FUTEBOL CLUBE DO PORTO FUTEBOL, SAD

MANAGEMENT REPORT & CONSOLIDATED ACCOUNTS 2012 2013

1ST JULY 2012
TO 30TH JUNE 2013

FUTEBOL CLUBE DO PORTO – Futebol, SAD

Listed Society
Share capital: 75.000.000 euros
Own Capital: - 10.149.805 euros (approved in General Meeting on the 8th of November 2012)
Head Office – Estádio do Dragão, Via FC Porto, Entrada Poente Piso 3
Registration at 1st Registration of Commercial Registry of Porto and
Legal Person n.º 504 076 574

<u>Management Report and Consolidated Accounts 2012/2013</u>

A. Management Report

1. Message from the Chairman

FC Porto had another season of great success, after winning the league for the third year in a row. When other teams were already celebrating, our team showed, yet again, where true quality lies. For the second time in three years, the team ended the league without conceding any defeat, showing how fair the title was.

In the year we celebrate our 120 years as FC Porto, I am extremely proud to offer our millions of fans the most desired trophy, always our main goal.

But the season for our Company is also positive as it had the second best economic performance since it was born. Over 20 million Euros in profits show the competence of the management model used by this administration, who, without endangering any sporting results, the very reason we exist, was able to adjust to the economic crisis affecting Europe and especially our country, making an effort to maximize incomes and offer the company the proper tools to stay on the path to success.

Jorge Nuno Pinto da Costa

2. Governing Bodies

General Meeting

Chairman:	– José Manuel de Matos Fernandes
Secretary	– Rui Miguel de Sousa Simões Fernandes Marrana

Board of Directors

Chairman:	– Jorge Nuno de Lima Pinto da Costa
Directors:	– Adelino Sá e Melo Caldeira
	– Angelino Cândido de Sousa Ferreira
	– Reinaldo da Costa Teles Pinheiro
	– Rui Ferreira Vieira de Sá (non-executive)

Audit Committee

Chairman:	– José Paulo Sá Fernandes Nunes de Almeida
Members:	– Armando Luís Vieira de Magalhães
	– Filipe Carlos Ferreira Avides Moreira
Substitute member:	– José Manuel Taveira dos Santos

Audit Firm

Deloitte & Associados, SROC SA, represented by António Manuel Martins Amaral

Company Secretary

Secretary:	– Daniel Lorenz Rodrigues Pereira
Substitute:	– Raul Filipe Pais da Costa Figueiredo

Advisory Board

Chairman:	– Alípio Dias
Members:	– Álvaro Jose Pereira Pinto Júnior
	– Álvaro Rola
	– António Fernando Maia Moreira de Sá
	– António Manuel Gonçalves
	– Artur Santos Silva
	– Fernando Alberto Pires Póvoas
	– Fernando José Guimarães Freire de Sousa
	– Fernando Manuel dos Santos Gomes
	– Ilídio Costa Leite Pinho
	– Ilídio Pinto
	– Jaime Eduardo Lamego Lopes
	– João Espregueira Mendes
	– Jorge Nuno de Lima Pinto da Costa
	– Joaquim Manuel Machado Faria e Almeida
	– José Alexandre de Oliveira
	– José Paulo Sá Fernandes Nunes de Almeida
	– Jorge Alberto Carvalho Martins
	– Luís Portela
	– Rui de Carvalho de Araújo Moreira

Remuneration Committee

Chairman:	– Alípio Dias
Members:	– Fernando José Guimarães Freire de Sousa
	– Joaquim Manuel Machado Faria e Almeida

3. Highlights

- FC Porto Futebol, SAD is back to having positive Net Incomes, after a bad year, following a trend of five years in a row showing profits, reaching 20.356m€ in 2012/2013.

- EBITDA (Operational Cash-Flow) rising to 58.285m€ in this period, allowing for the acquisition of new assets or the payment of part of the debt owed to banking institutions.

- Operational Gains, excluding incomes involving the trade of players, reach 78.441m€, with an increase of 6.257m€ compared to the previous year, basically caused by the increase in income for the participation in European competitions.

- Operational Costs, excluding the trade of players, grew 6%, to 96.585m€, explained by the increase in staff, as the B team was formed once again.

- Operational Results reach 31.775m€, representing an increase of 58.216m€ in comparison to season 2011/2012.

- The Company is still within the value recommended by UEFA (70%) in terms of the ratio Salaries vs. Operational Gains, excluding the trade of players.

- Increase in Equity Capital by incorporating the Net Result obtained in this season, reaching, as of June 30th 2013, 9.883m€, individually.

- Total Net Assets increase 17.126m€ in comparison to June 30th 2012, reaching a global amount of 227.853m€, for the increase of uncollected values from sales.

- Total Liabilities is down by 3.160m€, with a decrease of 16.390m€ on the short term and 26.594m€ regarding the net financial debt.

4. Activity Evolution

FC Porto – Futebol, SAD fulfils its obligations to present economic and financial information, regarding the financial year of 2010/2011, from the 1st of July 2011 to the 30th of June 2012.

This document has been executed in compliance with the current legal framework, namely the provisions of the Companies Code, the Securities Code and the regulations of the Portuguese Securities Market Commission (Comissão do Mercado de Valores Mobiliários – CMVM).

As required by the regulations of the European Parliament, companies with shares traded in regulated markets seated in the European Union must use, in their consolidated financial statements, the international accountancy standards (IAS/IFRS) adopted by the Union for all the financial years starting on or after the 1st of January 2005.

Regarding FC Porto – Futebol, SAD, these regulations started on the fiscal year of 2005/2006. The accounts presented for each quarter, and this annual report, were drawn up in accordance with the international accountancy standards.

SUMMARY OF SPORTING ACTIVITY

On the year the club proudly celebrates 120 years, FC Porto and its Company continue to solidify their leadership in Portuguese football, having won 74 trophies so far in football.

The union of all at the club, be it athletes, coaches, staff or directors, around a common goal to win, was once again decisive in winning the title last season, after an extremely strong last effort, with seven straight wins, finishing the competition without any defeats. This achievement was a repetition of the same accomplishment obtained two seasons ago and now FC Porto is the only team in Portugal to go undefeated in two seasons. FC Porto has been performing greatly in the main competition of Portuguese football and not only did the club win the last three editions, it was only defeated once in the last 99 games played, perfectly showing the dominion in the competition. This number has already gone up to 103, at the time this report was made.

This victory keeps FC Porto as the European club with the most trophies won in the XXI century, a total of 28. And if we narrow it down to the international trophies, the hardest to get and the ones that offer more renown, FC Porto has already won four thins century, only beaten be the seven won by FC Barcelona and five by AC Milan.

The season kicked-off very pleasingly, FC Porto won the Supercup, beating Académica by 1-0.

In the European competitions, where the team is usually capable of achieving great campaigns, FC Porto got to the round of 16 of the UEFA Champions League, with great performances, assuring the qualification from the group stage when there were still two games to play. The Dragons would end up being eliminated by Malaga, losing by 2-0 after having won by 1-0 in Portugal.

In the Portuguese Cup, FC Porto was unlucky with the draw, always being forced to play away. The team eliminated Santa Eulália, from the III Division, and Nacional, from the main League, but ended up being eliminated by Sporting de Braga, in a game that came in the middle of a heavily dense schedule.

As usual, FC Porto tried to reinforce the squad of players, and acquired the striker Jackson Martínez from Jaguares, from Mexico. Once again, the excellence in the scouting department became obvious, as the staff found, in a somewhat obscure league, a player capable of great performances – best scorer of the Portuguese League, with 26 goals – and that is starting to be coveted by major sporting and economic giants in Europe.

Other reinforcements for the season, and keeping the future in sight, were goalkeeper Fabiano Freitas and fullback Quiñones, as well as the return of Abdoulaye, Castro, Miguel Lopes, Atsu and Kelvin.

During the so-called Winter Market, FC Porto did some adjustments to the squad, with the transfer in of Russian player Izmaylov and Brazilian Liedson. On the other hand, Rolando (loaned to Napoli, Italy), Emídio Rafael (transferred to Sporting de Braga), Miguel Lopes (transferred to Sporting), Kléber (loaned to Palmeiras, Brazil) and Iturbe (loaned to River Plate, Argentina) left the club.

This sporting season signalled the rebirth of the B team project, which played in the second Portuguese Division. The purpose of this team is to give the young players a competitive sense to accelerate their preparation, so they will help the main team in the future.

The season ended at the same time the contract with Vítor Pereira expired, and FC Porto hired coach Paulo Fonseca for the two following seasons. It is a young Portuguese coach, on whom the Company holds great confidence to keep the team playing at a very high competitive plane.

After t of this exercise, a new sporting season started, with FC Porto reinforcing the professional squad, following the same model that has brought so much success in the past, by hiring youngsters of great potential, such as the Mexican players Reyes and Herrera, Portuguese Josué, Tiago Rodrigues (who was later loaned to Vitória Sport Clube), Ricardo, Carlos Eduardo and Licá, Colombian Quintero, Turkish Bolat and Algerian Ghilas.

In comparison to the squad from last season, several players left the club: João Moutinho and James Rodríguez, transferred to Monaco (France), Atsu, transferred to Chelsea (England), Rolando, loaned to Inter Milan (Italy), Castro, loaned to Kasimpasa (Turkey), Abdoulaye, loaned to Vitória Sport Clube, Iturbe, loaned to Verona (Italy), and Liedson, whose contract expired.

The first competition of the season was the Supercup, played in Aveiro, against Vitória Sport Clube, ending with a clear victory for FC Porto by 3-0, making it the 20th Supercup, the fifth in a row. For the national league, FC Porto started the defence of the title, remaining in the lead after seven fixtures, with six victories and one tie. For the Champions League and after playing the first two games, FC Porto is in the second place of Group G, with one victory and one defeat.

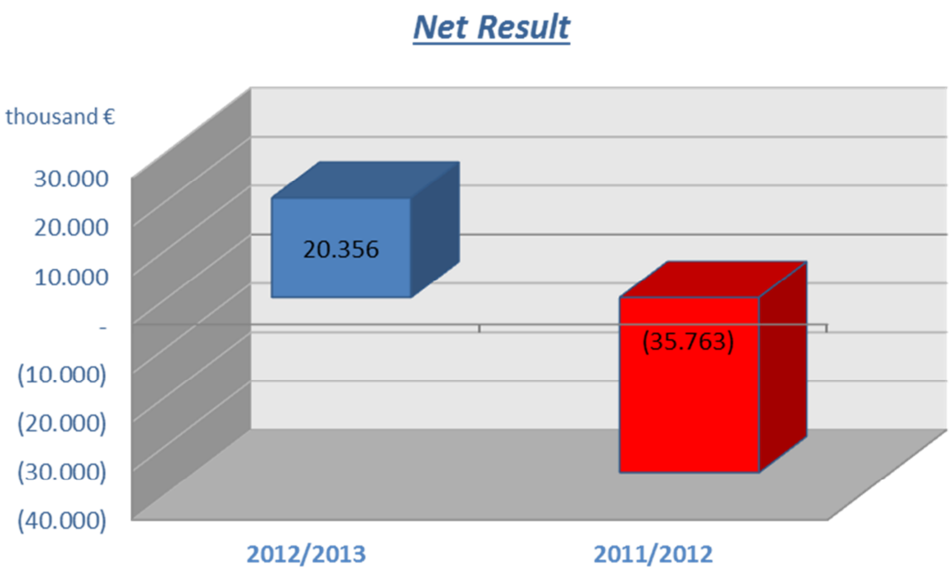
ECONOMIC ACTIVITY

Futebol Clube do Porto – Futebol, SAD presents a net result of 20.356m€ in the exercise of 2012/2013.

In this report, the consolidated results of the company are analysed, composed of the sum of results obtained individually by each company of the group – FC Porto – Futebol, SAD, PortoComercial, PortoEstádio, PortoMultimédia, PortoSeguro and Dragon Tour – net of the transactions made between them. Despite the volume of businesses of PortoComercial having an increasing importance in the sum of the group, the main contributor for the consolidated results presented is still FC Porto – Futebol, SAD.

Ahead in this report, there is a resume of individual results of each of the companies of the group, and next there will be a focus on the two year analysis of the consolidated result.

After a five years period of positive results, season 2011/2012 was the bad exception, but the company came back to positive results in this season.



The balance of FC Porto – Futebol, SAD, as with other companies in the sector line of activity, should be analysed considering three components: operational results excluding the trade of players, results related to the trade of players and financial results and regarding investments, to which should be later added the tax on income. The first component, operational results excluding the trade of players, are the most stable throughout the exercise, as they hold together recurring gains and costs year after year, and most come from long term contracts. The second, regarding the trade of players, is the most volatile, reflecting the decisions of the directors, each year, to reinforce, keep or sell players from the squad. The oscillations reflected here are the main responsible for positive/negative results of the Company. Finally, the financial gains show the need to keep cash flow and access to credit on the Company.

By analysing the structure of the operational gains, excluding gains with trade of players, which amounted to 78.441m€ in this exercise, there was an increase of 9% in comparison to 2011/2012.

values in thousand euros

Operational Gains, excluding the trade of passes	2012/2013	%	2011/2012	%
Merchandising	2.786	4%	3.166	4%
Tickets	6.521	8%	10.631	15%
UEFA Competitions	20.390	26%	14.199	20%
Other Sporting Revenues	1.136	1%	1.499	2%
TV rights	13.185	17%	12.300	17%
Publicity and Sponsorship	13.067	17%	13.242	18%
Corporate Hospitality	15.161	19%	10.472	15%
Other Services	5.091	6%	5.715	8%
Other Gains	1.105	1%	960	1%
TOTAL	**78.441**	**100%**	**72.184**	**100%**

The merchandising revenues went down by 12% in comparison to the previous exercise, despite the opening of two new “blue stores”, one in downtown Porto and another one in the outlet of Vila do Conde.

