
Lipilichi Holdings, Lda	Port-Louis	15.00%	15.00%	27,510	0	36	36	0	0
Mtdendele Holdings, Lda.	Port-Louis	25.00%	25.00%	2,562	0	55	55	0	0
Sem Amarras, SA	Viseu	19.97%	19.97%	1,504,978	-204,361	1,755,258	1,796,131	-40,872	-55,319
Sem Amarras, SA - empréstimos	-	-	-	-	-	5,153,325	-	-	-
Visabeira Participações Financeiras									
Gevisar, SA	Stª Mª da Feira	30.00%	30.00%	25,250,829	-831,709	4,212,884	4,660,111	-249,513	197,714
Martifer Amal, S.A.	Maputo	35.00%	-	818,927	-409,726	286,625	-	-222,493	-
Payshop, Lda	Maputo	35.00%	35.00%	-857,837	-167,171	0	0	0	0
Porto Salus Azeitão, SA	Setúbal	40.00%	40.00%	3,003,758	0	1,391,379	1,391,379	0	0
TOTAL						28,770,705	20,356,374	351,536	988,081

* In the process of dissolution

The following table shows the Group's proportional share in the balance sheets and income statements of the companies listed above:

	Year	Assets	Liabilities	Income	Expenses
Visabeira Global					
Beiragás, SA	2012	21,730,394	14,672,183	5,832,167	4,847,566
	2013	21,860,070	13,785,769	5,421,109	4,405,226
Visabeira Turismo					
Doutibelo, Lda	2012	1,856,227	1,398,972	61,460	161,816
	2013	1,855,683	1,510,920	29,093	141,985
Lipilichi Holdings, Lda	2012	489,049	501,283	63	16,424
	2013	308,837	513,094	0	0
Mtdendele Holdings, Lda.	2012	4,352	3,877	11,900	11,734
	2013	3,866	3,253	0	0
Sem Amarras, SA	2012	1,966,629	1,651,737	13,559	68,781
	2013	1,970,114	1,669,644	27,459	68,331
Visabeira Imobiliária					
Figueira Paranova, SA *	2012	2,075,273	2,263,353	105,927	67,032
	2013	-	-	-	-

	Year	Assets	Liabilities	Income	Expenses
Visabeira Participações Financeiras					
Payshop, Lda	2012	87,441	387,683	494	59,003
	2013	60,195	344,641	0	0
Porto Salus Azeitão, SA	2012	8,206,993	7,003,924	0	1,566
	2013	9,058,458	7,856,955	0	0
Gevisar, SA	2012	13,183,150	5,829,376	344,873	316,828
	2013	13,157,001	5,581,752	82,707	332,220
Martifer Amal, S.A.	2012	-	-	-	-
	2013	1,742,446	1,455,822	265,985	409,389
TOTAL 2012		49,599,506	33,712,389	6,370,442	5,550,751
TOTAL 2013		50,016,671	32,721,851	5,826,353	5,357,150

8. OTHER FINANCIAL INVESTMENTS

Capital holdings	Registered office	%	Book Value 2013	%	Book Value 2012
Non-current					
Fractalnema, SA	Viseu	19.00%	5,527,270	19.00%	5,527,270
Twin City Maputo, Lda	Maputo	40.00%	383,794	40.00%	383,794
Parque de Ciência e Inovação (PCI)	Ílhavo	5.00%	375,000	5.00%	375,000
Fundação Visabeira, ISS	Viseu	85.09%	360,000	85.09%	360,000
HPP Viseu	Viseu	35.00%	210,000	35.00%	210,000
Transcom - S. F. C. Auditoria T. Comunicações, SARL	Maputo	22.00%	193,174	22.00%	193,174
TF Turismo Fundos - SGFII, S.A.	Lisbon	2.50%	137,574	2.50%	137,574
Moçambique Companhia de Seguros, SARL	Maputo	5.00%	97,382	5.00%	97,382
Duofil, Lda	Pedrôgrão Grande	3.17%	75,000	3.17%	140,000
PIM - Parque Industrial da Matola, SARL	Maputo	5.66%	74,315	5.66%	74,315
Açor Pensões	Ponta Delgada	5.00%	49,880	5.00%	49,880
Imersys Ceramic	Maputo	n.a.	42,000	n.a.	48,000
Lusitânia Gás - Companhia de Gás do Centro, SA	Aveiro	0.04%	26,784	0.04%	7,784
Centro Venture - Soc. Capital de Risco, SA	Coimbra	3.33%	25,000	3.33%	25,000
Associação Inov Paredes	Paredes	10.00%	25,000	10.00%	25,000
Gestinviseu - Parques Empresariais de Viseu, SA	Viseu	4.00%	19,952	4.00%	19,952
Garval		n.a.	11,263	n.a.	11,263
Hospital Nossa Senhora da Arrábida, Lda	Azeitão	20.00%	10,200	-	-
Itexample, ACE	Santarém	1.54%	10,000	1.54%	10,000
Norgarante		n.a.	9,430	n.a.	9,430
Lisgarante		n.a.	9,183	n.a.	9,183
Oeirasexpo, SA	Oeiras	12.75%	8,500	12.75%	8,500
Sinergestão, Lda	Maputo	n.a.	5,425	n.a.	5,425
Sinergisa, Lda	Maputo	n.a.	1,492	n.a.	1,492
Base Force, Lda	Viseu	20.00%	1,000	20.00%	1,000
Other capital holdings			25,391		5,126
			7,714,010		7,735,544
Financing loans					
Fractalnema, SA	Viseu		2,500,005		2,500,005
Base Force, Lda	Viseu		397,870		296,620
			2,897,875		2,796,625
Capitalisation insurance			0		18,000,000
Loans to shareholders			18,000,000		0
Advances for financial investments			131,215		137,856
TOTAL			28,743,100		28,670,025

At the end of 2013, the Group had a balance of financial investments in the amount of 18 million euros, pertaining to a loan granted to the majority shareholder in June 2013. This financing is paid at a rate of 5% with possibility of revision in case of subsequent market changes or changes in the cost of the Group's financing, with a maturity period of 6 years (maturing on 21 June 2019). The capitalisation insurance was redeemed on its maturity date.

9. CHANGES IN THE SCOPE OF CONSOLIDATION

		% Held	Date	Value
Acquisitions / Constitutions				
Combustíveis do Songo	Constitution	100.00%	1/5/2013	2,421
Constructel África, SA	Constitution	100.00%	15/7/2013	145,243
Hospital Nossa Senhora da Arrábida, SA	Constitution	20.00%	30/8/2013	10,200
Mob Cuisines	Constitution	97.77%	7/3/2013	100,000
VAA I.L. - Sociedade Imobiliária, SA	Constitution	81.37%	13/5/2013	100,000
Visabeira Turismo e Imobiliária, SGPS, SA	Constitution	100.00%	23/7/2013	50,000
Vista Alegre Atlantis USA, Lda.	Constitution	81.37%	1/3/2013	36,256

TOTAL **444,120**

		% Sold	Date	Value
Disposals / Dissolutions				
Arte e Cena - Proj., Obras e Constr. Cinematográficas, Lda	Merger	90.00%	27/12/2013	179,567
Constructel Romania	Dissolution	100.00%	1/7/2013	154,138
Joafil - Acessórios Automóveis, Lda	Merger	90.00%	27/12/2013	179,567
Visabeira Digital - Sistemas Informação e Multimédia, SA	Merger	100.00%	27/12/2013	50,000
Visabeira Investigação & Desenvolvimento Tecnológico, SA	Merger	100.00%	27/12/2013	100,000
Visabeira Investimentos Financeiros, SGPS, SA	Merger	100.00%	27/12/2013	187,000,000
Visabeira Pro - Gestão de Serviços Partilhados, Lda	Merger	100.00%	27/12/2013	600,000

TOTAL **188,263,273**

The impact of changes in the scope of consolidation of assets and liabilities is not significant, as it relates to company incorporations.

10. DISCONTINUED ACTIVITIES

In the financial years of 2013 and 2012, there were no discontinued operations.

Similarly, from 31 December 2013, to the present date, there are no decisions to discontinue operating activities.

11. MAIN INDICATORS BY SEGMENT

a) By area of activity	Years	Global	Industry	Tourism	Real Estate	Financial Holdings	Total
Turnover	2012	386,142,476	98,718,678	33,621,030	3,301,258	12,170,606	533,954,047
	2013	393,636,561	108,171,626	32,578,707	10,685,133	17,783,336	562,855,363
EBITDA	2012	46,435,309	7,050,784	13,071,588	790,048	3,873,308	71,221,037
	2013	50,363,317	9,103,713	12,851,445	3,083,566	7,118,727	82,520,768
Operating results*	2012	37,624,484	1,645,659	8,587,812	637,074	3,183,700	51,678,729
	2013	37,993,161	-1,786,165	7,975,059	5,262,713	10,141,565	59,586,332
Net income	2012	28,055,659	605,650	1,815,302	-1,485,665	-21,414,225	7,576,721
	2013	15,901,428	-6,800,850	5,643,727	668,903	-10,971,252	4,441,956
Tangible/intangible assets**	2012	126,836,966	168,974,025	122,998,940	2,608,527	21,716,102	443,134,559
	2013	181,092,650	185,515,130	122,298,238	2,438,611	23,804,084	515,148,712
Inventories	2012	43,176,788	36,523,211	203,693	83,407,510	6,318,034	196,629,235
	2013	52,134,890	38,865,098	344,998	88,549,122	5,628,402	185,522,511

b) By geographical area	Years	Portugal	Mozambique	Angola	France	Belgium	Spain	Other	Total
Turnover	2012	341,199,410	72,083,404	49,874,616	56,830,488	6,116,331	5,835,224	2,014,573	533,954,047
	2013	328,410,920	81,209,465	70,192,246	65,862,352	5,717,900	5,643,451	5,819,028	562,855,363
EBITDA	2012	33,929,852	14,798,921	21,748,505	1,546,987	245,483	-875,465	-173,245	71,221,037
	2013	42,438,441	15,268,854	25,121,364	1,509,534	236,819	-982,122	-1,072,123	82,520,768
Operating results*	2012	15,806,105	11,054,569	24,560,390	1,275,882	148,294	-977,562	-188,948	51,678,729
	2013	27,553,763	14,955,267	18,949,625	1,110,842	123,542	-1,057,222	-2,049,484	59,586,332
Net income	2012	-10,509,344	1,925,471	16,551,796	753,331	43,883	-983,976	-204,441	7,576,721
	2013	-7,922,443	2,762,714	11,336,178	573,324	40,327	-1,211,068	-1,137,076	4,441,956
Tangible/intangible assets**	2012	322,638,590	55,050,451	62,406,521	2,200,351	312,945	343,802	181,899	443,134,559
	2013	377,159,581	62,913,137	71,040,389	2,695,904	249,302	381,183	709,217	515,148,712
Inventories	2012	147,116,815	12,477,766	8,093,975	6,650	0	611,868	1,322,161	196,629,235
	2013	158,709,907	14,635,214	9,644,722	224,587	100,279	542,981	1,664,822	185,522,511