Gate tickets gains, which include the Dragon Seats (season tickets), the tickets sold per game and part of the quotes paid by associates, dropped 39% in 2012/2013, to 6.521m€. This drop is caused, for the most of it, by the fact that the directors of FC Porto – Futebol, SAD and FC Porto decided to change the percentage of the quotes paid by associates transferred to the sporting society in return for the privileged at discount prices to sporting events, from 75% to 25%. Regardless of that, the income with gates receipts also dropped in this exercise, both in terms of Dragon Seats and game tickets.

The revenues obtained from participating in European competitions had a substantial increase in comparison to the previous period, of around 6.191m€, due to a better performance of the team and the new financial setting of UEFA, applicable from 2012 to 2015, awarding significantly higher rewards than the last setting. As for the performance, the team achieved 4 victories and 1 tie in the 6 matches played for the group stage, assuring the reward for reaching the round of 16 of the UEFA Champions League, having been eliminated from that stage by Malaga.

In the item "Other Sporting Revenues" are accounted the gains regarding the participation in other sporting competitions other than the afore mentioned UEFA Champions League – the Portuguese Cup, the Supercup Cândido Oliveira, the League Cup and the pre-season tournaments – as well as the incomes related to Dragon Force. These revenues had a small reduction, mainly due to reduction of gains obtained in the participation in pre-season tournaments.

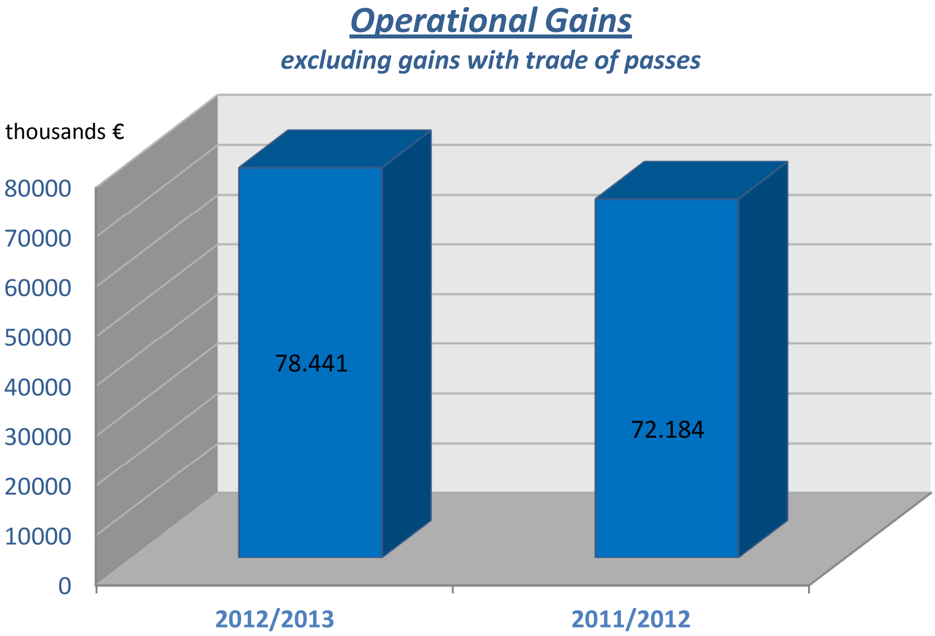
The increase in television revenues, of around 7%, is due to the progressive incomes assured by the contract FC Porto – Futebol, SAD signed with PPTV – Publicidade de Portugal e Televisão S.A. (a company part of Grupo Controlinveste, which assumes the contractual position of Olivedesportos – Publicidade, Televisão e Media S.A.) for the exclusive rights of audio-visual communication, both national and international, of the games played at home by FC Porto for the main competition of the Portuguese League of Professional Football. The revenues regarding the live transmission of pre-season games are also accounted here, and had a slight decrease in comparison to the previous period.

The gains related to publicity and sponsorship contracts come, essentially, from the advertisement present in the official equipment of FC Porto, by its main sponsors, which, in 2012/2013 were Portugal Telecom, Nike and Unicer. Apart from the growing fix numbers throughout the seasons, the contracts have a performance reward, for the sporting performance of the team, which was higher than the previous season. Still, a decrease in the revenues for the advertisement support by PortoComercial led to a slight decrease in these numbers in comparison to 2011/2012.

The item “Corporate Hospitality” includes the gains related to management and exploration of this segment, which are gains of the companies analysed here. This business, in short, consists in the supply of a set of services and products destined to companies and include the right to use cabins and corporate seats at Estádio do Dragão to watch the matches of the team. These gains are invoiced by PortoComercial and then directed to the company EuroAntas, held by FC Porto (club), who in turn uses these funds to pay the liabilities incurred when the stadium was built. The excess funds are then given to the sporting society, after all the settings of the project finance are met. This amount was far superior to the previous exercise, as the way to get this exceeding value was changed. In 2011/2012, the net value was taken into account, whereas this year both the associated cost and the gain were registered. Thus, the increase registered here will also impact on the costs of the exercise.

The remaining operational gains, still not disclosed, of item “Other Services” and “Other Gains”, which are mainly composed of services provided by the companies, except for, as previously stated, the gains related to Merchandising, Publicity and Sponsorship of PortoComercial, decreased 479m€ globally. There was a decrease in the business volume of all the companies in the consolidation perimeter, except for Dragon Tour, which started business in November 2011, meaning this exercise is the first complete one, but whose business volume denies the consolidation, as its activity is almost fully done to the Group.

Below is a chart for the evolution of operational gains, excluding the trade of players, regarding the variables described.



Considering the structure of the operational costs, excluding the trade of players, there was an increase of 6% in comparison to 2011/2012, reaching 96.585m€ in the exercised analysed.

values in thousand euros

Operational Costs excluding costs with passes	2012/2013	%	2011/2012	%
CMV	2.065	2%	1.892	2%
External Supplies and Services	37.499	39%	34.876	38%
Costs with Staff	54.065	56%	49.595	54%
Amortizations excluding depreciation of passes	716	1%	852	1%
Provisions and impairment losses excluding passes	-733	-1%	1.468	2%
Other costs	2.974	3%	2.732	3%
TOTAL	**96.585**	**100%**	**91.415**	**100%**

The cost of products sold did not decrease in proportion with the decrease in sales, as the new outlet store aims at selling merchandise with a smaller margin in comparison to the other stores, leading to a decrease in the global margin.

The increase in supply and external services is explained by the registration, as cost and gain, of the exceeding amount in the management of corporate hospitality, as stated above. If this accounting policy had not changed, the value of this item would be below to the previous exercise, as the cost with publicity supports decreased substantially with PortoComercial.

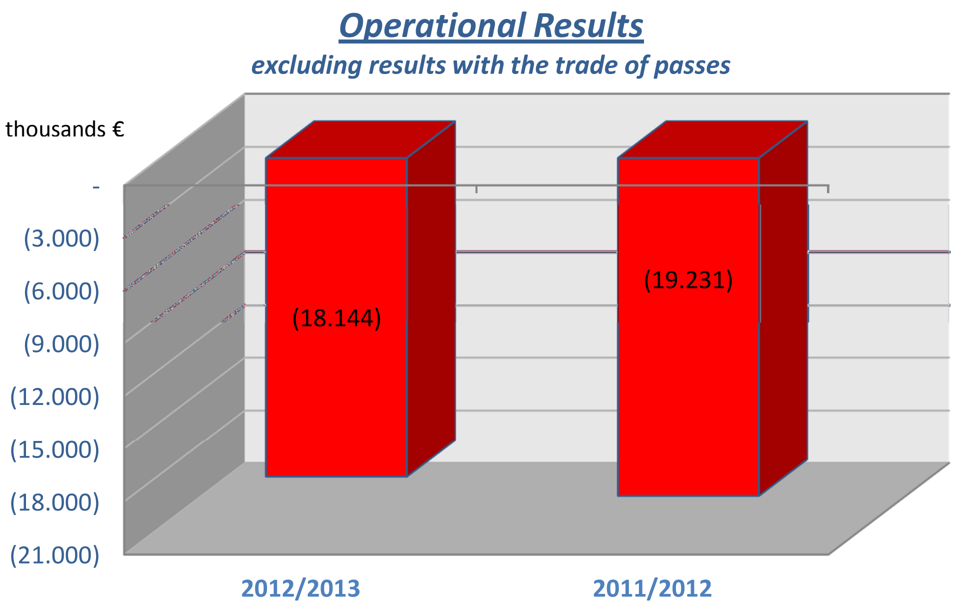
The costs with staff, which have a big impact in the cost structure (56% in 2012/2013), as usually happens in this line of activity, increased 4.470m€ in comparison to the previous year. Part of this increase is explained by the investment made in the main squad, with players of high quality, most of them playing for their national teams, in order to assure the best sporting results, which will necessarily lead to a remuneration matching the status. Still, the return of the B team, playing in the second division of the league, aiming at offering a better experience to young players so they can one day join the main squad, led to a significant increase in this item.

Depreciations, excluding the depreciation of passes, represent only 1% of the total, having decreased around 16% in comparison to the previous period, meaning the assets are close to their life span.

The item “Provisions and Impairment losses excluding trade of players” holds the registration of new provisions and impairment losses, as the reversion of those that were previously done, in case the circumstances that led to them are over. This item has a negative value, meaning that the total value of the reversions was superior to that of the new impairments registered.

The item “Other Costs”, representing the costs not yet disclosed, do not show a great variation in the two seasons presented. This item would have a less obvious value, but, in both exercises, a lost asset in accounted for, for the rebuying of 15% in 2012/2013 and 22.5% in 2011/2012 of the sporting rights of João Moutinho, who was transferred for 25.000m€ in the end of the financial year.

The net value resulting from the sum of operational gains and costs, excluding the trade of players, reached a global negative value of 18.144€, representing an improvement of 1.087m€ in comparison to the previous year.



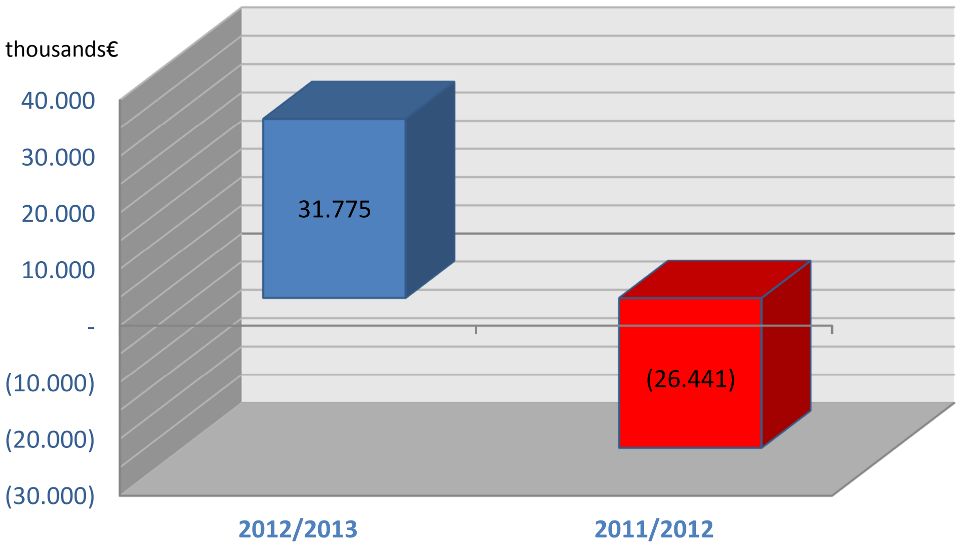
The second component of the net result, regarding the trade of players, is composed of the amortizations and impairment losses with the passes of players and the result of the transaction of passes.

With a negative contribute to the results of the Company, the amortizations and impairment losses with the trade of players registered a value of 26.527m€, representing a decrease of 9.817m€ in comparison to last year, showing a decrease in the cost with acquisitions for the sporting rights of players, done in this exercise. There was also a decrease in impairment losses, concerning the economic costs in regards to the decrease in costs with the acquisition of players, reflected in the demonstration of the financial position.

The Result of Trade of Passes, which accounts costs and gains resulting from the sale and loan of sporting rights of players, has been a positive item in the financial reports of the group. The results obtained come from net assets (the costs and the net value of the sporting rights have to be subtracted from the amount of the sale) obtained in the sale of economic and sporting rights of players to other clubs/ companies. In this period, the assets for the trade, at the start of the season of Alvaro Pereira to Inter Milan and Hulk to Zenit, for 10.000m€ and 40.000m€ respectively, and, closer to the end of the exercise, of João Moutinho and James Rodriguez, to Monaco, for 25.000m€ and 45.000m€, respectively.

The decrease in amortizations and impairment losses with the trade of players, added to the increase in results with the trade of players, ended in a positive variation in the numbers of the Company in comparison to the previous year, by 57.129m€, which led to operational gains (results before financial costs and gains, resulting from investments and tax on income) of 31.775m€, representing an increase of 58.216m€ in comparison to the previous year.

Operational Results



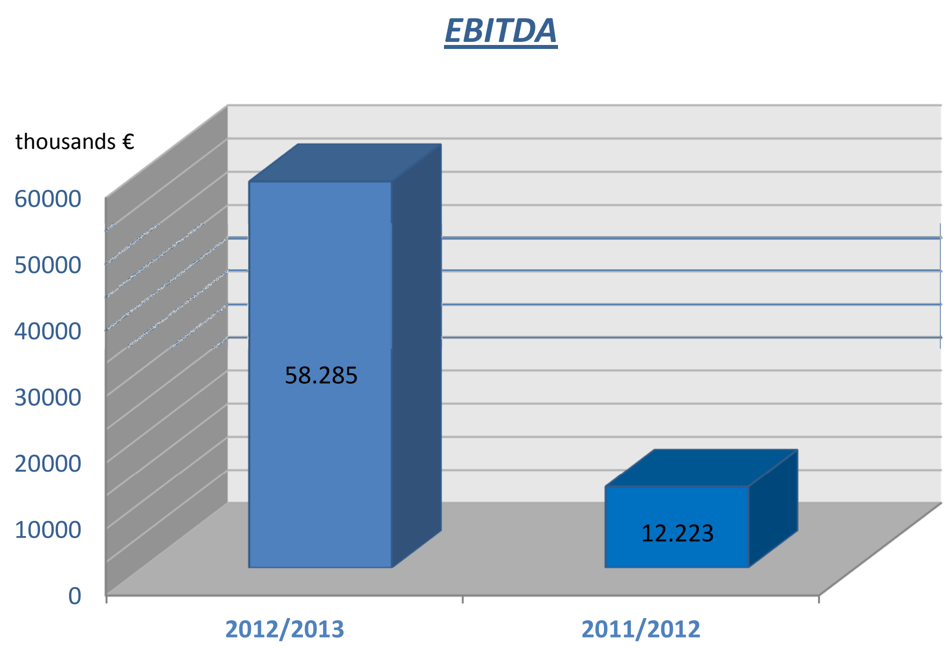
Finally, the third component, financial.

In this exercise, the financial results aggravated by 16%, in comparison to last year, due to the increase of financial costs supported by the Company to deal with the loans contracted.

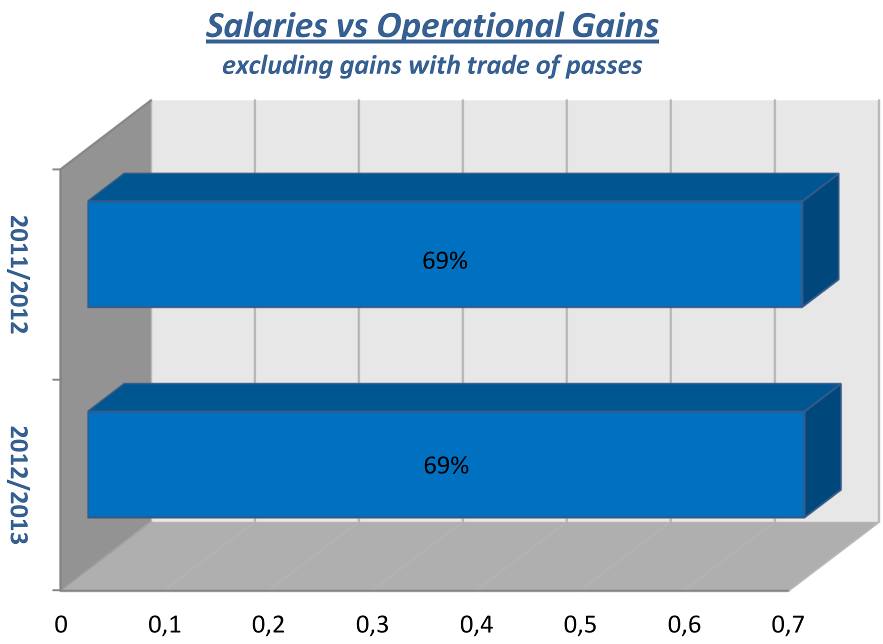
The results related to investments, including the results from investing in sporting rights of players of which the Company does not have the rights, dropped 1.301m€, as there were no gains in this item during this period.

As a conclusion to the analysis, and after including the tax on income, of 575m€m the Net Result of FC Porto – Futebol, SAD was, as previously stated, 20.356m€.

The result obtained by the Company becomes more valuable if the EBITDA – operational cash-flow is analysed, as it is measured by the operational results, net amortizations, impairment losses and provisions. The 58.285m€ freed may be channelled to support new assets and pay off part of the debt contracted with banking entities.



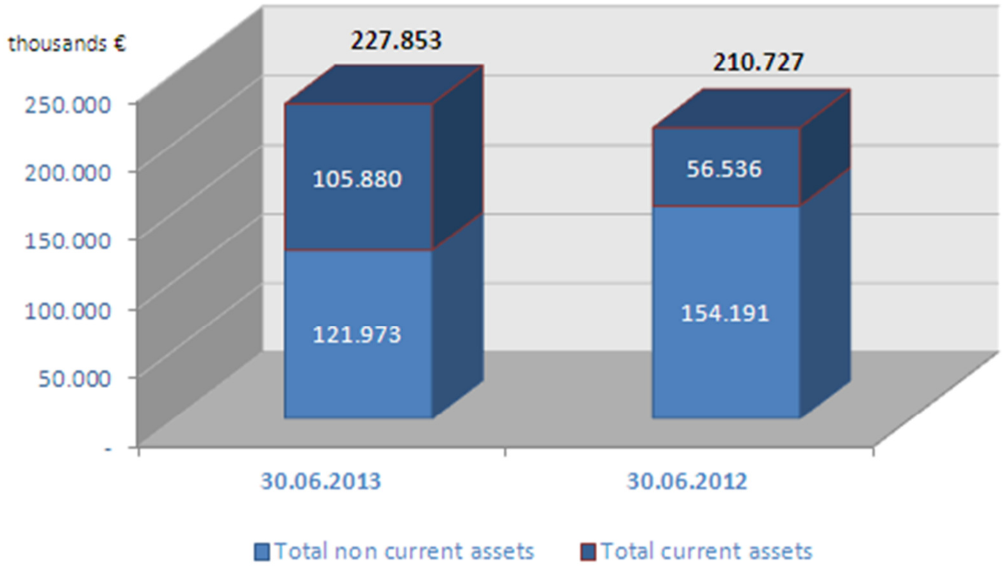
Apart from the obviously positive results obtained by the Company, it is important to present a fundamental indicator in this area of activity which reflects the weight that the costs with staff have in the structure of gains. Recurring to a common indicator used by experts when analysing finances in football, this ratio, which must not include gains with trade of players, must be below 70%, as recommended by UEFA. As the chart below shoes, the company has kept this ratio under the recommended value, despite the constraints that FC Porto, coming from a small country, when raising funds (tickets, television rights and advertisement), in comparison to major European clubs, as, in order to maintain the same level of competitiveness, the club has to pay lower salaries.



Now considering the financial situation of Futebol Clube do Porto – Futebol, SAD as of the 30th of June 2013, highlights should be given to the fact that the Company record part of its own capital by incorporating the net results obtained in this year. The financial situation of FC Porto – Futebol, SAD reaches, individually, 9.883m€, which means the company is still pursuant of article 35 of the Commercial Companies Code.

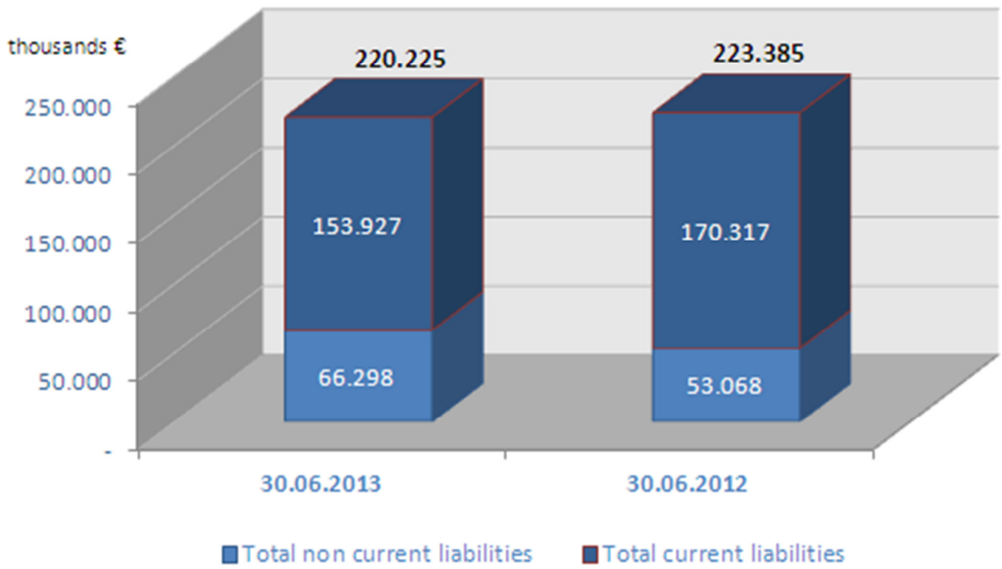
Despite the decrease in the net value of the squad by 23%, the net assets grew 17.126m€ in comparison to 30 of June 2012, reaching a global amount of 227.853m€. The fact that this increase is based on the current component should be stated, especially for the increase in value to be received, in the short term, regarding the trade of sporting rights of players, which allows for a transformation of available capital, which can be used to meet the short term responsibilities of the Company.

Assets



The total liabilities reaches, as of the 30th of June, 220.225m€, representing a decrease of 3.160m€, in comparison to the 30th of June of the previous year.

Liabilities



The structuration of the liabilities, in comparison to the 30th of June 2012, should be stated, as there was a decrease in the short term component, going from 76% to 70%, which, when allied to the positive effect on the current assets, lightens pressure on the treasury of the Company. Also important is the decrease in the remunerated liability and the increase in the cash-flow available, leading to a decrease in the net financial debt by 26.594m€, placing it at 84.225m€ as of the 30th of June 2013.

As mentioned, the company, as of the 30th of June 2013, is under the scope of article 35 of the Commercial Companies Code, with its own assets representing, individually, less than half of the social capital.

The Board of Directors, apart from foreseeing the analysis of this matter in General Meeting for the approval of this years' results, may also call for an Extraordinary General Meeting to discuss and approve any propositions presented, which may be some of the following:

- Reduction of social capital to an amount not inferior to the company's own capital;
- Injection of capital by investors to reinforce the capital; and
- Both of the above.

INDIVIDUAL PERFORMANCE OF THE COMPANIES BELONGING TO THE GROUP

The accounts thus far have stated the consolidated economic and financial situation of FC Porto – Futebol, SAD, that is, the sum of the accounts of all six companies belonging to the Group, the net transactions done between them.

Below is a chart with the individual performance of each one, before the consolidation adjustments:

values in thousand euros

Companies in the group	FC Porto Futebol, SAD	Porto Comercial	Porto Estádio	Porto Multimédia	Porto Seguro	Dragon Tour
Operational Gains excluding Trade of Players	57.919	18.461	5.44!	42	552	2.075
Operational Costs excluding Trade of Players	(77.252)	(17.560)	(4.911	(220)	(651)	(2.043)
Operational Results excluding Trade of Players	**(19.333)**	**901**	**53‹**	**(178)**	**(99)**	**32**
Amortizations and Impairment loses with Trades	(26.527)	-		-	-	-
(Costs)/Gains with Trades	76.445	-		-	-	-
Operational Results	**30.585**	**901**	**53‹**	**(178)**	**(99)**	**32**
Financial Results	(8.429)	(218)	(75	-	0	(0)
Results related to Investments	(1.748)	-		-	-	-
Taxes over Income	(376)	(53)	(53	-	(15)	(10)
Net Result of the year	**20.033**	**630**	**40!**	**(178)**	**(113)**	**22**

The chart shows that the consolidated result achieved by FC Porto – Futebol, SAD was obtained almost exclusively due to the individual result of the Company, despite all the companies in the group having given a positive contribution, globally, in obtaining this result, even if PortoMultimédia and PortoSeguro had negative results in this year.

5. Other Facts that Occurred During the Financial Year

- When issuing bonds by the company, there was a payment of interests for the coupon no. 3 and 4 of the bonds “FUTEBOL CLUBE DO PORTO SAD 2011-2014”, on the 3rd of December 2012 and 3rd of June 2013, respectively. The reimbursement of the operation will occur on the 3rd of June 2014, as set in the prospectus of public offer.

- When issuing bonds by the company, there was a payment of interests for the coupon no. 6 and reimbursement of the bonds “FUTEBOL CLUBE DO PORTO SAD 2009-2012”, on the 18th of December 2012, as set in the prospectus of public offer.

- On the 19th of December 2012, in a special session of regulated market, the results for the Public Offer for the Subscription of Bonds “FC PORTO SAD MAIO 2015”. The offer was composed of 6.000.000 bonds (after an extended emission), worth 5€ (global amount: 30.000m€), but the demand surpassed 32.8 million bonds, meaning it exceed the offer by 5.47 times, leading to a ratio of around 0.696. It should be pointed out that the demand exceeded the entire offer, even after the extended emission, on the first day, with a total of 6.7 million bonds. On the 21st of May 2013, the Company paid interests of coupon no. 1 of this new bond.

- On the 10th of June 2013, FC Porto – Futebol, SAD celebrated a sporting working contract, valid for two seasons, with the new coach of the main squad, Paulo Fonseca.

- On the 28th of June 2013, FC Porto – Futebol, SAD reached an agreement with Pachuca Club de Fútbol for the sporting rights acquisition and 80% of the economic rights of professional football player Héctor Herrera, for 8.000m€. The player signed a contract valid for 4 seasons, with a release fee of 40.000m€.

6. Relevant Facts Occurred after the End of the Financial Year

- On the 13th of July 2013, FC Porto – Futebol, SAD reached an agreement with Pescara Calcio for the acquisition of the sporting rights, and 50% of the economic rights, of professional football player Juan Fernando Quintero Paniagua, for 5.000m€. The player signed a contract valid for 4 seasons, with a release fee of 40.000m€.

- On the 30th of July 2013, FC Porto – Futebol, SAD increased the capital of FCP Media, SA by 4.000m€, as the company aims at promoting "*Public relations activities and communication. Concept, creation, development, production, performance, promotion, commercialization, acquisition, rights exploration, recording, distribution, and broadcast of works and shows, of audio-visual, multimedia, television, video, cinema, theme networks, internet, artistic events, cultural and sporting nature, in any format and system; services management, exploration and deliver in the fields of recording, production and communication of audio-visual, television, sound, image, multimedia and any other audio-visual nature; edition of periodical publications, books and multimedia content; offer of other services related to these activities*", thus becoming the main shareholder.