* Excluding the effect of non-recurring phenomena (fair value of investment property and reversal of customer impairments)

** Note 25

12. OWN WORK CAPITALISED

	2013	2012
Construction of new network infrastructures in Mozambique (TVCABO)	2,905,020	1,159,832
Stores and buildings (Vista Alegre and Ria Stone)	497,836	788,235
Recovery, restoration and creation of new moulds and dies	160,037	381,919
Works at Parque Desportivo de Aveiro	122,407	125,206
Software development and application	93,000	0
Exhibition furniture	59,561	293,705
Benguela Quarry	28,033	103,403
Construction of new network infrastructures in Angola (TVCABO)	11,380	109,891
Montebelo Golf and Tourist Village Development	0	107,938
Other	0	208,435
TOTAL	3,877,275	3,278,564

13. OTHER INCOME AND EXPENSES

Other Income	2013	2012
Supplementary income	8,023,122	6,236,482
Investment grants	239,055	236,786
Corrections regarding previous financial years	153,106	50,240
Gains in current stocks	0	627
TOTAL	8,415,284	6,524,134
Other Expenses		
Taxes	3,440,911	2,886,039
Bad debts	118,980	354,993
Corrections regarding previous financial years	26,113	147,412
Losses on tangible fixed assets	6,665	66,954
Fines and penalties	0	80,327
Other	2,429,301	400,588
TOTAL	6,021,971	3,936,311

The caption supplementary income includes insurance claims and other non-financial income, such as rents and disposals of tangible fixed assets.

14. EXTERNAL SUPPLIES AND SERVICES

	2013	%	2012	%
Subcontracts	116,796,784	55%	121,798,745	71%
Leases and rentals	16,578,111	8%	16,807,241	6%
Specialised work	15,482,448	7%	12,171,008	3%
Maintenance and repairs	8,727,032	4%	6,239,703	3%
Fuel	8,088,284	4%	8,002,299	3%
Electricity	7,358,490	3%	7,676,223	3%
Transport of goods	6,037,591	3.0%	5,792,980	1%
Marketing	5,036,102	2%	3,420,349	1%
Insurance	3,839,612	2%	3,637,323	1%
Communication	3,214,314	2%	3,341,434	1%
Travel and accommodation	2,977,847	1%	2,288,020	1%
Surveillance and security	2,659,715	1%	2,474,512	1%
Commissions	2,529,740	1%	2,546,021	1%
Fast-wearing tools and utensils	2,290,401	1%	1,766,615	1%
Cleaning, hygiene and comfort	1,773,737	1%	1,691,569	1%
Office supplies	683,277	0%	781,578	0%
Representation expenses	358,379	0%	651,295	0%
Fees	22,947	0%	1,109,399	0%
Other	7,839,746	4%	6,585,694	1%
TOTAL	212,294,557	100%	208,782,009	100%

The heading "other operating costs" includes corrections for previous periods.

15. STAFF COSTS

	2013	2012
Staff remuneration	91,782,218	83,202,626
Social Security contributions	17,335,731	15,812,872
Remuneration of Corporate Bodies	1,274,646	1,302,252
Insurance	895,893	926,116
Social action expenses	756,023	698,911
Other	1,505,039	2,644,996
TOTAL	113,549,551	104,587,773

The reduction in subcontracts is offset by the increase in staff costs (note 15).

During the year 2013, the average number of employees working for the Group was 8,099, distributed by sector and country as follows:

Average number of employees by business	2013	2012
Global	3,718	2,932
Industry	2,325	2,272
Tourism	854	791
Real Estate	606	535
Financial Holdings	597	555
TOTAL	8,099	7,085

Average number of employees by country	2013	2012
Portugal	3,796	3,727
Mozambique	2,516	2,041
Angola	1,137	866
France	552	388
Belgium	88	60
Germany	9	0
Dominican Republic	0	3
TOTAL	8,099	7,085

16. DEPRECIATIONS

	2013	2012
Amortisations in intangible fixed assets		
Development projects	380,112	326,758
Other intangible assets	120,665	100,176
Total amortisations in intangible fixed assets	500,777	426,934
Amortisations in tangible fixed assets		
Land and natural resources	649,681	457,303
Buildings and other edifications	8,684,068	7,092,646
Basic equipment	6,403,362	5,022,908
Transportation equipment	2,653,398	1,922,850
Administrative equipment	845,926	1,191,473
Other tangible assets	3,197,225	3,428,194
Total amortisations in tangible fixed assets	22,433,660	19,115,373
TOTAL DEPRECIATION	22,934,436	19,542,308

17. PROVISIONS AND IMPAIRMENT LOSSES

	2013	2012
Increases in provisions	5,311,164	2,647,867
Reductions in provisions	-3,638,228	-11,621,869
	1,672,936	-8,974,002

In 2012, the reversal of provisions and adjustments included the amount of 6.5 million euros concerning the receipt, in December 2012, of a significant amount from a major customer in Angola and 5 million euros from the current recovery of loans considered unrecoverable in the past.

18. INTEREST BORNE, NET

	2013	2012
Interests borne		
Loans obtained	-30,151,995	-33,649,269
Interest rate swap	0	1,828,420
	-30,151,995	-31,820,849
Interest earned		
Loans obtained	2,037,740	2,204,531
	2,037,740	2,204,531
TOTAL	-28,114,255	-29,616,318

The interest rate swaps were fully settled in January 2013.

19. GAINS/(LOSSES) ON LISTED SHARES

	2013	2012
Financial assets held for trading (see note 27)	366,282	105,533
Available-for-sale financial assets - impairment (see note 27)	-13,925,659	-20,345,520
Gains/(losses) on disposal	2,195,901	0
Dividends	11,534,674	23,345,326
Interest from loans related to financial assets	-9,602,984	-13,703,483
TOTAL	-9,431,786	-10,598,144

The effect of the renegotiation of the maturities of commercial papers (see 38.1), together with the debt reduction resulting from the disposal of EDP shares led to a decrease in interest borne on financial assets in the amount of 4.1 million euros.

The added value of 2 million euros resulted from the sale of EDP shares.

The dividends received are detailed as follows:

	2013	2012
Portugal Telecom, SA	7,683,938	15,367,875
EDP - Electricidade de Portugal, SA	3,010,960	6,857,749
ZON Multimédia SGPS, SA	839,776	1,119,702
TOTAL	11,534,674	23,345,326

20. OTHER FINANCIAL EXPENSES (NET)

	2013	2012
Unfavourable exchange rate differences	-5,817,072	-13,982,267
Other expenses	-3,347,968	-3,534,215
Cash payment discounts granted	-76,117	-81,059
Favourable exchange rate differences	3,667,960	9,237,639
Cash payment discounts obtained	60,860	55,518
Other income	49,544	204,329
TOTAL	-5,462,792	-8,100,056

Operations in Mozambique resulted in a negative contribution of 1.3 million euros (3 million euros in 2012) to the net balance of foreign exchange rate differences, whereas operations in Angola contributed positively by 200,000 euros (negative 1.2 million euros in 2012).

21. INCOME TAX

	2013	2012
Current tax	-10,727,818	-6,855,805
Deferred income tax	-5,949,258	3,021,178
Income tax for the financial year	-16,677,075	-3,834,627
	2013	2012
Deferred tax asset		
Tax losses	9,836,169	15,839,958
Adjustment and provisions not accepted for tax purposes	2,908,210	3,508,962
Fiscal adjustment in transition	1,950,396	3,145,892
Tax benefits	350,804	561,773
Changes in exchange rates	253,077	1,008,071
Results not realised in intragroup operations	233,306	245,866
Deferred taxes resulting from adjustments to fixed asset accounts	247,554	138,345
Total deferred income tax assets	15,779,515	24,448,867
Deferred income tax liabilities		
Difference from the fair value of investment properties	18,227,692	18,313,987
Fair value of intangible assets	17,844,320	19,396,000
Free revaluation reserves (formerly National Accounting Plan - POC)	15,321,620	16,268,747
Difference from the fair value of lands	2,824,638	3,212,986
Fiscal adjustment in transition	322,765	322,765
Adjustment and provisions not accepted for tax purposes	85,080	0
Changes in exchange rates	82,777	249,412
Other adjustments resulting from the consolidation	70,834	73,084
Legal revaluation reserves (formerly National Accounting Plan - POC)	0	6,346
Total deferred income tax liabilities	54,779,726	57,843,327
	2013	2012
Income statement		
Consolidated income before taxes	21,119,031	11,411,348
Income tax for the current financial year	-10,727,818	-6,855,805
Deferred income tax		
Fair value of intangible assets	1,551,680	0
Free revaluation reserves (formerly National Accounting Plan - POC)	953,472	187,983
Difference from the fair value of lands	388,347	0
Deferred taxes resulting from adjustments to fixed asset accounts	109,209	0
Difference from the fair value of investment properties	86,295	295,015
Other adjustments resulting from the consolidation	2,250	0
Results not realised in intragroup operations	-12,560	76,397
Tax benefits	-210,970	-814,884
Changes in exchange rates	-588,359	987,133
Adjustment and provisions not accepted for tax purposes	-1,029,337	-1,823,238
Fiscal adjustment in transition	-1,195,496	-1,450,711
Tax losses	-6,003,790	5,134,365
Other	0	429,116
Deferred income tax	-5,949,258	3,021,178
Income tax for the fiscal year	-16,677,075	-3,834,627

The high effective tax rate is explained by the non-deductibility of impairment losses in the shares of Portugal Telecom and by the de-recognition of deferred tax assets related to tax losses, as it is not likely that they will be used before the respective maturity dates.