7. Future perspectives

Success, consistency, planning. This financial year of FC Porto, SAD was again set by this triangle we consider fundamental for the future of the Company and to give the best answer to the demands of a competitive and selective market. Certainty

FC Porto insists on winning, but does it with a sense of responsibility, keeping its values and anticipating a surely bright future. The title of champion, the third in a row, has reinforced the internal dominance and led our colours to yet another European adventure.

The sporting start of the season 2013/2014 is extremely positive. After winning the Supercup, against Vitória de Guimarães by 3-0, FC Porto is in the lead of the national championship, with 19 points in seven games. In the European competitions, the team is in the second place of the group stage, keeping open perspectives about the qualification for the round of sixteen in the UEFA Champions League.

The objective for the next exercise is, as always will be for this Company, to bet on a sporting policy that promotes the never ending quest for success, both internally and on the Champions League, proving it is possible to ally sporting success and economic efficiency. The Board of Directors of FC Porto – Futebol, SAD is aware of the current economic situation of the country, which will make it hard to get revenues, forcing to an adequacy in costs.

These are the coordinates of the modern FC Porto.

8. Information on own shares

FC Porto – Futebol, SAD holds 100 own shares, consolidated, worth 499€. These shares, although a small representation of the social capital of the company, belong to PortoSeguro, a company of the group held at 90% by FC Porto – Futebol, SAD.

PortoSeguro has acquired 100 shares at the moment the SAD was formed, in 1997, and never alienated or acquired any more shares. Thus, in the beginning and the end of the financial year, FC Porto – Futebol, SAD had 100 shares, worth 500€.

9. Statement of the Board of Directors

Under the terms of paragraph c) of point 1 of article 245 of the Securities Code, the directors of FC Porto – Futebol, SAD, in charge of the company, state that, to their knowledge, the information presented in this report, the annual accounts and other accounting documents required by law or legislation, even if not approved by General Meeting, has been gathered in conformity with international financial reporting standards adopted in the European Union, giving a true and accurate image of assets and liabilities, of the financial situation and results of the issuer and of the companies included in the Group, and that the management report faithfully lays out the evolution in business, performance and position of the issuer and of the companies included in the Group, and contains a description of the main risks and uncertainties the company has to face.

Porto, 10th of October 2013

Board of Directors

____

Jorge Nuno Lima Pinto da Costa

____

Adelino Sá e Melo Caldeira

____

Angelino Cândido Sousa Ferreira

____

Reinaldo da Costa Teles Pinheiro

____

Rui Ferreira Vieira de Sá

B. Consolidated Financial Statements and Appendix

1. Statements of Consolidated Financial Position

ASSETS	Notes	30.06.2013	30.06.2012
NON-CURRENT ASSETS			
Tangible assets	7	1.561.106	1.802.488
Intangible assets - Players' registrations	8	76.158.898	99.255.329
Other intangible assets	7	1.748.553	1.842.342
Other financial assets	9 and 22	2.246.568	2.717.467
Goodwill	10	238.045	459.045
Trade receivables	11	24.766.753	32.825.417
Other non-current assets	13	15.253.094	15.289.238
Total non current assets		121.973.017	154.191.326
CURRENT ASSETS			
Inventories	12 and 22	1.112.554	765.681
Trade receivables	11 and 22	64.129.401	39.193.323
Other current assets	13 and 22	22.819.817	14.660.151
Cash and cash equivalents	14	17.817.786	1.916.557
Total current assets		105.879.558	56.535.712
TOTAL ASSETS		227.852.575	210.727.038

EQUITY AND LIABILITIES	Notes	30.06.2013	30.06.2012
EQUITY			
Share capital	16	75.000.000	75.000.000
Own shares		(499)	(499)
Share issue premiums		259.675	259.675
Legal reserve		132.753	132.753
Other reserves		188.262	652.307
Retained earnings		(88.122.609)	(52.824.085)
Consolidated net result for the year		20.355.997	(35.762.568)
Equity attributable to equity holders of the parent company		7.813.579	(12.542.417)
Non-controlling interests	17	(186.224)	(115.678)
TOTAL EQUITY		7.627.355	(12.658.095)
LIABILITIES			
NON-CURRENT LIABILITIES			
Bank loans	18	13.225.000	14.400.000
Bonds	18	29.526.645	9.813.000
Other creditors	19	7.669.894	8.775.000
Trade payables	20	3.745.563	5.973.103
Other non current liabilities	21	10.206.032	14.106.944
Provisions	22	1.924.649	-
Total non current liabilities		66.297.783	53.068.047
CURRENT LIABILITIES			
Bank loans	18	43.004.014	55.981.791
Bonds	18	9.617.134	17.797.686
Other creditors	19	-	6.967.558
Trade payables	20	61.677.137	45.447.209
Other current liabilities	21	39.629.152	42.198.193
Provisions	22	-	1.924.649
Total current liabilities		153.927.437	170.317.086
TOTAL LIABILITIES		220.225.220	223.385.133
TOTAL EQUITY AND LIABILITIES		227.852.575	210.727.038

2. Consolidated Statements of Results by Category

	Notes	30.06.2013	30.06.2012
Sales		2.785.715	3.166.269
Services rendered	23	74.550.782	68.058.465
Other income	27	1.104.858	959.598
Cost of goods sold	12	(2.064.513)	(1.892.165)
External supplies and services	24	(37.498.709)	(34.875.988)
Payroll expenses	25	(54.065.254)	(49.594.984)
Amortisation and depreciation excluding amortisation of players' registrations	7	(716.489)	(851.929)
Provisions and impairment losses excluding players' registrations	22	733.305	(1.468.461)
Other expenses		(2.973.531)	(2.731.666)
Operational profit/(loss) excluding results with players' registrations		(18.143.836)	(19.230.861)
Amortisation and impairment losses of players' registrations	26	(26.526.558)	(36.343.496)
Income/(expenses) related with transactions of players' registrations	26	76.445.209	29.133.050
		49.918.651	(7.210.446)
Total operational profit/(loss)		31.774.815	(26.441.307)
Financial expenses	28	(12.893.251)	(11.047.749)
Financial income	28	3.771.307	3.190.956
Gains and losses in investments	9, 10, 22 and 29	(1.747.916)	(446.585)
Profit/(loss) before income tax		20.904.955	(34.744.685)
Income tax	15	(575.060)	(1.180.356)
Consolidated profit/(loss) for the year		20.329.895	(35.925.041)
Attributable to:			
Equity holders of the parent company		20.355.997	(35.762.568)
Non-controlling interests	17	(26.102)	(162.473)
	31	1,36	(2,38)
Earnings per share			
Basic		1,36	(2,38)
Diluted		1,36	(2,38)

3. Consolidated Statements of Comprehensive Income

	Notes	30.06.2013	30.06.2012
Net consolidated profit / (loss) for the year		20.329.895	(35.925.041)
Other comprehensive income for the year		-	-
Total consolidated comprehensive income for the year		20.329.895	(35.925.041)
Attributable to:			
Equity holders of the parent company		20.355.997	(35.762.568)
Non-controlling interests	17	(26.102)	(162.473)

4. Consolidated Statements of Changes in Equity Capital

	Attributable to equity holders of the parent company									
	Share capital	Own shares	Share issue premiums	Legal reserve	Other reserves	Retained earnigs	onsolidated net esult for the ye	Total	Non-controlling interests	Total
Balance as at 1 July 2011	75.000.000	(499)	259.675	132.753	652.307	(53.334.861)	534.427	23.243.802	49.049	23.292.851
Appropriation of consolidated profit of 2010:										
Transfer to legal reserve	-	-	-		-	-	-	-	-	-
Transfer to other reserves	-	-	-	-		-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	534.427	(534.427)	-	-	-
Changes in reserves	-	-	-	-	-	(23.651)	-	(23.651)	(2.254)	(25.905)
Total consolidated comprehensive income for the year	-	-	-	-	-	-	(35.762.568)	(35.762.568)	(162.473)	(35.925.041)
Balance as at 30 June 2012	75.000.000	(499)	259.675	132.753	652.307	(52.824.085)	(35.762.568)	(12.542.417)	(115.678)	(12.658.095)
Balance as at 1 July 2012	75.000.000	(499)	259.675	132.753	652.307	(52.824.085)	(35.762.568)	(12.542.417)	(115.678)	(12.658.095)
Appropriation of consolidated profit of 2011:										
Transfer to legal reserve	-	-	-		-	-	-	-	-	-
Transfer to other reserves	-	-	-	-		-	-	-	-	-
Transfer to retained earnings	-	-	-	-	(464.045)	(35.298.524)	35.762.568	(1)	-	(1)
Dividends distribution	-	-	-	-	-	-	-	-	(44.444)	(44.444)
Changes in reserves	-	-	-	-	-	-	-	-	-	-
Total consolidated comprehensive income for the year	-	-	-	-	-	-	20.355.997	20.355.997	(26.102)	20.329.895
Balance as at 30 June 2013	75.000.000	(499)	259.675	132.753	188.262	(88.122.609)	20.355.997	7.813.579	(186.224)	7.627.355

5. Consolidated Statements of Cash flow

	Notes	30.06.2013		30.06.2012	
Operating activities:					
Cash receipts from trade debtors		74.264.191		84.459.249	
Cash payments to trade creditors		(44.354.617)		(42.943.087)	
Cash payments to employees		(54.689.110)		(49.591.188)	
Other cash receipts/(payments) relating to operating activities	27	(4.667.460)		873.577	
Income taxes (paid)/received		(613.240)	(30.060.236)	(217.005)	(7.418.454)
Net cash flow from operating activities (1)			(30.060.236)		(7.418.454)
Investment activities:					
Cash receipts arising from:					
Tangible assets		49.000		43.400	
Players' registrations		122.183.176		56.351.113	
Interest and similar income		1.073.518	123.305.694	1.207.889	57.602.402
Cash payments arising from:					
Tangible assets		-		(600)	
Players' registrations		(55.690.981)		(66.168.524)	
Loans granted		(597.365)	(56.288.346)	(338.853)	(66.507.977)
Net cash from/(used in) investment activities (2)			67.017.348		(8.905.575)
Financing activities:					
Cash receipts arising from:					
Investments		-		2.500	
Loans obtained from investors		-		11.500.000	
Loans obtained		131.993.634	131.993.634	72.701.500	84.204.000
Cash payments arising from:					
Loans obtained from investors (Note 19)		(8.750.000)		-	
Dividends		(44.444)		-	
Loans obtained		(133.132.585)		(78.760.701)	
Interest and similar charges		(11.122.488)	(153.049.517)	(9.741.535)	(88.502.236)
Net cash from/(used in) financing activities (3)			(21.055.883)		(4.298.236)
Cash and cash equivalents at the beginning of the financial year	14		1.916.557		22.538.822
Net increase/(decrease) of cash and cash equivalents: (1)+(2)+(3)			15.901.229		(20.622.265)
Cash and cash equivalents at the end of the financial year	14		17.817.786		1.916.557

6. Notes to Consolidated Financial Statements

1. INTRODUCTION

Futebol Clube do Porto - Futebol, S.A.D. ('FCPorto, SAD' or 'the Company'), with head office at Estádio do Dragão, Via F.C. Porto, Entrada Poente, 3rd Floor, 4350-451 Porto, was incorporated on 30 July 1997, and is the parent company of a group companies as presented in Note 5 as the FCP Group ('Group'). Its' main activity considers the participation in professional football competitions and the sporting events promotion and organization.

These consolidated financial statements are presented in euros, rounded to units, which is the currency presented by the Company in its operations and therefore considered its functional currency.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of the accompanying consolidated financial statements are as follows:

2.1 BASIS OF PRESENTATION

The accompanying consolidated financial statements have been prepared on a going concern basis from the books and accounting records of the companies included in the consolidation, adjusted in the consolidation process to reflect International Financial Reporting Standards effective for financial years beginning 1 July 2012, as adopted by the European Union. Such standards include the International Financial Reporting Standards ('IFRS') issued by the International Accounting Standards Board ('IASB'), the International Accounting Standards ('IAS') issued by the Accounting Standards Committee ('IASC') and the respective interpretations – SIC and IFRIC issued by the International Financial Reporting Interpretation Committee ('IFRIC') and Standing Interpretation Committee ('SIC'), that have been adopted by the European Union. These standards and interpretations are referred to hereinafter collectively as 'IFRS'.

The interim financial statements were prepared, quarterly, in accordance with IAS 34 – Interim Financial Report.

During the year ended as of 30 June 2013, no changes occurred in relation to the accounting policies presented in the consolidated financial statements as of 30 June 2012.

The following standards, interpretations, amendments and revisions have been, at the date of approval of these financial statements, approved ('endorsed') by the European Union, and as its' application is mandatory in financial years beginning on or after 1 January 2012, have become effective during the year ended as of 30 June 2013:

Standard/Interpretation	Effective date	
IAS 12 – Amendment (recovery of underlying assets)	01-01-2012	This amendment provides a presumption that recovery of the carrying amount of an asset measured using the fair value model in IAS 40 will, normally, be through sale.
IAS 1 – Amendment (Presentation of Items of Other Comprehensive Income)	01-07-2012	This amendment requires the following changes: (i) the items that comprise the Other Comprehensive Income and that in the future will be recognized in the income statement are presented separately, (ii) change the nomenclature to Income Statement and Other Comprehensive Income. The option of reporting income statement and Other Comprehensive Income in two separate statements will remain.

The adoption and application of these standards and interpretations did not produce material changes in the financial statements of the Group as of 30 June 2013.