22. TANGIBLE ASSETS

	Land	Buildings	Basic equipment	Transportation equipment	Administrative equipment
Opening Balance on 1 January 2012	19,588,159	184,067,618	64,089,646	6,850,370	3,595,768
Increases	719,492	3,656,424	11,039,841	3,483,360	380,224
Disposals/Transfers	5,963,535	3,792,735	2,720,517	588,213	1,473,198
Exchange Rate Effect	-29,240	-4,005,007	-2,066,735	-420,884	-112,957
Impairment	0	30,942	11,866	-58,328	2,851
Depreciations in the financial year	-457,303	-7,092,646	-5,022,908	-1,922,850	-1,191,473
Closing balance on 31 December 2012	25,784,644	180,450,066	70,772,227	8,519,881	4,147,612

On 31 December 2012

Acquisition cost	27,218,689	262,034,818	174,062,500	25,033,366	22,382,740
Accumulated depreciation	1,380,525	81,510,176	103,282,826	16,455,158	18,233,730
Impairment losses	53,520	74,575	7,447	58,328	1,397
Tangible assets	25,784,644	180,450,066	70,772,227	8,519,881	4,147,612

Opening Balance on 31 December 2013	25,784,644	180,450,066	70,772,227	8,519,881	4,147,612
Increases	261,309	39,716,774	13,775,325	10,622,236	1,123,059
Disposals/Transfers	551,126	-1,055,130	-824,317	1,495,761	479,491
Changes in the scope of consolidation	0	0	0	0	12,434
Exchange Rate Effect	-49,355	-2,944,889	-2,154,559	-373,797	-69,629
Impairment	4,000	19,828	-40	58,328	1,397
Depreciations in the financial year	-649,681	-8,684,068	-6,403,362	-2,653,398	-845,926
Closing balance on 31 December 2013	25,902,044	207,502,581	75,165,274	17,669,010	4,848,438

On 31 December 2013

Acquisition cost	27,426,263	296,655,245	187,817,129	35,625,275	23,723,737
Accumulated depreciation	1,474,700	89,097,917	112,644,368	17,956,265	18,875,299
Impairment losses	49,519	54,747	7,487	0	0
Tangible assets	25,902,044	207,502,581	75,165,274	17,669,010	4,848,438

	Other tangible fixed assets	Tangible in-progress assets	Advance payments on account of tangible assets	TOTAL
Opening Balance on 1 January 2012	5,074,071	32,257,939	6,864,321	322,387,892
Increases	693,366	38,838,727	1,323,500	60,134,933
Disposals/Transfers	4,725,276	-13,243,605	0	6,019,870
Exchange rate effect	-81,703	-189,264	0	-6,905,789
Impairment	-19,383	-2,296	0	-34,348
Depreciations in the financial year	-3,428,194	0	0	-19,115,373
Closing balance on 31 December 2012	6,963,433	57,661,501	8,187,821	362,487,184
On 31 December 2012				
Acquisition cost	36,100,343	57,661,501	8,187,821	612,681,778
Accumulated depreciation	29,111,790	0	0	249,974,206
Impairment losses	25,120	0	0	220,387
Tangible assets	6,963,433	57,661,501	8,187,821	362,487,184
Opening Balance on 1 January 2013				
Increases	1,543,894	29,036,683	980,924	97,060,203
Disposals/Transfers	4,008,567	-1,995,118	34,146	2,694,527
Changes in the scope of consolidation	0	0	0	12,434
Exchange rate effect	54,324	-408,570	0	-5,946,475
Impairment	24,672	0	0	108,186
Depreciations in the financial year	-3,197,225	0	0	-22,433,660
Closing balance on 31 December 2013	9,397,665	84,294,496	9,202,891	433,982,399
On 31 December 2013				
Acquisition cost	36,994,923	84,294,496	9,202,891	701,739,960
Accumulated depreciation	27,596,810	0	0	267,645,359
Impairment losses	448	0	0	112,202
Tangible assets	9,397,665	84,294,496	9,202,891	433,982,399

INVESTMENT IN TANGIBLE AND IN-PROGRESS ASSETS

The most significant investments in 2013 were the following:

GLOBAL

In the area of telecommunications and construction, highlight goes, for the second consecutive year, to the investment made by Fibroglobal for the construction and implementation of Next-Generation Networks, in the amount of 29 million euros. In Angola, TVCABO invested the largest amounts, in the expansion of the existing network, amounting to 13.7 million euros. In Mozambique, TVCABO invested 9 million euros in the conversion of the networks to FTTH in Maputo and for network maintenance.

In this area, some costs were also capitalised, namely external supplies and services, financial charges and staff costs, with higher incidence in TVCABO Angola and TVCABO Moçambique.

INDUSTRY

In this area, after the cycle of heavy investments aimed at increasing operating efficiency, with emphasis on quality and environmental adaptation of production units, a new phase began, characterised by a selective and integrated policy of analysis and approval of fixed capital investments, in order to ensure the competitiveness of its assets. Thus, in 2013, the investment amounted to 23.6 million euros, mainly spent by Vista Alegre Atlantis (21.4 million euros), with highlight going to the amount invested on the ongoing Ria Stone project, for the construction of the new plant (16 million euros)

TOURISM

In this area, we highlight the investment made by Turvisa, in the amount of 1.6 million euros, for two new units in Songo and Gorongosa, and also for basic equipment and furniture for the various administrative units, as well as the acquisition of new vehicles.

FINANCIAL HOLDINGS

In this sub-holding, highlight goes to Parque Desportivo de Aveiro, which invested 911,000 euros in the ongoing project.

23. GOODWILL

	Year of acquisition	Goodwill amount	
		2013	2012
Visabeira Global			
Viatel – Tecnologia de Comunicações, SA	1997, 2002	14,997,178	14,997,178
Edivisa - Empresa de Construções, SA	1993, 2002	888,354	888,354
Gatel, SAS	2008	869,778	869,778
Electrotec, Lda	2008	768,337	768,337
Visabeira Indústria			
Granbeira - Soc. Expl. Com. Granitos, SA	1992, 1998, 2002	3,116,383	3,116,383
Granbeira II - Rochas Ornamentais, SA	1992, 1998, 2001, 2002	2,105,101	2,105,101
Mob - Indústria de Mobiliário, SA	1998, 2002	1,320,221	1,320,221
Cerutil - Cerâmicas Utilitárias, SA	1993, 2002	401,130	401,130
Visabeira Turismo			
Tourism ventures Montebelo, SA	1998, 2002	2,518,558	2,518,558
Visabeira Participações Financeiras			
Visabeira Moçambique, SARL	2001, 2002	3,390,676	3,390,676
PDA - Parque Desportivo de Aveiro, SA	2008	894,659	894,659
Other		1,637,928	1,296,432
TOTAL		32,908,305	35,566,809

For the purpose of impairment testing, goodwill was distributed by cash-generating units, which correspond to reportable business segments. The Board of Directors, based on the projected cash flows of those segments, discounted at the applicable rate for each business, concluded that, on 31 December 2013, the carrying amount of financial investments, including goodwill, does not exceed their recoverable amount, with highlight, with regard to the relatively higher amount of goodwill attributed to the business developed by Viatel, going to this company's EBITDA (5.3 million euros in 2013 and 6.8 million euros in 2012).

24. INVESTMENT PROPERTIES

	2013	2012
Opening balance	245,123,803	247,053,155
Depreciations	-37,135	-14,405
Reclassification of fixed assets	-2,268,070	0
Change in fair value	5,862,932	-1,914,947
TOTAL	248,681,529	245,123,803
Palácio do Gelo Shopping	158,421,000	158,085,319
Village Turístico Golfe Montebelo Resort	60,484,613	60,234,613
Buildings Vista Alegre Atlantis	22,035,225	24,303,295
Visabeira Moçambique, Lda. (Development)	5,244,507	0
Edifício MOB 2	2,300,000	2,300,000
Visabeira Imobiliária, SA (Renting)	196,184	200,576
TOTAL	248,681,529	245,123,803

Investment properties are measured at fair value, calculated based on the valuations performed by independent entities, with reference to the balance sheet date.

It is noteworthy that across Europe there is still little clarity regarding prices, due to the sovereign debt crisis that emerged in recent years. This increases the uncertainty and potential volatility of assumptions derived from the financial market.

PALÁCIO DO GELO

The appraisal of Palácio do Gelo Shopping was based on the following assumptions:

	2013	2012
Discount rate	6.2% - 7.4%	6.3% - 7.3%
Perpetuity discount rate	7.4%	7.3%
Occupancy rate	98%	98%
Sales growth rate	-0.5% - 9%	-1.5% - 11%
Perpetuity growth rate	2.0%	2.0%

A decrease (increase) of 1 p.p. in the occupancy rate of stores would reduce (increase) the appraisal value to 157.3 million euros (159.6 million euros). These changes in occupancy rates, combined with the changes shown in the sensitivity analysis conducted on the discount rate, translates into a minimum value of 144.1 million euros (minus 1 p.p. in occupancy and plus 0.5 p.p. in the discount rate) and a maximum value of 175.8 million euros (plus 1 p.p. in occupancy and minus 0.5 p.p. in the discount rate).

The growth of variable rents associated only to 50% of the tenants' sales, provided in the baseline scenario, would translate into an amount of 154.5 million euros and an increase in the growth rate of variable rents by 1.5 percentage points would translate into an amount of 159.5 million euros; if coupled with a 0.5 pp increase in the discount rate, it would be 141.6 million euros. The growth in variable sales by 1.5 p.p., coupled with a decrease in the discount rate of 0.5 p.p. would increase the appraisal value to 175.7 million euros.

During 2013, the value of the rents paid for commercial spaces at Palácio do Gelo amounted to approximately 11.3 million euros and the number of visitors rose, from April 2008 to the present date, by 50.5 million. The occupancy rate on 31 December is 84%.

ALDEAMENTO TURÍSTICO E GOLFE MONTEBELO:

The Aldeamento Turístico e Montebelo Golfe Resort aims to address deficiencies and enhance the profile of the 27-hole Golf Course, in operation at the premises for many years. Besides enhancing and revitalising the area of Golf, it will enable its promotion and the recognition of the area as an urban location, connected to the city, creating a prestigious sport-tourism nucleus in one single unit. There are about 168,421 m² of construction, comprising houses (68,913 m²), apartments (70,506 m²) and a five-star hotel (29,003 m²). The intervention will target three different areas: the first addresses the real estate network, which is small and does not clash with the second area, Resort. The third is a common area, with services, equipment and commerce. Therefore, the fair value of the plots allocated to housing is 45.9 million euros, to apartments 11.3 million euros and to the plot where the hotel unit will be built 2.4 million euros.

	Area	2013	2012
Land for houses	68,913 m ²	45,900,000	45,400,000
Land for apartment buildings	70,506 m ²	11,300,000	11,100,000
Land for hotel	29,003 m ²	2,400,000	2,850,000
Additions by construction of infrastructures		884,613	884,613
TOTAL	168,421 m²	60,484,613	60,234,613

VISTA ALEGRE PROPERTIES

The Vista Alegre Atlantis group owns property (land and buildings) that is not used in the ordinary course of the group's business, and is for sale, in its current state or after a process of valorisation. Because part of these properties generates income, taking into account the Group's activity, they may also be considered Investment Properties.

In 2013, the valuation of the overall investment properties was 35,000 euros and a set of properties where a hotel development is to be constructed were reclassified as tangible assets.