The following standards, interpretations, amendments and revisions have been, at the date of approval of these financial statements, approved (‘endorsed’) by the European Union, but its’ application is mandatory only in future financial years:

Standard/Interpretation	Effective date	
IFRS 10 – Consolidated Financial Statements	01-01-2013	This standard requires a parent to present consolidated financial statements as a single economic entity, replacing the requirements previously contained in IAS 27 Consolidated and Separate Financial Statements and SIC-12 Consolidation - Special Purpose Entities. The Standard identifies the control requirements, determines how to identify whether an investor controls an investee and therefore must consolidate the investee, and sets out the principles for the preparation of consolidated financial statements. This Standard introduces a single consolidation model for all entities based on the control definition, irrespective of the nature of the investee. Under IFRS 10, control is based on whether an investor has: (i) power over the investee; (ii) exposure or rights to variable returns from its involvement with the investee, and (iii) the ability to use its power over the investee to affect the amount of the returns.
IFRS 11 – Joint Arrengements	01-01-2013	This standard replaces IAS 31 - Interests in Joint Ventures. Requires a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations and then account for those rights and obligations in accordance with that type of joint arrangement. The joint arrangements may take the form of joint operations or joint ventures.

IFRS 12 – Disclosure of Interests in Other Entities	01-01-2013	This standard requires the extensive disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on its financial position, financial performance and cash flows. In high-level terms, the required disclosures are grouped into the following broad categories: (i) Significant judgements and assumptions; (ii) Interests in subsidiaries; (iii) Interests in joint arrangements and associates; and (iv) Interests in unconsolidated structured entities.
IFRS 13 – Fair value Measurement	01-01-2013	This standard replaces the guidance on fair value measurement in existing IFRS accounting literature with a single standard. This standard is applicable when other standard requires or allows fair value measurements or disclosures. The standard requires entities to classify these measurements into a 'fair value hierarchy' based on the nature of the inputs: (i) Level 1 - quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date; (ii) Level 2 - inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and (iii) Level 3 - unobservable inputs for the asset or liability.
IAS 19 – Employee benefits (Amendment)	01-01-2013	This amendment revises the requirements for pensions and other postretirement benefits, termination benefits and other changes.
IAS 27 - Separate Financial Statements (2011)	01-01-2013	This amendment restricts the IAS 27's scope to the Separate Financial Statements. Requirements for consolidated financial statements are now contained in IFRS 10 Consolidated Financial Statements. The Standard requires that when an entity prepares separate financial statements, investments in subsidiaries, associates, and jointly controlled entities are accounted for either at cost, or in accordance with IFRS 9 Financial Instruments. The Standard also deals with the recognition of dividends, certain group reorganizations and includes a number of disclosure requirements.
IAS 28 – Investments in Associates and Joint Ventures (2011)	01-01-2013	This Standard supersedes IAS 28 Investments in Associates and prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. The Standard defines 'significant influence' and prescribes how investments in associates and joint ventures should be tested for impairment.
IFRS 7 – Amendment (2011)	01-01-2013	This amendment requires additional disclosures for financial instruments, including information regarding those subject to netting agreements and similar.
IFRS 1 – Government subsidies (Amendment)	01-01-2013	This amendment defines how a "first-time adopter" must register a loan from public entities with an interest rate below market during the transition to IFRS referential.

Improvements to International Financial Reporting Standards – 2012	Several (usually 01-01-2013)	This process considered the revision of 5 accounting standards.
IFRIC 20 - Stripping Costs in the Production Phase of a Surface Mine (2011)	01-01-2013	Clarifies the requirements for accounting for stripping costs associated with waste removal in surface mining, including when production stripping costs should be recognized as an asset, how the asset is initially recognized, and subsequent measurement.
IAS 32 – Amendment (2011)	01-01-2014	This amendment clarifies certain aspects of the standard due to the diversity in applying the compensation requirements.
IAS 34 – Interim Financial Report	01-01-2013	Clarifications regarding the interim report of information by nature about total of assets with the purpose of increase the coherence with the IFRS 8 – Operating Segments requests.

These standards, although approved ('endorsed') by the European Union, were not adopted by the Group for the year ended at 30 June 2013, as the application of these standards is not yet mandatory. No significant impacts are expected to arise in the financial statements resulting from the adoption of these standards.

The following standards, interpretations, amendments and revisions, which are mandatory in future financial years have not been, at the date of approval of these financial statements, approved ('endorsed') by the European Union:

Standard/Interpretation	Effective date	
IFRS 9 – Financial instruments (2010)	-01-2015	This standard introduces new requirements for classifying and measuring financial assets, as follows: (i) financial assets can be classified in two categories: at "amortized cost" or at "fair value". This decision should be taken at the initial moment of the financial assets' recognition. The classification depends on how the entity presents these assets in their business model and the financial assets´ cash flow characteristics; (ii) debt instruments can be only classified at amortized cost if their cash flows represent only capital and interests, i.e., contains basic debt characteristics, and for which the entity, in their business model presents those assets with the objective of capturing only those financial cash flows. All other debt instruments are recognized at fair value; (iii) the investments in equity instruments issued by third entities are recognized at fair value through profit and losses. An entity can elect irrevocably debt instruments for which fair value variations and capital gains and losses are recognized in fair value reserves. Those recognized gains and losses can´t be recycled trough profit and losses. This decision is discretionary and does not imply that all debt instruments should be treated the same way. The dividends received are recognized trough profit and losses; (iv) the exception applicable to the detention of debt instruments which fair value cannot be reliably determined and related

		derivatives, as predicted in IAS 39, is not permitted in IFRS 9 and (v) fair value variations attributable to financial liabilities credit risks' classified in the category of "Fair Value Option" should be recognized in "Other Comprehensive Income" (OCI). The remaining fair value variations related to these financial liabilities should be recognized trough profit and losses. The amounts registered in OCI should never be transferred to profit and losses.
Investment companies (changes to IFRS 10, IFRS 12 and IAS 27)	01-01-2014	This process evolved the review of 3 accounting standards, regarding companies that invest in other companies.
Disclosures about recoverable amount of non-financial assets (changes to IAS 36).	01-01-2014	Changes to IAS 36 – Impairment of Assess, reduces the circumstances that is required the recoverable amount of assets or cash-generating units to be disclosed, clarifies the disclosures required and introduce an explicit requirement of disclosure the discount rate used in the impairment (or reversals) calculation, where the recoverable amount (based on the fair value less costs of disposal) is calculated using the present value.
Derivatives novation and accounting of hedge instruments (changes to IAS 39)	01-01-2014	Amends IAS 39 – Financial Instruments: Recognition and Measurement, and indicates that there is no need to interrupt the hedge accounting if a hedge derivative is novation, since certain criteria are met. The novation indicates an event in which both original parties of a derivative agree that one or more counterparties replace its original counterpart to become the new counterpart of each part. To implement these changes and keep the hedge accounting, the novation of a central counterparty clearing (CCP) should happen as a consequence of laws or regulations.
IFRIC 21 - Impositions	01-01-2014	Gives a guidance to when should be recognized a liability of a levy imposed by government, both the levies accounted according to IAS 37 Provisions, Contingent Liabilities and Contingent Assets and those whose date and value are certain.

The interpretation identifies the obligating event to the recognition of a liability as the activity that causes the levy payment, according to the relevant legislation. It gives the following guidance regarding the recognition of a taxes payment liability:
- The obligation is recognized if, gradually, the obligating event occurs over a certain period of time;
- If an obligation is met by reaching a certain minimum limit, the liability is recognized when that minimum limit is met.

These standards were not yet approved ('endorsed') by the European Union; therefore these standards were not adopted by the Group for the year ended at 30 June 2013, as the application of these standards is not yet mandatory. No significant impacts are expected to arise in the financial statements resulting from the adoption of these standards.

2.2 BASIS OF CONSOLIDATION

The consolidation methods adopted by the Group in the preparation of the consolidated financial statements are as follows:

a) Investments in Group companies

Investments in companies in which the Group owns, directly or indirectly, more than 50% of the voting rights at Shareholders' General Meetings or is able to establish financial and operational policies (definition of control used by the Group), are included in the consolidated financial statements using the full consolidation method. Equity and net profit attributable to minority shareholders are shown separately, under the caption 'Non-controlling interests', in the consolidated statement of financial position and in the consolidated income statement. Companies included in the consolidated financial statements using the full consolidation method are listed in Note 5.

Adjustments to the financial statements of Group companies are performed, whenever necessary and considered relevant, in order to adapt accounting policies to those used by the Group. Intra-group balances and transactions are eliminated on consolidation process.

b) Goodwill

Differences between the cost of acquisition of investments in Group companies and the fair value of the identifiable assets and liabilities of those companies at the date of acquisition, when positive, are shown as Goodwill (Note 10).

Goodwill is not amortised, being subject to impairment tests on an annual basis. Net recoverable amount is determined based on business plans performed by the Group management or on valuation reports issued by independent entities. Impairment losses recognized in the period are recorded in the income statement under the caption 'Provisions and impairment losses'. Impairment losses related with goodwill may not be reversed.

2.3 MAIN ACCOUNTING POLICIES

The main accounting policies used in the preparation of the consolidated financial statements are as follows:

a) Tangible assets

Tangible assets acquired up to 1 July 2004 (transition date to IFRS) are recorded at deemed cost, which corresponds to the acquisition cost net of accumulated depreciation and impairment losses recorded up to that date.

Tangible assets acquired after that date are recorded at acquisition cost net of accumulated depreciation and impairment losses.

Depreciation is calculated on a straight line basis, as from the date the assets are first used, over the expected useful life for each group of assets. The expected useful life of the main groups of assets is as follows:

Machinery and equipment – 4 to 10 years
Vehicles – 3 to 8 years
Office equipment – 3 to 8 years

Maintenance and repair costs relating to tangible assets which do not increase their useful life nor result in significant benefits or improvements are recorded directly as expenses in the period they are incurred.

Gains or losses arising on sale or disposal of tangible assets are calculated as the difference between the selling price and the carrying amount of the asset at the date of its sale/disposal; these are recorded in the income statement under either ‘Other income’ or ‘Other expenses’.

b) Intangible assets - Players’ registrations

The caption ‘Intangible assets - Players’ registrations’ includes costs related with the acquisition of players’ registrations, including intermediation service costs, as well as signing-on fees paid directly to the players, and the called ‘loyalty bonuses’, in accordance with item 4, article 3 of Decree-Law 103/97 of 13 September.

When the percentage owned of players’ registrations is less than 100% (see Note 8), it means that although the Company is entitled to full use of the player’s registration, it has entered into an associated financial interests contract with a third party, which consists of an investment partnership in the registration rights, resulting in the proportional sharing of the inherent results in future the transaction of these rights.

If is estimated a loss on the recoverable amount of a player’s registration (‘impairment loss’), the corresponding impact is recognized in the income statement under the caption ‘Amortization and impairment losses of players' registrations’. The recognition and quantification of such impairment losses consider the carrying amount of players' registrations, as of 30 June 2013, of players whose labor contracts have been terminated up to the approval date of the consolidated financial statements.

Costs associated with securing the extension of a player's labor contract are also recorded under the caption 'Intangible assets - Players' registrations', being determined a new book value for the player's registration which is amortized over the remaining revised contract term.

Costs included in the caption 'Intangible assets - Players' registrations' are amortized over the period covered by contracts celebrated between the players and the Company, in accordance with Decree-Law 103/97 of 13 September.

"Players on loan"

The acquisition costs of players' registrations that are on temporary loan to other clubs are maintained in the caption 'Intangible assets - Players' registrations' and continue to be amortized over the number of years these rights expire, according to the player's labor contract, as it's considered to exist a potential valorization of the player registration while the player plays by other club under the referred loan. If a loss is estimated on the recoverable amount ('impairment loss') of the players' registrations on loan up to the end of the contract period, namely when the player is borrowed in its last year of contract, the corresponding effect is recorded in the income statement under the caption 'Amortization and impairment losses of players' registrations'.

c) Other intangible assets

Other intangible assets (non-players' registration) are stated at acquisition cost net of depreciation and accumulated impairment losses. Intangible assets are only recognized if it is probable that future economic benefits will flow from them to the Group, if they are controlled by the Group and if their value can be reliably measured.

Depreciation is charged, on a straight-line basis over the estimated useful life of the assets as from the date the assets are available for use (Note 7).

d) Lease and long term rental

Tangible assets acquired under finance lease contracts and the corresponding liabilities are recorded in accordance with the financial method, when complying with the requirements of IAS 17 - 'Leases'. Accordingly, tangible assets are recorded as assets and corresponding obligations as liabilities in the statement of financial position. Both the finance charge and the depreciation expense for depreciable assets, calculated as explained in Note 2.3.a), are taken to the income statement in the period in which they are incurred.

Long term rental instalments on assets acquired under this regime are recognised in full as expenses in the period to which they refer.

Determination of whether contracts relate to finance leases or long term rentals is made based upon the substance rather than the form of the contracts.

Operating lease instalments are recognized as expenses on a straight-line basis over the rental period.

e) Impairment of non-current assets, except for Goodwill

Assets are assessed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Whenever the book value of an asset exceeds its recoverable amount, an impairment loss is recognised in the profit and loss statement caption 'Provisions and impairment losses excluding players' registrations'.

The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable parties, less costs of disposal. Value in use is the present value of estimated future cash-flow from the continued use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for each asset individually.

Impairment losses recognised in prior years are reversed when it is concluded that the impairment losses previously recognised no longer exist or have decreased. This assessment is made whenever there is an indication that impairment losses previously recognised have been reversed. The reversal is recorded in the income statement caption 'Other income'. However, reversal of the impairment loss is recognised only up to the amount at which the asset would have been recorded (net of depreciation) had no impairment loss been recognised for that asset in prior years.

f) Borrowing costs

Borrowing costs are recognised on an accruals basis in the income statement for the period in which they are incurred.

g) Inventories

Inventories are stated at acquisition cost or net realizable value, whichever is lower, using the average cost as costing method.

Differences between cost and net realizable value, if negative, are shown as operating expenses under the caption 'Cost of sales'.

h) Provisions

Provisions are recognised when, and only when, the Group has a present obligation (legal or constructive) as result of a past event, it is probable that a outflow of resources will be required to settle the obligation, and a reliable estimate can be made of that obligation.