CONDOMÍNIO DE BELO HORIZONTE DEVELOPMENT (MOZAMBIQUE)

The Land where the Condomínio Belo Horizonte is to be built is integrated into a consolidated residential area, comprising medium-/high-quality houses and consists of 69 lots with a total area of 67,667 m². Its fair value, as calculated by an independent expert, after the issuing of permit No. 253/2013 on 16 December 2013, is 5.4 million euros.

The land where the development will be constructed has a total area of 67,667 m², and its fair value is 5.4 million euros.

25. INTANGIBLE ASSETS

	Development projects	Other assets Intangibles	Intangible assets intangible assets	Total
Opening Balance on 1 January 2012	1,012,699	78,880,270	165,816	80,058,784
Increases	238,694	636,638	14,683	890,015
Disposals/Transfers	32,366	-23,810	132,472	141,027
Exchange rate effect	-10,962	-4,554	0	-15,516
Depreciations in the financial year	326,758	100,176	0	426,934
Closing balance on 31 December 2012	946,038	79,388,368	312,970	80,647,375
On 31 December 2012				
Acquisition cost	3,285,262	80,436,087	312,970	84,034,320
Accumulated depreciation	2,339,224	1,047,719	0	3,386,944
Intangible assets	946,038	79,388,368	312,970	80,647,376
Opening Balance on 1 January 2013	946,038	79,388,368	312,970	80,647,376
Increases	968,873	324,095	0	1,292,968
Disposals/Transfers	-45,810	-158,245	-53,450	-257,506
Exchange rate effect	-23,037	7,289	0	-15,748
Depreciations in the financial year	380,112	120,665	0	500,777
Closing balance on 31 December 2013	1,465,952	79,440,841	259,520	81,166,314
On 31 December 2013				
Acquisition cost	3,634,581	81,172,921	259,520	85,067,022
Accumulated depreciation	2,168,629	1,732,080	0	3,900,709
Intangible assets	1,465,952	79,440,841	259,520	81,166,313

Under the heading "other," highlight goes to the value of the Vista Alegre brand name (80 million euros), calculated by a specialised independent entity.

For the purpose of impairment testing, the brand's value was attributed to the relevant cash-generating units (Vista Alegre porcelain and crystal segments), with a discount rate of 6.64%.

Simultaneously, the value of the brand is regularly evaluated by an external entity.

26. FINANCIAL ASSETS AVAILABLE FOR SALE

	2012		2013	
	Reserve fair value	Book Balance Sheet	Reserve fair value	Book value
Capital holdings				
Portugal Telecom, SA	0	88,637,176	0	74,711,517
EDP - Electricidade de Portugal, SA	0	83,771,166	6,184,676	43,455,484
ZON Multimédia, SGPS, SA	3,265,049	20,784,461	15,508,986	37,789,929
TOTAL	3,265,049	193,192,820	21,693,662	155,956,929

Highlight goes to the decline in the price of the shares of Portugal Telecom, with an impairment loss recorded in the period in the amount of 13.9 million euros. Since the date of acquisition, the cumulative devaluation of these shares amounts to 169.4 million euros.

With regard to EDP shares, in 2013, an increase of 6.2 million euros was recognised in equity (negative 3.7 million euros in 2012). The cumulative depreciation, since the date of acquisition, of the EDP shares held on the date of the balance sheet is 25.2 million euros. In 2013, the Group sold 48.6 million euros of EDP shares, thereby reducing its financial liabilities in the same amount.

The ZON Multimédia shares recorded an increase of 17 million euros (4.5 million euros in 2012), recognised in equity. The accumulated depreciation of these shares since their acquisition date is 36.3 million euros.

27. INVENTORIES

	Raw Materials	Goods	Finished products	Products and work	Total
31 December 2012					
Cost	33,342,861	24,532,290	93,966,073	32,786,174	184,627,398
Adjustments	-1,824,863	-2,555,042	-7,188,275	-3,429,983	-14,998,163
Inventory at acquisition cost or realisation amount, whichever is lower	31,517,998	21,977,248	86,777,798	29,356,191	196,629,235
31 December 2013					
Cost	38,810,999	28,085,904	115,915,935	25,601,539	208,414,377
Adjustments	-2,288,817	-3,468,307	-16,315,517	-819,225	-22,891,866
Inventory at acquisition cost or realisation or realisation value, whichever is lower	36,522,181	24,617,597	99,600,418	24,782,314	185,522,511

The adjustments made to "finished products" had the contribution of an assessment conducted by an independent entity to a real estate project, which led to a boost adjustment in the amount of 2.3 million euros.

28. CUSTOMERS AND OTHER DEBTORS

	2013	2012
Trade receivables - current account	130,101,860	136,633,563
Trade receivables - doubtful debts	17,911,489	16,018,289
Trade receivables - securities receivable	485,025	717,366
Outstanding balances from suppliers	4,552,590	532,128
	153,050,964	153,901,347
Debtor allowances	-14,554,299	-13,115,288
TOTAL	138,496,666	140,786,059

The amounts presented in the balance sheet are net of accumulated impairment losses for doubtful debts, which were estimated by the Group in accordance with its experience and based on its assessment of the economic environment. The Board of Directors believes that the carrying value of accounts receivable is close to its fair value. The customers of the companies of Grupo Visabeira that act as providers of infrastructures and telecommunications services are entities of recognised financial probity. This group includes entities such as local telecommunications operators, generally directly held by the State of each country, replacing credit risk with political risk. Examples of this are TDM – Telecomunicações de Moçambique, EDM – Eletricidade de Moçambique, Angola Telecom, France Telecom, Belgacom, Portugal Telecom, Zon, EDP and natural gas concession holders.

29. STATE AND OTHER PUBLIC ENTITIES

	Assets		Liabilities	
	2013	2012	2013	2012
Income tax	903,547	5,669,415	4,469,132	544,340
Third-party income tax withholding	121,738	158,865	378,967	319,701
Value-added tax	1,739,517	4,561,637	2,211,075	2,646,171
Social Security contributions	0	0	1,400,899	1,802,089
TOTAL	2,764,802	10,389,917	8,460,072	5,312,301

30. OTHER CURRENT ASSETS

	2013	2012
Current		
Margin accrual	67,468,282	53,487,084
Subsidiary companies - loans	28,689,764	21,899,406
Other debtors	12,010,391	6,824,992
Other accruals	10,748,995	11,295,017
Shareholders - loans	8,701,084	3,395,518
Advance payments to suppliers	6,055,421	6,182,518
Investment customers	891,980	895,079
TOTAL	134,565,918	103,979,615

The amount in "margin accrual" refers to income incurred in 2013 but to be billed in 2014, and is mainly related to the telecommunications business.

The amount receivable from subsidiaries, including Fractalnema, totals 22 million euros (12 million euros in 2011). In 2012, it also included amounts receivable from Doutibelo and Sem Amarras.

31. FINANCIAL ASSETS HELD FOR TRADING

	No. of shares		Book value	
	2013	2012	2013	2012
Capital holdings				
Banco Comercial Português, SA	3,945,767	3,945,767	666,256	295,933
Other capital holdings in listed companies	-	-	41,848	40,802
TOTAL			708,104	336,735

32. CASH AND CASH EQUIVALENTS

	2013	2012
Demand deposits	18,854,842	19,375,819
Term deposits	11,295,000	16,951,309
Treasury investments	2,011,254	93,344
Cash	172,930	377,319
TOTAL	32,334,027	36,797,791

33. SHARE CAPITAL

The authorised share capital is represented by 23,025,126 bearer shares, with a nominal value of five euros and the amount paid up is 115,125,630 euros.

On 31 December 2013, the majority shareholder Fernando Campos Nunes held, directly and indirectly, 78.2642% of Grupo Visabeira (2012: 77.9196%), with 18,020,434 shares.

34. OWN SHARES

Following a deliberation by the General Meeting of 25 November, 2010, Grupo Visabeira purchased 1,200,804 of its own shares, representing 5.22% of the share capital, in the amount of 16,290,767 euros.

On 23 July 2013, Grupo Visabeira approved the acquisition of own shares representing 4.78% of its share capital, corresponding to an amount of 16,433,716 euros (1,101,708 shares), fully paid up. As of 31 December, own shares correspond to 10% of the share capital.

35. EARNINGS PER SHARE

	2013	2012
Basic		
Net income of the year for the purpose of calculation	231,871	2,152,617
Weighted average number of shares for the purpose of calculation	21,269,468	21,820,322
Basic earnings per share	0.011	0.099
Diluted		
Net income of the year for the purpose of calculation	231,871	2,152,617
Weighted average number of shares for the purpose of calculation	21,269,468	21,820,322
Diluted earnings per share	0.011	0.099

36. RETAINED EARNINGS AND OTHER RESERVES

	2013	2012
Retained earnings	110,204,816	129,269,534
Reserves	51,472,085	35,181,246
Fair value reserve	21,693,662	3,265,050
Financial investments - <i>swaps</i>	-1,353,805	-1,933,608
Foreign currency translation reserves	-21,566,133	-18,531,127
TOTAL	160,450,625	147,251,095

Portuguese commercial law establishes that 5% of net profits must be transferred to a legal reserve until it represents at least 20% of the share capital. This reserve is not distributable and can only be integrated into equity or used to absorb losses after all other reserves are exhausted. Similarly, the balance of retained earnings is not fully available for distribution, as it included gains resulting from increases in the fair value of investment properties.

37. NON-CONTROLLING INTERESTS

	% of non-controlling interests		Book value		Attributed results	
	2013	2012	2013	2012	2013	2012
Visabeira Global						
TVCABO Angola, Lda	50.00	50.00	17,034,956	14,842,446	-3,125,724	4,919,193
Visabeira, Lda	40.00	40.00	3,013,853	2,811,291	202,562	249,223
TVCABO Moçambique, Lda	50.00	50.00	1,277,077	1,539,410	102,056	651,190
Televisa, Lda	50.00	50.00	937,432	862,230	238,320	256,545
Electrotec, Lda	49.00	49.00	516,967	722,630	-162,468	65,108
Visabeira Indústria						
Vista Alegre, SGPS, SA	18.71	23.42	8,291,266	11,272,753	-746,269	-826,855
Pinewells, SA	44.00	44.00	2,291,333	1,792,416	498,917	247,605
Ambitermo, SA	49.00	49.00	2,196,281	1,736,552	459,729	257,564
Bordalo Pinheiro, SA	44.00	44.00	543,053	521,320	21,733	44,809
Bordalgest, SA	16.01	16.01	522,562	498,365	26,831	22,259
Visabeira Participações Financeiras						
PDA, SA	45.00	45.00	1,794,595	1,818,819	-5,583	8,918
Other			1,900,710	1,091,277	448,532	-471,455
TOTAL			40,320,085	39,509,508	4,210,085	5,424,103

38. DEBT

	2013		2012	
	Current	Non-current	Current	Non-current
Commercial paper	15,300,000	299,200,000	84,850,000	298,100,000
Bank loans	55,376,399	155,193,027	57,472,963	164,375,642
Bond loans	64,000,000	56,000,000	0	60,000,000
Reimbursable grants	3,032,793	16,125,866	1,049,360	14,380,627
Financial leasing	4,573,389	46,537,783	5,404,016	46,349,108
TOTAL	142,282,580	573,056,676	148,776,340	583,205,378

38.1. COMMERCIAL PAPER

For the purpose of acquiring shares at EDP, PT and ZON Multimédia, Grupo Visabeira contracted the following commercial papers, for a period of six months, renewable for the same period up to 5 years, indexed to the 6-month Euribor, with firm underwriting commitment:

2013

	Amount	Current	Non-current	Settlement Date
Grupo Visabeira, SGPS, SA	145,000,000	0	145,000,000	20/12/2019
Grupo Visabeira, SGPS, SA	130,000,000	10,800,000	119,200,000	22/2/2023
TOTAL	275,000,000	10,800,000	264,200,000	

The following programmes to issue commercial papers were also contracted with a firm underwriting commitment:

	Amount	Current	Non-current	Settlement Date
Grupo Visabeira, SGPS, SA	27,500,000	0	27,500,000	20/12/2016
Visabeira Turismo, SGPS, SA	7,500,000	0	7,500,000	29/5/2015
Grupo Visabeira, SGPS, SA	2,500,000	2,500,000	0	12/7/2014
Grupo Visabeira, SGPS, SA	2,000,000	2,000,000	0	21/9/2014
TOTAL	39,500,000	4,500,000	35,000,000	

2012

	Amount	Current	Non-current	Settlement Date
Grupo Visabeira, SGPS, SA	150,000,000	0	150,000,000	22/02/2023
Grupo Visabeira, SGPS, SA	124,750,000	0	124,750,000	20/12/2019
Grupo Visabeira, SGPS, SA	10,000,000	10,000,000	0	30/6/2013
Visabeira Imobiliária SGPS, SA	20,000,000	20,000,000	0	30/6/2013
Visabeira Industria SGPS, SA	19,750,000	19,750,000	0	30/6/2013
TOTAL	324,500,000	49,750,000	274,750,000	

The following programmes to issue commercial papers were also contracted with a firm underwriting commitment:

	Amount	Current	Non-current	Settlement Date
Grupo Visabeira, SA	30,000,000	30,000,000	0	21/6/2013
Visabeira Turismo, SA	7,500,000	0	7,500,000	29/5/2014
Grupo Visabeira, SA	6,750,000	1,000,000	5,750,000	27/4/2014
Grupo Visabeira, SA	5,000,000	2,500,000	2,500,000	12/7/2013
Grupo Visabeira, SA	5,000,000	0	5,000,000	10/10/2013
Grupo Visabeira, SA	4,200,000	1,600,000	2,600,000	20/6/2015
TOTAL	58,450,000	35,100,000	23,350,000	

38.2. BANK LOANS

	2013		2012	
	Current	Non-current	Current	Non-current
Authorised bank overdrafts	2,076,778	0	2,960,444	0
Portugal	1,698,660	0	2,423,566	0
Mozambique	0	0	225,104	0
France	378,118	0	311,775	0
Loans obtained	53,299,621	155,193,027	54,512,519	164,375,642
Portugal	40,521,266	126,902,444	32,602,276	130,420,306
Mozambique	11,389,416	17,818,747	9,487,494	16,429,766
Angola	923,122	9,161,634	12,299,492	15,899,267
Other	465,816	1,310,201	123,257	1,626,304
TOTAL	55,376,399	155,193,027	57,472,963	164,375,642

38.3. BOND LOANS

	Amount	Settlement Date
Current		
Grupo Visabeira, SGPS, SA	60,000,000	13/7/2014
Non-current		
Grupo Visabeira, SGPS, SA	50,000,000	30/9/2018
Visabeira Global, SGPS, SA	10,000,000	29/10/2017
	120,000,000	

The current bond loan is formed by a syndicate of several financial institutions.

38.4. FINANCIAL LEASING

	2013		2012	
	Current	Non-current	Current	Non-current
Portugal	3,964,175	45,678,505	4,994,828	45,712,577
Mozambique	402,833	676,391	409,189	636,532
Angola	168,184	99,281	0	0
Belgium	38,197	83,605	0	0
TOTAL	4,573,389	46,537,783	5,404,016	46,349,109

Balances are presented under other liabilities.

38.5. MEDIUM- AND LONG-TERM DEBT - MATURITY

	Portugal	Mozambique	Angola	Other	Total
2015	61,408,874	7,656,866	3,812,495	213,766	73,092,000
2016	85,373,961	5,329,645	1,512,274	215,120	92,431,000
2017	103,917,854	3,126,913	1,283,137	154,096	108,482,000
2018	123,679,584	1,018,706	1,283,137	156,574	126,138,000
2019 and subsequent years	169,526,543	1,363,009	1,369,873	654,251	172,913,676
TOTAL	543,906,815	18,495,138	9,260,916	1,393,807	573,056,676

39. SUPPLIERS AND OTHER CREDITORS

	2013	2012
Trade payables - current account	137,532,433	136,846,602
Outstanding balances from customers	106,829	3,252,219
Trade payables - securities payable	102,017	153,952
Other	2,488,892	1,332,508
TOTAL	140,230,172	141,585,281

40. OTHER CURRENT AND NON-CURRENT LIABILITIES

	2013	2012
Non-current		
Financial leasing (note 38)	46,537,783	46,349,108
Shareholders	15,000,000	0
	61,537,783	46,349,108
Current		
Margin accrual	59,021,952	42,218,884
Factoring	51,565,920	43,786,725
Investment grants	36,566,918	16,250,956
Advances from customers	34,992,765	15,119,913
Other creditors	33,598,343	12,360,128
Incurred costs billable in subsequent years	24,045,831	26,177,369
Remunerations payable	9,720,702	9,049,319
Financial leasing (note 38)	4,573,389	5,404,016
Investment suppliers	3,292,006	2,425,264
Interest rate swap (Note 41)	1,589,547	7,164,193
Other associated and subsidiary companies	162,829	506,029
Advances on account of sales	95,806	2,112,238
Shareholders - loans	0	78,500
	259,226,008	182,575,034
TOTAL	320,763,791	228,924,143

The amount in the heading "margin accrual" in 2013 is mainly related to the telecommunication business.

41. FINANCIAL RISK

INTEREST RATE RISK

The Group's exposure to interest rate risks arises primarily from loans obtained, since the financial investments are usually contracted for short periods and consequently the impacts arising from interest rate changes do not significantly affect the accounts.

The balance of the consolidated financial debt of Grupo Visabeira by the end of December 2013 was contracted, for the most part, at the indexed interest rate, and the main indexing factor was the Euribor rate at one and three months for national funding, and Libor for loans in dollars, mostly granted to foreign companies.

With the aim of reducing the risks of interest rate fluctuation, in 2012, greater relevance was given to funding by the various subsidiaries, particularly in Angola and Mozambique, in local currency and at a fixed rate.

In 2013, Visabeira SGPS, SA settled the position of the Euribor Range Accrual swap, which swapped the 3-month Euribor for a fixed rate of 3.65% for a notional amount of 30 million euros. With this settlement, on the date of the balance sheet, Grupo Visabeira presents only open positions classified as hedging instruments associated with this index for 5 and 2 million euros, contracted, respectively, in 2011 and 2012, and with a mark-to-market value of -314,000 euros and -4,000 euros, respectively. Through Cerutil, a company that holds a stake in Vista Alegre Atlantis, hedges were contracted in 2011 in the amount of 16.8 million euros, starting in June 2011 and ending in May 2016, receiving at the Euribor rate at 3 months and paying at a fixed rate of 2.74%, which had a fully recognised mark-to-market of -912 million euros. Vista Alegre contracted an amount of 5.7 million euros for the same period, also receiving at a 3-month Euribor and paying at a fixed rate of 2.69%, with a mark-to-market of -306,000 euros. In 2009, Visabeira Global contracted a fixation of 2.68% to cover the 3-month Euribor for an initial nominal value of 5 (currently 2.4) million euros, which had, on 31 December, a mark-to-market value of -53,000 euros.

In October 2008, the three-month Euribor started a declining trend, as a result of successive cuts to the reference rate by the European Central Bank, in response to the international financial crisis. Having started the year at 0.187%, on 31 December, the three-month Euribor rate stood at 0.287%. With the Euribor at very low thresholds and a stable short-term trend, and with the debt partially hedged, the Group estimates that the impacts of any variations of this indexing factor will not have significant impacts on its accounts.

The Group anticipates favourable conditions for a reduction in the current level of spreads in 2014, mainly for new funding operations, with a positive impact on the Group's financial results.

The fair value of financial instruments that do not have an active market is calculated based on valuations that reflect the mark-to-market value of those instruments. The Group relies on judgment in the selection of the techniques and assumptions to be used for the valuation of derivatives contracted on the date of the financial report.

Changes in the fair value of derivative financial instruments which do not qualify as hedges are recognised in profit or loss, whereas for those which are classified as hedges, such changes are recognised in equity.