Provisions are reviewed and adjusted at the end of the reporting period to reflect the best estimate as of that date.

i) Financial instruments

i) Investments

Investments are classified into the following categories:

- Held to maturity
- Investments measured at fair value through profit or loss
- Available-for-sale

Held to maturity investments are classified as non-current assets unless they mature within 12 months of the end of the reporting period. Investments classified as held to maturity have defined maturities and the Group has the intention and ability to hold them until the maturity date.

The investments measured at the fair value through profit or loss include the investments held for trading that the Group acquires with the purpose of trading in the short term. They are classified in the consolidated statement of financial position as current investments.

The Company classifies as available-for-sale investments those that are neither included as investments measured at fair value through profit or loss neither as investments held to maturity. These assets are classified as non-current assets, except if the sale is expected to occur within 12 months from the date of classification.

All purchases and sales of investments are recognised on the trade date, independently of the settlement date.

Investments are initially measured at cost, which is the fair value of the consideration paid for them, including transaction costs.

Investments that do not have a quoted price and whose fair value cannot be reliably measured are stated at cost less any impairment losses.

ii) Trade receivables and Other receivables

Non-current accounts receivables are measured at amortised cost using the effective interest method, less any impairment.

Current account receivables are presented in the statement of financial position, net of any impairment losses, and are recorded at their nominal value, except when the effect of discounting is material, when they are recorded at amortised cost using the effective interest method.

Financial income is calculated in accordance with the effective interest rate, except for very short term receivables when the income amounts to recognize would be immaterial.

Accounts receivables are recorded as current assets, except when its maturity is greater than 12 months from the end of the reporting period, when they are classified as non-current assets. These financial assets are included in the captions presented in Note 11.

Impairment is recognized if there is objective and measurable evidence that, as a result of one or more events that occurred, the balance will not be fully received. Therefore, each group company takes into consideration information that indicates:

- significant financial difficulty of the counterparty;
- default or delinquency in payments;
- it becoming probable that the counterparty will enter bankruptcy or financial re-organization.

iii) Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified and recorded based upon their contractual substance. Equity instruments are contracts that evidence a residual interest in the assets of the Group after deducting all of its liabilities, and are recorded at the proceeds received, net of direct issue costs.

iv) Loans

Loans are recorded as liabilities at their nominal value net of transaction costs directly related to the issuance of those instruments. Financial expenses are calculated based on the effective interest rate and are recorded in the income statement on an accruals basis.

v) Trade payables and Other payablesaixa e equivalentes de caixa

Accounts payables are recorded at amortized cost using the effective interest rate method.

Current accounts payable are stated at their nominal value, unless the effect of discounting is considered material, when they are recorded using the effective interest rate method.

The financing costs are calculated according to the effective interest rate, except for amounts payable to very short-term securities which would be to recognize immaterial.

Accounts payable are classified as current liabilities, except in cases where the maturity is longer than 12 months of the end of the reporting period, which are classified as non-current. These liabilities are included in the classes identified in Note 20.

vi) Discounted bills

Trade receivables represented by discounted bills that have not yet matured at the end of the reporting period remain recorded in the statement of financial position until they are collected.

vii) Cash and cash equivalents

'Cash and cash equivalents' include cash on hand, cash at banks, term deposits and other treasury applications which mature in less than three months and are subject to insignificant risk of change in value.

In the consolidated statement of cash-flows, 'Cash and cash equivalents' also include bank overdrafts, which are included in the statement of financial position caption 'Bank loans'.

viii) Other financial assets – Players economic rights

The amounts includes in the caption "Other financial assets – Players economic rights" are related to the economic rights over several players whose sporting rights were sold by FCPorto SAD, while keeping part of their economic rights. These assets are registered at cost, less possible impairment losses.

ix) Effective interest rate method

Effective interest rate method is a method of calculating the amortized cost of a financial asset or liability and of allocating interest income or expense over the relevant period. The effective interest rate method is the one used to calculate the amortization cost of a financial asset or liability and to realize the income or cost allocation up to maturity of the financial instrument. The effective interest rate is the one that, being used to discount estimated future cash flows associated to the financial instrument, allows to meet its actual value to the financial instrument value on the initial recognition date.

x) Impairment of financial instruments

Financial assets are analysed at each consolidated financial statement date to verify the existence of impairment losses indicators.

The financial assets are considered in situation of impairment when there is objective evidence that, as a consequence of one or more events occurred after the assets initial recognition the estimated cash flows had been negatively affected.

For the financial assets measured at amortized cost, the impairment is calculated by the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For investments on subsidiaries, measured at acquisition cost less impairment, the impairment analysis evolves the use of discounted cash flows models to estimate the value in use of the referred investments. Such models imply that the Company estimated the present value of future cash flows of the subsidiary company according to a discount rate in line with its associated risk.

It is the Board of Directors understanding that the use of the above mentioned methodology is adequate to conclude on the eventual existence of financial investments impairment as it incorporates the best available information as at the date of the financial statements

j) Contingent assets and liabilities

Contingent assets are possible assets arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the full control of the Group.

Contingent assets are not recorded in the consolidated financial statements but disclosed when future economic benefits are probable.

Contingent liabilities are defined by the Group as (i) possible liabilities arising from past events, the existence of which will only be confirmed by the occurrence, or not, of one or more uncertain future events not under full control of the Group, or (ii) present obligations arising from past events, but which are not recognised because it is unlikely that there will be an outflow of financial benefits to settle the obligation or the amount of the obligation cannot be reliably measured.

Contingent liabilities are not recorded in the consolidated financial statements. Instead they are disclosed in the notes to the financial statements, unless the probability of a cash outflow is remote, in which case, no disclosure is made.

k) Income tax

The below mentioned group of companies, which is dominated by Futebol Clube do Porto – Futebol, S.A.D., has been taxed in accordance with the special regime for taxation of company groups ('Regime Especial de Tributação de Grupo de Sociedades' – 'RETGS').

The companies included in the tax group, the June 30, 2013, taxed according to RETGS are as follows:

Futebol Clube do Porto – Futebol, S.A.D.
PortoComercial – Sociedade de Comercialização, Licenciamento e Sponsorização, S.A.
PortoEstádio, Gestão e Exploração de Equipamentos Desportivos, S.A.
PortoSeguro - Sociedade Mediadora de Seguros do Porto, Lda.
Dragon Tour – Agência de Viagens, S.A.

Income tax for the year is determined based on the taxable results of the companies included in the consolidation and takes into consideration deferred taxation.

According to existing Portuguese legislation, company's tax returns included in the consolidation are subject to revision and correction by the Tax Administration during a period of four years (five years for Social Security), unless there were tax losses, have been granted tax benefits, or there are ongoing inspections, complaints or disputes, these cases where, depending on the circumstances, the deadlines are elongated or suspended. Besides the referred in Note 22 relatively to inspections, complaints and ongoing impeachments, the tax situation on the years ended on 30 June 2012 and 30 June 2013 may still be subject to review and possible corrections.

The Board of Directors of the Parent-Company and its subsidiaries believe that any adjustments resulting from review by the Tax Administration and the tax situation for tax-businesses, for the years in open, should not have a significant effect on the consolidated financial statements.

Under Article 88 of the Tax Code the corporate income businesses of the Group, are subject to additional taxation on a separate set of charges at the rates provided for in the mentioned article.

Deferred taxes are calculated using the balance sheet liability method and reflect the temporary differences between the amount of assets and liabilities for accounting purposes and the corresponding amounts for tax purposes. Deferred taxes are calculated and annually evaluated using the tax rates expected to be in force or announced at the time the temporary differences are reversed.

Deferred tax assets are only recorded when there is reasonable expectation that sufficient taxable profits will arise in the future to allow such deferred tax assets to be used or when there are temporary taxable differences that compensate temporary tax deductible differences in the period they reverse. At the end of each period the Group reviews the deferred tax assets and reduces them whenever their realisation ceases to be likely.

l) Rédito e especialização dos exercícios

Revenue is recorded at fair value of assets received or receivable, net of discounts.

i) Sales of goods

Revenue from the sales of goods (merchandising products) is recognised in the income statement when: (i) the significant risks and benefits of ownership of the assets have been transferred to the buyer, (ii) the Group does not retain continued management involvement of the asset sold to a degree usually associated with ownership or effective control over it, (iii) the amount of revenue can be reliably measured, (iv) it is likely that the economic benefits associated with the transaction will flow to the Group, and (v) the costs incurred or to be incurred with the transaction can be reliably measured. Sales are recognised net of taxes, discounts and other costs, including commissions, at the fair value of the amount received or receivable.

ii) Sale of players' registrations

Gains or losses on disposal of players' registrations are recorded in the income statement under the caption 'Income/(expenses) related with transactions of players' registrations' and are calculated as the difference between the selling price and the carrying amount of the player's registration at the date of the sale and any other costs related directly with the sale, including intermediation service costs and costs with liabilities relating to the 'solidarity mechanism' (that corresponds to a compensation at the time of the transfer of a player to another club, before the term of the respective sporting contract in is actual club, to its former clubs that the players where registered since their 12th and 23rd birthday – this amount corresponds to 5% of the transfer value, to distribute proportionally among them, 0.25% from 12th to 15th anniversary and o.5% from 16th to 23rd anniversary). Whenever relevant, the effect of discounting future receipts to its present value is considered in the determination of the transaction result. Gains or losses on sale of players' registrations are recognized in the income statement when the significant risks and benefits of the player's registration have been transferred.

iii) Contacts of association of economic interests

The gains arising from the celebration of contracts of association of economic interests, which consists of an investment partnership, as mentioned in paragraph b), are recorded in the income statement or in statement of financial position (liabilities), depending if the significant benefits and risks arising from those transactions have been, or not, effectively and materially transferred, according to the contractually defined.

iv) Bonuses for participation in European Competitions

Fixed bonuses for obtaining the right to participate in the UEFA Champions League are recognised in the period in which participation is guaranteed, which is independent of the performance in that competition. The related costs, namely the players' and technical staff's bonuses are equally recorded in the period in which participation is guaranteed. Variable bonuses depending on sporting performance are recorded in the period the matches are played.

v) Other income

Income relating to broadcasting rights, advertising and sponsorships is recorded in the income statement in accordance with the duration period of the respective contracts. Income relating to football matches is recognised in the period the matches are played.

Interest and financial income are recognised on an accruals basis at the applicable effective interest rates.

Other income and expenses are recorded in the period to which they relate, regardless of their date of payment or receipt. Differences between the amounts received or paid and the corresponding income and expenses are recognised in captions 'Other non-current assets', 'Other current assets', 'Other current liabilities' and 'Other non-current liabilities'.

m) Foreign currency balances and transactions

All foreign currency assets and liabilities are translated to Euro at the official year-end exchange rates. Exchange gains and losses resulting from differences between the exchange rates in force on the date of the transactions and those in force on the date of collections, payment or the end of the reporting period are recognised as gain or loss in the income statement of the period.

n) Subsequent events

Events after the end of the reporting period that provide additional information on conditions existing at the end of the reporting period (adjusting events), are reflected in the consolidated financial statements. Events after the end of the reporting period that provide information about conditions arising after the end of the reporting period (non-adjusting events), when material, are disclosed in the notes to the financial statements (Note 35).

o) Judgements and estimates

In the preparation of the accompanying consolidated financial statements judgments and estimates were made and several assumptions were used that affected the value of the assets and liabilities presented, as well as the presented amounts of revenues and expenses for the period.

Estimates used and underlying assumptions were determined based on the best information available of the ongoing events and transactions, at the approval date of these financial statements, as well as based on best knowledge of past and present events. However, not foreseeable situations may occur in subsequent periods, which were not considered in these estimates. Changes to these estimates that occur in subsequent periods will be prospectively corrected. For this reason and considering the uncertainty level incorporated, actual results of these transactions may differ of the corresponding estimates.

The most significant accounting estimates reflected in the consolidated income statements include:

(i) Useful lives of tangible and intangible assets;
(ii) Impairment analysis of investments in associated companies, of financial assets (namely, Players sporting rights) of the intangible assets – players' registrations (Note 2.3.b)), and of other tangible and intangible assets;
(iii) Recognition of adjustments on assets and provisions.

p) Segment information

Every year, the Group's most adequate applicable segments are identified considering the developed activities.

Information regarding income by business segment is included in Note 32.

3. FINANCIAL RISK MANAGEMENT

In addition to the risks inherent to the results of the sports' activity and its' impacts on the economic results and on the assets appreciation, the Group's activity is also exposed to a variety of financial risks, such as market risk, credit risk and liquidity risk. These risks are the result of the uncertainty inherent to the financial markets, which is reflected in the capacity to estimate future cash-flows and returns. The Group's risk management policy seeks to minimize any adverse effects arising from these uncertainties characteristic of financial markets.

3.1. Market risk

a) Interest rate risk

The interest rate risk is primarily result of loans indexed to variable interest rates.

The Group's debt is mainly indexed to variable interest rates, exposing the cost of debt to a risk of volatility. The impact of such volatility in the profits and equity of the Group is significant given the high level of indebtedness of the Group.

Although the interest rate risk is significant, the Group does not, usually, use interest rate derivatives for hedging this risk.

As of 30 June 2013 and 2012, the Group presents a debt of approximately 103,043 thousand Euro and 113,735 thousand Euro, respectively, divided between current and non-current loans (Notes 18 and 19) contracted with various financial institutions.

Interest rate sensitivity analysis

The sensitivity analysis presented below was computed on the basis of the Group's exposition to changes in interest rate on financial instruments with reference to the estimate of average indebtedness in the season 2012/2013. For financial instruments, the analysis was prepared on the understanding that changes in market interest rates affect interest income or expenses of financial instruments indexed to variable and fixed interest rates.

The mentioned analysis pointed out that if the Euribor had been 50 basis points higher and all other variables held constant, the financial charges for the year ended 30 June 2013 would increase by, approximately 207,000 Euro (185,000 Euro in the financial year ended 30 June 2012).

b) Exchange rate risk

Developing its activity, the Group carries out some transactions denominated in currencies other than Euro, namely transactions of players' registrations. However, such transactions in foreign currency have been insignificant, being the vast majority contracted in Euro, and residually in U.S. dollars. Thus, the Group does not use derivatives for hedging, namely exchange rates forwards.