Company	Description	Value nominal	Type of operation	Average Maturity	Economic goal
Cerutil, SA	Euribor Swap (3M)	10,000,000	Interest rate swap	5 year	Eliminate the risk of changes in the interest rate of financing
Vista Alegre Atlantis SGPS, SA	Euribor Swap (3M)	5,743,000	Interest rate swap	5 year	Eliminate the risk of changes in the interest rate of financing
Grupo Visabeira SGPS, SA	Euribor Swap (3M)	5,000,000	Interest rate swap	5 year	Eliminate the risk of changes in the interest rate of financing
Cerutil, SA	Euribor Swap (3M)	5,000,000	Interest rate swap	5 year	Eliminate the risk of changes in the interest rate of financing
Visabeira Global SGPS, SA	Euribor Swap (3M)	3,347,349	Interest rate swap	6 years	Eliminate the risk of changes in the interest rate of financing
Grupo Visabeira SGPS, SA	Euribor Swap (3M)	2,018,543	Interest rate swap	2 years	Eliminate the risk of changes in the interest rate of financing
Cerutil, SA	Euribor Swap (3M)	1,757,000	Interest rate swap	5 year	Eliminate the risk of changes in the interest rate of financing
Grupo Visabeira SGPS, SA	Euribor Range Accrual Swap (3M)	0	Interest rate swap	7 years	Eliminate the risk of changes in the interest rate of financing

The fair value of all these financial instruments is reflected in the statement of financial position, as follows:

Company		2013	Book Value 2012
Cerutil, SA	Euribor Swap (10M)€	-535,018	-677,467
Grupo Visabeira SGPS, SA	Euribor Swap (5M)€	-313,712	-476,325
Vista Alegre Atlantis SGPS, SA	Euribor Swap (5.743M)€	-305,806	-431,046
Cerutil, SA	Euribor Swap (5M)€	-283,860	-359,730
Cerutil, SA	Euribor Swap (1.757M)€	-93,561	-118,483
Visabeira Global SGPS, SA	Euribor Swap (3.347M)€	-53,478	-111,934
Grupo Visabeira SGPS, SA	Euribor Swap (2.01M)€	-4,114	5,635
Grupo Visabeira SGPS, SA	Swap Range Accrual (30M€)	0	-4,994,844
TOTAL		-1,589,547	-7,164,193

EXCHANGE RATE RISK

Whenever possible, the Group chooses to have a natural hedging for its foreign exchange risk, since its subsidiaries have assets and liabilities denominated in U.S. Dollars, in order to make a balance and an automatic adjustment to possible currency mismatches. Thus, exposure to liabilities denominated in Dollars does not represent a high economic or financial risk, given the fact that the impact of exchange rate changes on those liabilities are naturally offset by the operating revenues of the respective businesses, also dependent on the Dollar. In external markets, particularly Angola and Mozambique, local companies import goods and services from the European market in Euro, invoicing customers in Dollars and Meticals, respectively. In these markets, the local currency is strongly correlated with the U.S. dollar, with a historical devaluation trend.

In 2013, the Angolan kwanza depreciated by 1% and the Mozambican metical by 0.5%, against the U.S. Dollar. Throughout the year, the Dollar has somewhat fluctuated against the Euro, with an annual depreciation of 4.52%. In Angola, internal transactions still have the U.S. Dollar as their benchmark, and so the assets and liabilities in that currency are relatively balanced. Although the Group's financing in this country is denominated in dollars, the gradual repayment of loans reversed its exposure to this currency, going from a net short position of 2.8 million dollars to a net long position of 5.8 million dollars. In Mozambique, balances denominated in this currency also have a long position of about 6.4 million dollars. It should, however, be noted that the payment of these liabilities in Dollars has a medium- and long-term maturity, while assets denominated in the same currency are essentially short term, and there is, therefore, no pressure on the availability of the foreign currency needed for the occasional fulfilment of responsibilities denominated in this currency. In 2006, the Mozambican Government introduced changes to invoicing rules regarding transactions carried out on Mozambican soil, and requires that they be issued in that country's currency. Consequently, the Group also began to contract all new financing in that currency. However, there are still some positions expressed in Dollars and mostly some liabilities in Euros, which also translate into currency devaluations recognised in the Group's consolidated results.

CASH FLOW RISK

The cash and investments of all Group companies are managed by a centralised global organisation, which reduces the risk of cash flows, avoiding exposure to variations that may affect the results of companies.

On the other hand, the use of factoring allows for a reduction in the average collection periods, with the inherent anticipation of receipts, and it enables a better cash management, due to the timely obtaining of the necessary working capital to finance the operational cycle, a fundamental condition for sustained economic and financial growth. On 31 December 2013, the amounts paid in advance by customers in this format stood at 51.6 million euros. The Group has additionally contracted short-term current accounts to meet occasional cash needs.

CREDIT RISK

Credit risk is an important and complex activity that is present in the everyday life of most companies of Grupo Visabeira, whatever the nature of their business.

Risk assessments imply credit decisions, at times, based on incomplete information, within a scenario of uncertainty and constant change.

Considering the business itself, the area of activity in which it operates, or the risk of the region and country, the classification and assessment of the credit risk of a given customer is usually summarised in a credit record containing the information that will inform the opinion on a given credit operation, such as: the customer's nature, its management capacity, its capital, its credit guarantees and the payment terms.

The assessment of credit risk reflects the multiplicity, quality and origin of the information available to the credit analyst.

For years, Grupo Visabeira has been relying on some insurers, with which it subscribes insurance policies, thus delegating the first-level credit analysis to professionals specialised in the collection and recovery of debts, thereby obtaining, from a privileged source, an assessment of the exposure - credit limit - that is adjusted to the creditworthiness of each customer. Thus, management can be primarily focused on operational issues. The coverage of this risk enables a compensation for unpaid customer credits, which for the domestic market is 80%, and for the external market is 90%. Recent years have been marked by increased restrictions on lending in general, with credit limits having undergone significant unfavourable revisions. In light of this scenario, and in order to meet credit risk hedging requirements for which the limits granted under basic policies are insufficient, Grupo Visabeira has contracted additional instruments, which allow increasing the partial hedging of its risks up to twice the amount covered by basic policies, for customers of the domestic and foreign markets, and also to hedge risks whose amount is not specified in the said basic policy, or obtain more than twice the amount currently covered for foreign market customers.

The added constraints in the external coverage of loans entail greater precision and higher requirements in assessing applications for internal credit.

Factoring, without recourse, is used as complementary hedging for transactions in which credit insurance may not be sufficient.

Also relevant is the amount of receipts by advance payment or payments in cash, which, in the year under review, represented a volume of about 14% of turnover, with a special contribution from the cable TV and Internet distribution, tourism, restaurants and leisure businesses. Loans granted to external entities, which also act as suppliers of the Group, had, in this year, a weight of 1.12%. The customers of the companies of Grupo Visabeira that act as providers of infrastructures and telecommunications services are entities of recognised financial probity. This group includes entities such as local telecommunications operators, generally directly held by the State of each country, replacing credit risk with political risk. Some examples of this are TDM – Telecomunicações de Moçambique, EDM – Eletricidade de Moçambique, Angola Telecom, France Telecom, Belgacom, Portugal Telecom, Zon, EDP and natural gas concession holders.

LIQUIDITY RISK

The Group manages liquidity risk in such a way as to ensure the financing of assets by maturity date and at appropriate rates and the timely settlement of its financial commitments. At the same time, appropriate cash balances and short-term credit lines are kept, in order to allow for the proper management of the cash available to meet short-term financial commitments. The leveraging associated with the acquisition of PT, Zon Multimédia and EDP shares, in the form of commercial paper issued by Grupo Visabeira in the amount of 275 million euros, comprises two separate commercial paper programmes: one at seven and another at ten additional years, with firm underwriting commitment.

Given the high liquidity of the underlying assets and despite PT's dividend distribution policy and the fact that the taxation of those assets began in 2011, there is no pressure over the Group's treasury at all. In fact, the hiring of these two operations, following a 50-million-euro reduction in debt due to the disposal of the same amount in EDP shares, allowed for the separation and a certain ring fencing of the risk resulting from these operations.

Thus, commercial paper was hired in the amount of 140 million euros, with a maturity period of seven years, whose collateral is the fair value of the shares, which, as of 31/12/2013 represented a hedge ratio of 108% as well as another, in the amount of 130 million euros, for which a collateral already exists, associated with the property Palácio de Gelo Shopping.

Highlight also goes to the hiring, in December 2013, of a new commercial paper programme in the amount of 27.5 million euros, for a three-year period, in which the hedged issuing is subscribed by a syndicate of institutions during the first eighteen months. The amount of short-term debt includes 60 million euros pertaining to the syndicated bond loan, with maturity in July 2014, whose revolving is being negotiated, already with positive indications for its renewal from the leading members of the banking syndicate.

The Group also estimates that it will have to negotiate the revolving of credit lines in an approximate amount of 25 million euros, with a strong positive expectation, considering that part of that refinancing concerns entities that are long-time partners and institutions that have recently strengthened their involvement with the Group. The short-term debt of Grupo Visabeira is ranked by Companhia Portuguesa de Rating [a Portuguese Rating Agency] at "B," which means that the Group currently has the appropriate capacity to meet its financial commitments.

The overall liquidity index of the consolidated accounts stood at 0.74, which shows the suitability of the financing of current assets by current liabilities.

Moreover, working capital is positive and covers part of the corresponding needs, after adjustment for the longer maturity of deferred tax liabilities and investment subsidies, which is recognised under other accounts payable.

OTHER DISCLOSURES ON FINANCIAL INSTRUMENTS

As defined by IAS 39, the carrying value of each of the categories provided is broken down as follows:

	2013	2012
Financial assets recorded at amortised cost		
Customers and other receivables	138,496,666	140,786,059
State and other public entities	2,764,802	10,389,917
Other current assets (advances to suppliers and other debtors)	134,565,918	103,979,615
Cash and cash equivalents	32,334,027	36,797,791
Financial assets recorded at fair value		
Listed shares	155,956,929	193,192,820
Cash flow hedging derivatives recorded at fair value	-1,589,547	-7,164,193
Financial liabilities at amortised cost		
Debt	137,709,191	143,372,324
Accounts payable	140,230,172	141,585,281
Accrued expenses	70,332,201	58,673,965
Financial liabilities recorded under IAS 17 - Leasing	51,111,171	51,753,124

MEASUREMENT AT FAIR VALUE

The following table presents the fair value hierarchy of the assets and liabilities held by the Group as of 31 December 2013 and 2012:
(The evaluations were made on 31 December 2013)

	Assets measured at fair value - 2013				Assets measured at fair value - 2012			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Assets measured at fair value								
Investment properties	248,681,529	0	0	248,681,529	245,123,803	0	0	245,123,803
Financial assets held for sale	155,956,929	155,956,929	0	0	193,192,820	193,192,820	0	0
Financial assets held for trading	708,104	0	708,104	0	336,735	0	336,735	0
Liabilities measured at fair value								
Financial instruments - Swaps	1,589,547	0	1,589,547	0	7,164,193	0	7,164,193	0

The following assumptions were used in the construction of the above tables:

- Market value (Level 1): This column includes financial instruments valued based on prices quoted in the active market;
- Market analysis (Level 2): This column includes financial instruments that are valued based on observable market variables. This level includes hedging derivatives valued based on information provided by the Reuters Calculator;
- Other (Level 3): This column includes investment properties that are valued based on non-observable market variables.

No transfers between levels 1 and 2 were made for the financial years 2012 and 2013. The fair value of loans paid to banks is considered close to their book value, given the recent renegotiation of the most significant loans and the market rates applied.

EQUITY RISK

The group's goal in terms of capital management, which is a broader concept than the capital disclosed in the balance sheet, is to maintain an optimal capital structure through the prudent use of debt, allowing it to lower the cost of capital. The purpose of capital risk management is to ensure the continuity of the Group's operations, providing the appropriate compensation of its shareholders while generating benefits for all third-parties involved. This policy aims at optimising the capital structure, with a view to achieving greater tax efficiency and reducing the average cost of capital.

	2013	2012
Non-current loans	573,056,676	583,205,378
Current loans	142,282,580	148,776,340
Debt attributed to stock exchange operations	-156,624,790	-146,993,464
Debt allocated to real estate, ongoing investments and not yet generating EBITDA	-147,293,323	-109,657,285
Cash and Bank Deposits	-32,334,027	-36,797,791
Operating debt	379,089,129	438,535,190
Investment grants	36,566,918	16,250,956
Total equity	327,665,434	330,089,044
Capital and subsidies	364,232,352	346,340,000
Operating debt/total capital	1.0	1.3

42. CONTINGENCIES

a) Proceedings with probable losses

On 31 December 2013 and 2012, there were several legal claims and other tax contingencies filed against various companies of the Group, which are classified as proceedings with probable losses, in accordance with IAS 37 - Provisions, Contingent Liabilities and Contingent Assets. Based on the opinion of internal and external legal advisers, the Group recorded provisions for these legal claims and tax contingencies in order to face the likely outflow of resources.

b) Proceedings with possible losses

On 31 December 2013 and 2012, there were several lawsuits and other tax contingencies filed against certain companies of the Group, for which the possibility of future cash disbursement was considered possible, according to information from lawyers and consultants following these proceedings, and for this reason, no provisions were recorded. The detail and nature of those proceedings are as follows:

	2013	2012
Civil liability	1,351,000	1,351,000
Other liabilities	9,716,000	8,774,000
TOTAL	11,067,000	10,125,000

A lawsuit was filed by a former director, Mr. Bernardo de Vasconcellos, against VAA-Vista Alegre Atlantis SGPS, SA and VA Grupo-Vista Alegre Participações, SA, demanding that these companies be sentenced to pay him a lifetime retirement pension, effective as of 1/1/2010, in the amount of 231,000 euros, by reference to the year 2010, payable in 12 monthly instalments of 19,000 euros.

The lawsuit was dismissed by the 1st instance, and VAA-Vista Alegre Atlantis SGPS, SA and VA Grupo-Vista Alegre Participações, SA, were fully acquitted.

The decision was appealed to the Lisbon Court of Appeal, which, revoking the decision issued by the 1st instance, sentenced the companies VAA-Vista Alegre Atlantis SGPS, SA and VA Grupo-Vista Alegre Participações, SA, to pay the amounts specified above.

The Board of Directors of Grupo VAA will not stand for this decision and considers that there has been a misconstrual of the law and its application, and will therefore file an appeal with the Supreme Court of Justice.

43. PROVISIONS

	2012	Increases	Reductions	2013
Retirement pensions	1,622,229	0	-8,146	1,614,083
Other	3,729,174	0	-1,089,714	2,639,460
	5,351,403	0	-1,097,860	4,253,543

43.1 RETIREMENT PENSIONS

Grupo Vista Alegre Atlantis (VAA) has in place various defined retirement benefit plans, some managed by the Pension Fund (BPI Pensões) and others by Grupo VAA.

	2013	2012
Liabilities – Provisions for retirement pensions:		
Retirement benefits - Benefit plan provided by Grupo VAA	-1,614,083	-1,622,229
Asset - Accrued income:		
Retirement benefits - Defined benefit plan with constituted fund	2,821	-104,558
(excess/deficit of the amount of the pension fund)		

On 31 December 2013, the amount of liabilities related to a former director of the Group is 1 million euros (980,000 euros in 2012).

The amounts reflected in the income statement of Grupo VAA concerning retirement benefits are the following:

Defined benefit plan provided by Grupo VAA

	2013	2012
Operating costs:		
Retirement benefits - Benefit plan provided by Grupo VAA and active staff	-7,917	0
Income:		
Retirement benefits - Benefit plan provided by Grupo VAA and active staff	0	84,534
Defined benefit plan with constituted fund	154,208	156,626

Obligations arising from these plans are directly met by the Group and it they are currently estimated, on the date of closure of accounts, by a specialised entity (BPI Pensões).

Movements of Grupo VAA in the financial year:

	2013	2012
Balance on 1 January	1,622,229	1,537,000
Costs with interest + actuarial gains/losses + increase in provisions	59,043	152,855
Retirement benefits paid	-66,960	-67,626
Balance on 31 December	1,614,312	1,622,229

Defined benefit plan with constituted fund

Liabilities resulting from these plans are covered by an autonomous pension fund managed by a specialised entity (BPI Pensões).

Amounts recognised in Grupo VAA's balance sheet:

	2013	Change	2012
Present value of the benefit obligations	-3,573,317	386,147	-3,959,464
Book value of the fund	3,576,138	-278,768	3,854,906
Asset recognised in the balance sheet	2,821	107,379	-104,558

The movements described above were only recognised by Grupo Visabeira since the acquisition of Grupo VAA. See note 2.2 g)

43.2. OTHER

The provision appearing in the heading "Other" is intended primarily to cover liabilities estimated based on the information obtained from lawyers and arising from proceedings related to contracts, labour and taxes filed against the Group's companies.

44. GUARANTEES PROVIDED

	2013	2012
Financial guarantees	33,323,564	31,447,699
Technical/work execution guarantees	43,121,736	37,391,031
Tangible guarantees	385,943,968	444,155,626
TOTAL	462,389,267	512,994,356

In "Tangible guarantees," highlight goes to 275 million euros (of the PPC of Visabeira, SGPS, SA listed shares), pertaining to the active issuing of commercial paper, 10.6 million euros pertaining to Grupo Vista Alegre and 16.9 million euros relating to Palácio do Gelo.

45. RELATED PARTIES

	Year	Sales to related parties	Purchases from related parties	Advances on account of purchases from related parties	Amounts receivable from related parties	Amounts payable to related parties
Shareholders	2013	0	0	7,975,137	30,709,693	180,606
	2012	0	0	7,975,137	7,282,203	170,000
Associated companies and other holdings	2013	1,437,207	825,773	0	17,177,510	100,924
	2012	3,206,274	212,680	0	8,073,991	493,219

Also noteworthy are the loans obtained from Caixa Geral de Depósitos (see note 38).

46. EVENTS AFTER THE BALANCE SHEET DATE

There were no events subsequent to the balance sheet date that may have a material impact on the financial statements.

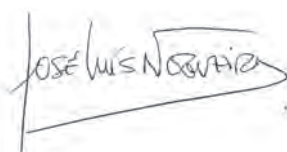
Viseu, 26 February 2014

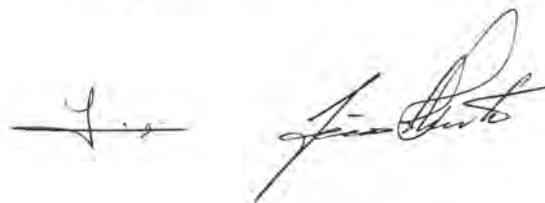
The Chartered Accountant



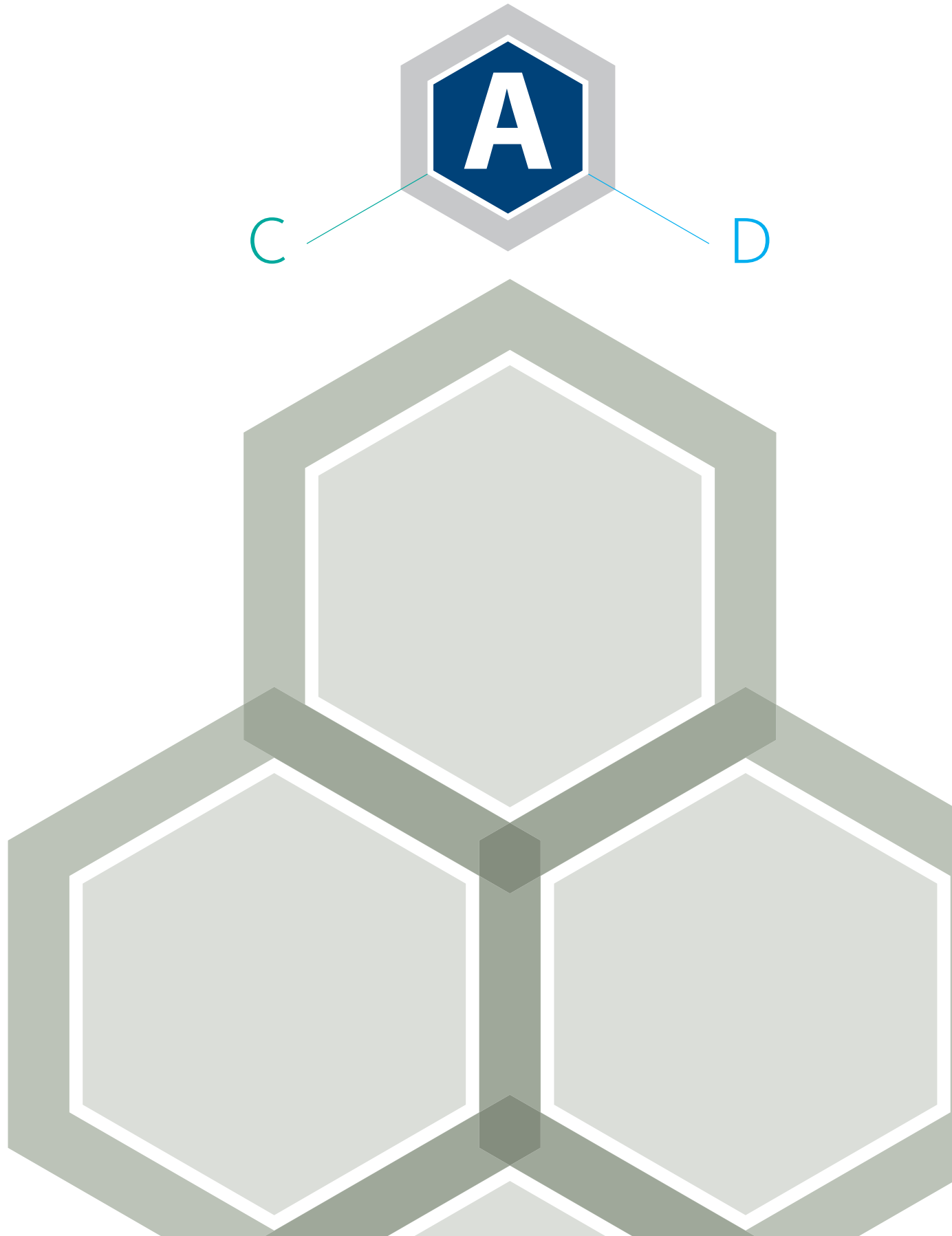
The Board of Directors





ASSESSMENT AND CERTIFICATION DOCUMENTS





Ernst & Young
Audit & Associados - SROC, S.A.
Avenida da Boavista, 36, 3º
4050-112 Porto
Portugal

Tel: +351 226 002 015
Fax: +351 226 000 004
www.ey.com

Certificação Legal das Contas

Introdução

1. Examinámos as demonstrações financeiras consolidadas anexas de Grupo Visabeira, S.G.P.S., S.A., as quais compreendem o Demonstração Consolidada da Posição Financeira em 31 de Dezembro de 2013 (que evidencia um total de 1.520.380.822 Euros e um total de capital próprio de 327.665.434 Euros, incluindo um resultado líquido atribuído aos detentores de capital da empresa, enquanto mãe do grupo, de 231.871 Euros), a Demonstração Consolidada dos Resultados, a Demonstração Consolidada do Rendimento Integral, a Demonstração Consolidada das Alterações no Capital Próprio e a Demonstração Consolidada dos Fluxos de Caixa do exercício findo naquela data, e as Notas.