3.2. Credit risk

The Group's exposure to credit risk is mainly related with accounts receivable arising from the sale of players' registrations and other transactions related with the Group's activity, namely the sale of broadcasting rights, advertising and various sponsorships. The credit risk refers to the risk of the counterparty defaulting on its payment contractual obligations, resulting in a financial loss to the Group.

The objective of this risk management is to ensure the effective credit collections on established deadlines without affecting the Group's financial stability. The evaluation of this risk is made on a regular basis, and the management's goal is (a) to evaluate the counterparty in order to assess its ability to pay the debt, (b) to monitor the evolution of the amount of trade receivables, and (c) to perform an impairment analysis of accounts receivables on a regular basis.

The Group does not consider there is significant credit risk with any entity in particular, or with a group of entities with similar characteristics, to the extent that accounts receivables are spread across various customers and different geographical areas. The Group asks for credit guarantees, when the financial position of the client recommends so. For customers with higher credit risk, or when the account receivable is greater than normal, these guarantees should be bank guarantees.

Impairment losses related to accounts receivables are calculated taking into consideration: (a) the client's risk profile, (b) the term of collection of each contract, which differs in each line of business, and (c) the customer's financial conditions. Changes in accumulated impairment losses for the years ended 30 June 2012 and 2011 are disclosed in Note 22.

As of 30 June 2013 and 2012, the Group considers that there is no need to book additional impairment losses besides the amounts recorded on those dates and summary disclosed in Note 22.

3.3. Liquidity risk

Liquidity risk is defined as the risk of lack of ability to settle or accomplish its obligations on stipulated time and reasonable price. The existence of liquidity implies that management parameters are set which maximize the return and minimize the opportunity costs associated with the liquidity in a safe and efficient manner.

This risk management in the Group aims to:

- Liquidity - ensure the permanent and efficient access to funds to meet correct payments to the respective due dates;
- Security - minimize the probability of default in the refund of any application of funds; and
- Financial efficiency -minimise the cost of opportunity of excessive short term liquidity.

The Group aims to make compatible the due dates of assets and liabilities through an active management of its maturities. Normally, each contract loan is guaranteed by a receivable account balance (due to player's registration sale, or due to receivables amounts related to European competitions bonuses and broadcasting rights); additionally, usually, the maturity dates of such loans match the due dates of the accounts receivables.

The information considered in the notes to the consolidated financial statements, regarding the maturity analysis of financial liabilities includes the due amounts, not discounted, and based upon the worst case scenario, which is, the shortest period in which the liability becomes due, assuming the compliance of all requirements set contractually.

Regarding the liquidity risk, as of 30 June 2013, despite the consolidated financial statements show a total of Equity lower than its share capital and a negative working capital in approximately 50 million Euros, it is conviction of the Board of Directors that based on the credit lines available not yet used by FCPorto SAD amounting approximately 20 million Euros, in the loans meanwhile obtained and to be formalized amounting approximately 30 million Euros, as well as the predictions of the eventual financial reinforcement resulting from the sale of players registration sporting rights, as it has been usual in prior years, this risk is properly mitigated.

4. CHANGES IN ACCOUNTING POLICIES, ESTIMATES AND ERRORS

During the year there were no changes in accounting policies, nor changes in estimates and material errors related with prior periods.

5. COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

The companies included in the consolidation by the full consolidation method (Note 2.2.a), their head offices, the percentage of share capital held by the Group and activity as of 30 June 2013 and 2012 are as follows:

Company	Head Office	Activity	% participation held 30.06.2013	% participation held 30.06.2012
Futebol Clube do Porto – Futebol, S.A.D.	Porto	Participation in professional football competitions and the sporting events promotion and organization.	Parent company	Parent company
PortoComercial – Sociedade de Comercialização, Licenciamento e Sponsorização, S.A. (“PortoComercial”)	Porto	Image rights commercialization, sponsoring, merchandising and products licensing.	93,5%	93,5%
F.C.PortoMultimédia - Edições Multimédia, S.A. (“PortoMultimédia”)	Porto	Editing, production and commercialization of multimedia material and to the Internet, periodical and non-periodical publications.	70%	70%
PortoEstádio – Gestão e Exploração de Equipamentos Desportivos, S.A. (“PortoEstádio”)	Porto	Sport equipment management and exploration.	100%	100%
PortoSeguro - Sociedade Mediadora de Seguros do Porto, Lda. (“PortoSeguro”)	Porto	Insurance brokerage.	90%	90%
Dragon Tour, Agência de Viagens, S.A. (“DragonTour”)	Porto	Organization and sale of travel and tour packages; ticket and seat reservation; representation of other travel agencies and tourism.	93,5%	93,5%

6. CHANGES TO THE CONSOLIDATION PERIMITER

During the year ended June 30, 2013 there were no changes in the consolidation perimeter.

7. TANGIBLE AND OTHER INTANGIBLE ASSETS

During the years ended 30 June 2013 and 2012, the movements in tangible and other intangible assets, as well as depreciation and accumulated impairment losses, were as follows:

Tangible Assets

30.06.2013

	Buildings and other constructions	Machinery and equipment	Vehicles	Office equipment	Other tangible assets	Tangible fixed assets in progress	Total
Gross cost:							
Opening balance (30.06.2012)	811,598	3,164,753	1,511,191	2,292,025	256,679	123,164	8,159,410
Additions	11,000	150,967	-	-	-	218,551	380,518
Sales	-	-	(246,664)	-	-	-	(246,664)
Write-offs	-	-	-	-	-	-	-
Transfers	-	123,164	-	-	-	(123,164)	-
Other	-	-	-	-	-	-	-
Closing balance (30.06.2013)	822,598	3,438,884	1,264,527	2,292,025	256,679	218,551	8,293,264
Accumulated depreciation and impairment losses							
Opening balance (30.06.2012)	636,406	2,337,647	1,244,199	1,895,974	242,696	-	6,356,922
Depreciation	77,956	262,047	131,720	141,540	8,637	-	621,900
Impairment losses	-	-	-	-	-	-	-
Sales	-	-	(246,664)	-	-	-	(246,664)
Write-offs	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Other						-	-
Closing balance (30.06.2013)	714,362	2,599,694	1,129,255	2,037,514	251,333	-	6,732,158
Carrying amount	108,236	839,190	135,272	254,511	5,346	218,551	1,561,106

Tangible Assets

30.06.2012

	Buildings and other constructions	Machinery and equipment	Vehicles	Office equipment	Other tangible assets	Tangible fixed assets in progress	Total
Gross cost:							
Opening balance (30.06.2011)	811.598	2.770.481	1.636.081	2.221.244	257.362	-	7.696.766
Additions	-	217.926	-	21.024	-	123.164	362.114
Sales	-	-	(124.890)	-	-	-	(124.890)
Write-offs	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Other	-	176.346	-	49.757	(683)	-	225.420
Closing balance (30.06.2012)	811.598	3.164.753	1.511.191	2.292.025	256.679	123.164	8.159.410
Accumulated depreciation and impairment losses							
Opening balance (30.06.2011)	557.420	1.897.022	1.177.602	1.624.918	219.932	-	5.476.894
Depreciation	77.039	250.549	170.852	240.003	21.640	-	760.083
Impairment losses	-	-	-	-	-	-	-
Sales	-	-	(124.890)	-	-	-	(124.890)
Write-offs	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Other	1.947	190.076	20.635	31.053	1.124	-	244.835
Closing balance (30.06.2012)	636.406	2.337.647	1.244.199	1.895.974	242.696	-	6.356.922
Carrying amount	175.192	827.106	266.992	396.051	13.983	123.164	1.802.488

	Other intangible assets		
	30.06.2013		
	Industrial property	Others	Total
Gross cost			
Opening balance (30.06.2012)	2.344.848	226.632	2.571.480
Additions	-	800	800
Transfers	-	-	-
Sales and Write-offs	-	-	-
Other	-	-	-
Closing balance (30.06.2013)	2.344.848	227.432	2.572.280
Accumulated depreciation and impairment losses			
Opening balance (30.06.2012)	647.287	81.851	729.138
Depreciation	21.316	73.273	94.589
Impairment losses	-	-	-
Sales and Write-offs	-	-	-
Other	-	-	-
Closing balance (30.06.2013)	668.603	155.124	823.727
Carrying amount	1.676.245	72.308	1.748.553

	Other intangible assets		
	30.06.2012		
	Industrial property	Others	Total
Gross cost			
Opening balance (30.06.2011)	2.339.706	181.026	2.520.732
Additions	-	49.882	49.882
Transfers	-	-	-
Sales and Write-offs	-	-	-
Other	5.142	(4.276)	866
Closing balance (30.06.2012)	2.344.848	226.632	2.571.480
Accumulated depreciation and impairment losses			
Opening balance (30.06.2011)	622.961	15.591	638.552
Depreciation	21.316	70.530	91.846
Impairment losses	-	-	-
Sales and Write-offs	-	-	-
Other	3.010	(4.270)	(1.260)
Closing balance (30.06.2012)	647.287	81.851	729.138
Carrying amount	1.697.561	144.781	1.842.342

The caption ‘Industrial property’ relates, essentially, to the right to use the FCP trademark during a period of 99 years, and is being amortised over that period.

8. INTANGIBLE ASSETS - PLAYERS’ REGISTRATIONS

During the financial years ended 30 June 2013 and 2012, the movement in ‘Players’ registrations’ as well as depreciation and accumulated impairment losses, was as follows:

	Intangible assets - 'Players' registrations	
	30.06.2013	30.06.2012
Gross cost:		
Opening balance	156,767,366	132,662,263
Acquisitions	46,509,554	64,274,219
Sales	(71,235,609)	(24,572,711)
Transfers (Note 9)	(2,883,182)	(1,773,200)
Write-offs	(8,368,700)	(14,644,985)
Regularizations	-	821,780
Closing balance	120,789,429	156,767,366
Accumulated depreciation and impairment losses:		
Opening balance	57,512,037	42,888,342
Depreciation (Note 26)	26,225,716	32,355,147
Impairment losses (Note 26)	300,842	3,988,349
Sales	(3,988,349)	(7,850,840)
Transfers (Note 9)	(28,090,273)	(1,108,250)
Write-offs	(1,596,314)	(13,647,560)
Regularizations	(5,733,128)	886,849
Closing balance	44,630,531	57,512,037
Carrying amount	76,158,898	99,255,329

Acquisitions

The main acquisitions made in the year ended 30 June 2013, in amount, can be resumed as follow:

Player	Economic rights percentage	Acquisition date	Vendor	Contract end date	Acquisition cost	Signatue bonuses	Additional expenses	Total acquisition cost
Jackson Martinez	100%	Jul-12	Club Jaguares de Chapas	Jun-16	8.887.453	-	750.000	9.637.453
Diego Reyes	95%	Dez-12	Club de Futbol América	Jun-18	7.000.000	517.320	2.092.320	9.092.320
Herrera	80%	Mai-13	Pachuca Club de Fútbol	Jun-17	8.000.000	700.000	1.000.000	9.000.000
James Rodriguez	35%	Jan-13	Gol Football Luxembourg	Jun-16	8.750.000		-	8.750.000
Hector Quiñones	100%	Ago-12	Asociación Deportivo Cali	Jun-16	1.982.396	-	99.120	2.081.516
Ricardo Pereira	80%	Abr-13	Vitória Sport Clube	Jun-18	1.600.000		100.000	1.700.000
Licá	60%	Mai-13	Estoril Praia	Jun-17	1.500.000		150.000	1.650.000
Mauro Caballero	100%	Jan-13	MHD, S.A.	Jun-18	1.531.863		-	1.531.863
Others	-	-	-	-	-		-	5.274.516
								48.717.668
							Discounting effects to NPV	(2.208.114)
							Carrying amount	46.509.554

The caption "Additional expenses" refers to expenses related to the purchase of players' registrations, namely charges for intermediation services, legal services, signing-on fees paid directly to the players, etc.

It should be noted that in situations where the registration is less than 100%, although the Company is entitled to full use of the player's registration, it has entered into an associated financial interests contract with a third party, which consists of an investment partnership in the registration rights, resulting in the proportional sharing of the inherent results in a future transaction of these rights, if it happens.

The main acquisitions made in the year ended 30 June 2012, in amount, can be resumed as follow:

Player	Economic rights percentage	Acquisition date	Vendor	Contract end date	Acquisition cost	Signatue bonuses	Additional expenses	Total acquisition cost
Danilo	100%	Jul-11	Santos Futebol Clube	Jun-16	13.000.000	1.739.131	4.839.131	17.839.131
Alex Sandro	100%	Jul-11	Santos Futebol Clube, Deportivo Maldonado e Clube Atlético Paraná	Jun-16	9.600.000	-	700.000	10.300.000
Defour	90%	Ago-11	Standard de Liége	Jun-16	6.000.000	870.339	1.850.339	7.850.339
Mangala	90%	Ago-11	Standard de Liége	Jun-16	6.500.000	-	1.020.000	7.520.000
Kléber	70%	Jul-11	Club Atlético Mineiro/Onsoccer	Jun-16	3.560.000	415.400	665.400	4.225.400
Otamendi	50%	Set-11	Velez Sarsfield	Jun-15	4.000.000	-	-	4.000.000
Mark Janko	100%	Jan-12	FC Twente	Jun-15	3.000.000	-	271.972	3.271.972
Fucile	20%	Dez-11	Soccer Invest Fund	Jun-14	1.000.000	-	-	1.000.000
Other aquisitions								2.838.871
								58.845.713
							Discounting effects to NPV	(2.130.198)
							Carrying amount	56.715.515

Apart from the above evidenced, for the year ended 30 June 2012 the contracts with the players Radamel Falcao and Alvaro Pereira were renegotiated, with reflection in their termination clauses, terms of duration of employment and respective remuneration, which were increased. These renegotiations meant charges with contract signing and intermediation services in the amount of 6,585,150 Euros for the player Radamel Falcao and 973,554 Euros for the player Alvaro Pereira, which are reflected in the "Acquisitions" above evidenced.