Responsabilidades

2. É da responsabilidade do Conselho de Administração a preparação de demonstrações financeiras consolidadas que apresentem de forma verdadeira e apropriada a posição financeira do conjunto das empresas englobadas na consolidação, o resultado consolidado e o rendimento integral das suas operações, as alterações consolidadas no seu capital próprio e os seus fluxos de caixa consolidados, bem como a adopção de políticas e critérios contabilísticos adequados e a manutenção de sistemas de controlo interno apropriados.
3. A nossa responsabilidade consiste em expressar uma opinião profissional e independente, baseada no nosso exame daquelas demonstrações financeiras.

Âmbito

4. O exame a que procedemos foi efectuado de acordo com as Normas Técnicas e Directrizes de Revisão/Auditoria da Ordem dos Revisores Oficiais de Contas, as quais exigem que o mesmo seja planeado e executado com o objectivo de obter um grau de segurança aceitável sobre se as demonstrações financeiras consolidadas estão isentas de distorções materialmente relevantes. Para tanto o referido exame incluiu:

Sociedade Anónima - Capital Social 1.105.000 euros - inscrição n.º 178 na Ordem dos Revisores Oficiais de Contas - inscrição n.º 9011 na Comissão do Mercado de Valores Mobiliários
Contribuinte N.º 505 998 283 - C. R. Comercial de Lisboa sob o mesmo número - Sede: Av. da República, 90 - 6.º - 1600-206 Lisboa
A member firm of Ernst & Young Global Limited



- a verificação de as demonstrações financeiras das empresas englobadas na consolidação terem sido apropriadamente examinadas e, para os casos significativos em que o não tenham sido, a verificação, numa base de amostragem, do suporte das quantias e divulgações nelas constantes e a avaliação das estimativas, baseadas em juízos e critérios definidos pelo Conselho de Administração, utilizadas na sua preparação;
 - a verificação das operações de consolidação;
 - a apreciação sobre se são adequadas as políticas contabilísticas adoptadas, a sua aplicação uniforme e a sua divulgação, tendo em conta as circunstâncias;
 - a verificação da aplicabilidade do princípio de continuidade; e
 - a apreciação sobre se é adequada, em termos globais, a apresentação das demonstrações financeiras consolidadas.
5. O nosso exame abrangeu também a verificação da concordância da informação financeira constante do Relatório de Gestão Consolidado com as demonstrações financeiras consolidadas.
6. Entendemos que o exame efectuado proporciona uma base aceitável para a expressão da nossa opinião.

Opinião


7. Em nossa opinião as demonstrações financeiras consolidadas referidas apresentam de forma verdadeira e apropriada, em todos os aspectos materialmente relevantes, a posição financeira consolidada de Grupo Visabeira, S.G.P.S., S.A. em 31 de Dezembro de 2013, o resultado e o rendimento integral consolidado das suas operações, as alterações no seu capital próprio consolidado e os seus fluxos de caixa consolidados no exercício findo naquela data, em conformidade com as Normas Internacionais de Relato Financeiro, tal como adoptadas na União Europeia.

Relato sobre outros requisitos legais

8. É também nossa opinião que a informação financeira constante do Relatório de Gestão Consolidado é concordante com as demonstrações financeiras consolidadas do exercício.

Porto, 19 de Março de 2014

Ernst & Young Audit & Associados - SROC, S.A.
Sociedade de Revisores Oficiais de Contas (nº 178)
Representada por:


Rui Manuel da Cunha Vieira (ROC nº 1154)



Ernst & Young
Audit & Associados - SROC, S.A.
Avenida da Boavista, 36, 3º
4050-112 Porto
Portugal

Tel: +351 226 002 015
Fax: +351 226 000 004
www.ey.com

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(Translation of a report originally issued in Portuguese)

Statutory Auditor's Report

Introduction

1. We have examined the accompanying consolidated financial statements of Grupo Visabeira, S.G.P.S., S.A., comprising the Consolidated Statement of Financial Position as of 31 December 2013 (which shows a total assets of 1.520.380.822 Euros and a total equity holders of 327.665.434 Euros, including a consolidated net profit attributable to equity holders of the parent of 231.871 Euros), the Consolidated Income Statement by Natures, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, and the related notes to the consolidated financial statements.

Responsibilities

2. The Company's Board of Directors is responsible for the preparation of consolidated financial statements which present a true and fair view of the consolidated financial position, consolidated results and comprehensive income of operations, consolidated changes in equity and consolidated cash flows, as well as for the application of appropriate accounting policies and for the maintenance of an adequate internal control system.
3. Our responsibility is to express a professional and independent opinion based on our examination of those financial statements.

Basis of Opinion

4. We conducted our examination in accordance with the technical standards and directives of the Institute of Statutory Auditors ("Ordem dos Revisores Oficiais de Contas"), which require that we plan and perform the examination in order to obtain an acceptable level of assurance as to whether the consolidated financial statements are free of material misstatements. Accordingly, our examination included:
 - the verification of whether the financial statements included in the consolidation were examined appropriately, and for significant instances where these were not, the verification, on a test basis, of the supporting evidence of the amounts and disclosures contained therein and an assessment of the estimates, based on judgements and criteria determined by the Board of Directors, used in their preparation;



Ernst & Young
Audit & Associados - SRODC, S.A.
Avenida da Boavista, 38, 3º
4050-112 Porto
Portugal

Tel: +351 226 002 015
Fax: +351 226 000 004
www.ey.com

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- the verification of the consolidated adjustments;
 - the assessment of whether the accounting policies adopted and their disclosure are appropriate, considering the circumstances;
 - the verification of the appropriateness of the going concern principle; and
 - the assessment of whether the overall presentation of the financial statements is adequate.
5. Our examination also included the verification of the consistency of the financial information included in the consolidated Management Report with the consolidated financial statements.
6. We believe that the examination carried out provides an acceptable basis for the expression of our opinion on the financial statements.

Opinion

7. In our opinion, the consolidated financial statements referred to above present a true and fair view, in all material respects, of the consolidated financial position of Grupo Visabeira, S.G.P.S., S.A. at 31 December 2013, the consolidated results and comprehensive income of its operations, the consolidated changes in equity and the consolidated cash flows for the year then ended, in conformity with International Financial Reporting Statements as endorsed by the European Union.

Report on Other Legal Requirements

8. It is also our opinion that the financial information included in the consolidated Management Report is in agreement with the consolidated financial statements for the period.

Porto, 19 March 2014

Ernst & Young Audit & Associados - SROC, S.A.
Sociedade de Revisores Oficiais de Contas (nº 178)
Represented by:

(Signed)

Rui Manuel da Cunha Vieira (ROC nº 1154)





GRUPO VISABEIRA, SGPS, SA

*Repeses, 3504-511 Viseu
Corporate Taxpayer No. (NIPC) and Registration No.
at the Companies Register of Viseu: 502 263 628*

MINUTE Nº 113 - A

----- On the second of April of two thousand and fourteen, at twelve p.m., at its registered office, in Repeses, borough of Repeses, municipality of Viseu, the public limited commercial corporation operating under the name Visabeira, SGPS, SA, legal entity no. 502 263 628, registered at the Companies Register of Viseu under the same number, with a fully paid-up share capital of one hundred and fifteen million, one hundred and twenty-five thousand, six hundred and thirty euros. -----

----- The General Meeting was chaired by Dr. Leopoldo de Sousa Camarinha and Dr. Marta Santos Albuquerque attended as secretary – these two members compose the General Meeting Board. -----

----- The Chairman greeted all those present, and as preparation, asked that the attendance list be circulated and signed, subsequently confirming the attendance and representation of the entire share capital and considering, after inspecting the proxy letters presented, that the conditions were met for the beginning of the General Meeting, in accordance with Article three hundred seventy-seven of the Commercial Companies Code. The points of order on the agenda were then presented, as follows: -----

----- 1. To deliberate on the management report and consolidated accounts for the financial year 2013. --

----- 2. To conduct a general assessment of the company's management and supervision; -----

----- The Chairman of the General Meeting Board enquired the shareholders and shareholder representatives on the need to consider any issue prior to the discussion of the agenda. The present shareholders and shareholder representatives, not wishing to raise any previous issues, agreed to address the points on the agenda, in order to decide on them. Thus, the General Meeting began and the Chairman asked that the Board of Directors present the first point of order on the agenda. -----

----- The management report and the other documents containing the consolidated accounts of the company, referring to the financial year ended 31 December 2013, were therefore presented. -----

----- Then, the representative of the Statutory Auditor took the floor and stated that the accounts were prepared in accordance with accounting rules and criteria in force in Portugal and thanked the management's collaboration, which allowed for the successful completion of the auditing work. -----

----- At the end of the presentation of the consolidated accounts of the company, the Chairman asked the attendants if anyone wished to raise any issues. Once it was verified that no one else wished to speak, the first point of order on the agenda was put to a vote and was unanimously approved. -----

----- The second point of order on the agenda was then introduced and, given the previous approval of the company's results, the Chairman proposed that the shareholders vote on this second point, in order to decide on the overall assessment of the duties carried out by the Board of Directors and by the Statutory Auditor, with reference to the financial year 2013. -----

----- The attending shareholders and shareholder representatives joined in the approval and expressing of a vote of confidence and praise to the Board of Directors, as a corporate body, and to each of its members in particular, as well as to the supervisory body, in recognition for the competence and loyalty shown in the reporting of accounts throughout the year under review. The Board of Directors and the Statutory Auditor thus received a vote of praise and of confidence, which received unanimous approval. The second point of order on the agenda was thus also approved by unanimous vote. -----

----- Lastly, the Chairman made sure that no one else wished to take the floor and closed the sitting, at twelve fifty p.m. The meeting was recorded in these minutes which, after being read and approved, shall be signed by the members of the General Meeting Board. -----

2013

ANNUAL
REPORT