The charges for intermediation services related with the purchase of players’ registrations in the years ended 30 June 2013 and 2012 referred above, as well as with the negotiation and renegotiation of labour contracts with players, amounted to 2,539,120 Euro and 11,091,972 Euro, respectively.

In the financial year ended 30 June 2013 these services were provided by Northfields Sports BV, Grupo Comercializador Conclave S.A., Gondry Financial Services, Foot2Foot - Gestão de Carreiras Desportivas, Lda., Promosport, JOD Gestão de Carreiras Desportivas, Lda., Proeleven - Gestão Desportiva Lda., Energy Soccer Lda., Magnitude Partnership e by the agent Giancarlo Uda.

In the financial year ended 30 June 2012 these services were provided by DIS - Esportes e Organização de Eventos, GT Sports Assessoria Esportiva, B2F Marketing Esportivo Ltda, Robi Plus Ltd, FK Sport Managment SRL, Soccer Player Agenciamento Esportivo Ltda, Prestige Sports Management Limited, Idoloasis - Soc. Unipessoal Lda, Orel B.V., Gol Football Limited, Sport Promotion B.V., TYP Sports Agency LLC and by the agents Leopoldo Stefani, Carlos Meinberg Neto and Jussara Mary da Silva.

The amounts of registrations’ consider the effect of discounting future payments to its present value, where applicable, in the amounts of, approximately, 2,208,000 Euro and 2,130,000 Euro, related with the financial years ended 30 June 2013 and 2012, respectively. These amounts refer to the long term account payables balances related with the acquisition of the registrations of players, namely Jackson Martinez, Diego Reyes, Herrera, Hector Quiñones and James Rodriguez (as of 30 June 2013), and Defour, Mangala, Kléber, Alex Sandro and Otamendi (as of 30 June 2012).

Sales

Sales made during the financial year ended 30 June 2013 generated capital gains of 74,016,304 Euro (Note 26) (net of (i) intermediation service costs in the amount of 7,871,050 Euro; (ii) liabilities relating to the 'solidarity mechanism' in the amount of approximately 1,357,000 Euro; (iii) the proportional sale value of the registration player's owned by third parties in the amount of 9,621,517 Euros; (iv) the annulment of loyalty bonuses and commissions in the amount of approximately 3,800,000 Euro and (v) the effect of discounting future medium term receipts and payments to its present value arising from these transactions, amounting to, approximately, 2,345,000 Euro), which result mainly from:

a) sale of the registration rights of James Rodriguez to AS Monaco, by the amount of 45,000,000 Euro, generating capital gains of, approximately, 25,757,000 Euro, net of: (i) intermediation service costs in the amount of 4,384,238 Euro provided by the entity Gestifute; (ii) the proportional sale value of the registration player's owned by Orel (10%) in the amount of 3,945,814 Euros; (iii) liabilities relating to the 'solidarity mechanism' in the amount of approximately 1,158,000 Euro; (iv) the carrying amount of the player's registration on the date of sale, in the amount of, approximately, 9,755,000 Euro.

b) sale of the registration rights of Hulk to Zenit St. Petersbourg, by the amount of 40.000.000 Euro, generating capital gains of, approximately, 23.871.000 Euro, net of: (i) the effect of discounting future medium term receipts and payments to its present value arising from these transactions, amounting to, approximately, 2,040,000 Euro; and (ii) the carrying amount of the player's registration on the date of sale, in the amount of, approximately, 16,402,000 Euro and accrual (iii) of the annulment of loyalty bonuses in the amount of, approximately, 2,313,000 Euro and;

c) sale of the registration rights of João Moutinhho to AS Monaco, by the amount of 25,000,000 Euro, generating capital gains of, approximately, 15,071,000 Euro, net of: (i) intermediation service costs in the amount of 2,485,313 Euro provided by the entity Gestifute; (ii) the right to receive 25% of the capital gains by a higher value of 11,000,000 Euro by Sporting Clube de Portugal – Futebol, SAD ("Sporting SAD") established in the original contract of purchase of economic rights to this entity in the amount of 2,841,953 Euro; (iii) liabilities relating to the 'solidarity mechanism' in the amount of approximately 147,000 Euro; (iv) the carrying amount of the player's registration on the date of sale, in the amount of, approximately, 4,905,000 Euro and accrual (v) of the annulment of loyalty bonuses in the amount of, approximately, 450,000 Euro.

d) sale of the registration rights of Álvaro Pereira to Inter Milan, by the amount of 10,000,000 Euro, generating capital gains of, approximately, 4,550,000 Euro, net of: (i) intermediation service costs in the amount of 500,000 Euro provided by the entity IG Teams & Players; (ii) proportions of the sales value of the economic rights held by Cluj (20%) and Avendi (5%) in the amount of 2,375,000 Euro; (iv) the carrying amount of the player's registration on the date of sale, in the amount of, approximately, 3,050,000 Euro and accrual (v) of the annulment of loyalty bonuses in the amount of, approximately, 780,000 Euro.

Additionally, in January 2013, was sold 47.5% of the economic rights of the player Diego Reyes to Gol Football Luxembourg by 3,500,000 Euros; this operation did no generate any capital gains or losses.

Sales made during the financial year ended 30 June 2012 generated capital gains of 29,882,159 Euro (Note 26) (net of (i) intermediation service costs in the amount of 6,847,500 Euro; (ii) liabilities relating to the 'solidarity mechanism' in the amount of approximately 2,238,550 Euro; (iii) the proportional sale value of the registration player's owned by third parties in the amount of 900,000 Euros and (iv) the effect of discounting future medium term receipts and payments to its present value arising from these transactions, amounting to, approximately, 2,102,000 Euro), which result mainly from:

(a) sale of the registration rights of Falcao to Atlético de Madrid, by the amount of 40.000.000 Euro, generating capital gains of, approximately, 20.170.000 Euro, net of: (i) intermediation service costs in the amount of 3,705,000 Euro provided by the entities Gestifute and Orel B.V.; (ii) liabilities relating to the 'solidarity mechanism' in the amount of approximately 2,000,000 Euro; (iii) the proportional sale value of the registration player's owned by Natland Financieringsmaatschappij B.V. in the amount of 1,805,000 Euros; (iv) the effect of discounting future medium term receipts and payments to its present value arising from these transactions, amounting to, approximately, 1,690,000 Euro; and (v) the carrying amount of the player's registration on the date of sale, in the amount of, approximately, 10,629,000, which included the charges with contract signing mentioned above and the respective intermediation services;

(b) sale of the registration rights of Freddy Guarin to Inter de Milão, by the amount of 11,000,000 Euro, generating capital gains of, approximately, 8,500,000 Euro, net of: (i) intermediation service costs in the amount of 1,100,000 Euro provided by the entity IG Teams & Players represented by the agent Isidoro A. Gimenez; (ii) the effect of discounting future medium term receipts and payments to its present value arising from these transactions, amounting to, approximately, 410,000 Euro; and (iii) the carrying amount of the player's registration on the date of sale, in the amount of, approximately, 994,000 Euro.

The sale of sports and economic rights of players Ruben Micael, Djalma (25% of the economic rights) and Iturbe (15% of the economic rights), which also occurred during this period, have not generated significant results.

Impairment losses

During the financial year ended 30 June 2013, impairment losses amounting 300,842 Euro were recorded related with the registration of the players Emídio Rafael, Bracali, Ukra e Sereno because FCP SAD terminated the labour contract with these players during the season 2012/13 or in the beginning of the sporting season 2013/14.

During the financial year ended 30 June 2012, impairment losses amounting 3,988,349 Euro were recorded related with the registration of the players: (i) Beto, David Addy, Gil Dias, Pawel Kieszek, Sapunaru and Soares, because FCP SAD terminated the labour contract with these players in the beginning of 2012/13 season; and (ii) Belluschi and Janko, taking into consideration the sale of the registration rights in the beginning of the sporting season 2012/13.

Players' registrations

As of 30 June 2013 and 2012, the aggregation of the players by range of its' registrations net book value is as follows:

	30.06.2013		30.06.2012	
Carrying amount of players registrations	Number of players	Amount	Number of players	Amount
Greather than 2 million Euro	12	59.667.316	15	88.662.332
Between 1 and 2 million Euro	6	8.568.576	3	4.221.154
Less than 1 million Euro	19	7.923.006	23	6.371.843
	37	76.158.898	41	99.255.329

As of 30 June 2013 and 2012, in the carrying amount of players' registrations are included the following players:

Player	30.06.2013 Players' registrations (%)	End of contrat	30.06.2012 Players' registrations (%)	End of contrat
Danilo	100.0%	Jun/16	100.0%	Jun/16
Herrera	80.0%	Jun/17	-	-
Jackson Martinez	100.0%	Jun/16	-	-
Alex Sandro	100.0%	Jun/16	100.0%	Jun/16
Diego Reyes	47.5%	Jun/18	-	-
Defour [(b)]	56.7%	Jun/16	56.7%	Jun/16
Mangala [(b)]	56.7%	Jun/16	56.7%	Jun/16
Otamendi	100.0%	Jun/15	100.0%	Jun/15
Walter da Silva [(b)] [(c)]	40.0%	Jun/15	40.0%	Jun/15
Kléber	70.0%	Jun/16	70.0%	Jun/16
Iturbe [(d)]	45.0%	Jun/16	45.0%	Jun/16
Kelvin	75.0%	Jun/16	75.0%	Jun/16
Ricardo Pereira	80.0%	Jun-18	-	-
Licá	60.0%	Jun-17	-	-
Hector Quiñones	100.0%	Jun/16	-	-
Caballero	100.0%	Jun/18	-	-
Maicon	100.0%	Jun/17	100.0%	Jun/17
Carlos Eduardo	80.0%	Jun/17	-	-
James Rodriguez [(a)]	-	-	55.0%	Jun/14
João Moutinho [(a)]	-	-	85.0%	Jun/15
Souza [(e)]	-	-	70.0%	Jun/15
Hulk [(a)]	-	-	85.0%	Jun/16
Alvaro Pereira [(a)]	-	-	75.0%	Jun/16
Mark Janko [(a)]	-	-	100.0%	Jun/15

(a) Player whose registration was sold in the sporting season of 2012/13;

(b) Players whose percentage of economic rights evidenced is deducted, as of 30 June 2013, of the parcel of 50% (Walter da Silva) and 33,33% (Mangala e Defour) transferred to third parties by associated financial interests contracts;

(c) Player loaned to another club or sports entity during the season 2012/13 but which loan period is not beyond December 31, 2013;

(d) Player loaned to another club or sports entity during the season 2012/13 but which loan period is not beyond June 30, 2013;;

(e) Player whose sporting rights were sold during the financial year ended 30 June 2013, however the Company has kept a part of its' economic rights, recorded under the caption "Other financial assets";

The registrations' percentages presented above take into consideration the sharing of economic rights made on the acquisition date of each player's registration, or its sale at a later date, as well as the percentages assigned by FCPorto SAD to third parties related with the sharing of the amount resulting from a future sale of these rights.

As of 30 June 2013, FCP SAD kept player's registrations that had been pledged as security for loans, as follow:

Bank	Amount 30.06.2013	Due date	Player registrations'	End of contract
Millennium BCP	5,000,000 (*)	30/09/2013	Helton and Fucile	30/06/2014

(*) Corresponds to a bank overdraft, w ith a maxium credit line of 5,000,000 Euro w hich w as in use as of 30 June 2013.

As of 30 June 2013 there were in place the following contractual commitments regarding the acquisition of players' registrations:

i) Call option of 25% of the economic rights of the player Walter with Clube Atlético Rentistas which will became mandatory under certain circumstances, exercisable until 31 August 2014;

ii) Call option of 10% of the economic rights of the player Djalma with Pacheco e Teixeira, exercisable until the end of his labour contract;

iii) Two call options of 10% of the economic rights of the player Herrera, with Pachuca Club de Fútbol, that will become mandatory under certain circumstances, exercisable until 30 June, 2014 and 2015 respectively; and

iv) Call option of 20% of the economic rights of the player Licá to Estoril Praia - Futebol SAD, exercisable during the whole the durations of the player labour contract.

9. OTHER FINANCIAL ASSETS

During the financial years ended 30 June 2013 and 2012, the movements under the caption 'Other financial assets' as well as accumulated impairment losses, were as follows:

	Other financial assets	
	30.06.2013	30.06.2012
Gross cost		
Opening balance	3.608.147	5.395.661
Additions	(1)	-
Transfers (Note 8)	1.286.868	664.950
Disposals	(52.500)	(924.333)
Write-offs	(890.680)	(1.528.131)
Closing balance	3.951.834	3.608.147
Accumulated impairment losses		
Opening balance	890.680	1.397.655
Impairment losses (notes 22 and 29)	1.731.516	1.409.361
Disposals	(26.250)	(388.205)
Write-offs	(890.680)	(1.528.131)
Closing balance	1.705.266	890.680
Carrying amount	2.246.568	2.717.467

The detail of this caption as of 30 June 2013 and 2012 is as follows:

	30.06.2013		30.06.2012	
Description	% Held	Acquisition cost	% Held	Acquisition cost
Other entities		17,119		17,119
Other investments				
Direitos económicos do jogador				
Tomás Costa	50%	861,465	50%	861,465
Stepanov	50%	818,750	50%	818,750
Prediger	50%	664,950	50%	664,950
Souza	25%	658,333	-	-
Soares	70%	448,000	-	-
Orlando Sá	25%	355,183	25%	355,183
Pelé	-	-	30%	680,020
Other players		128,035		210,660
		3,934,716		3,591,028
Accumulated impairment losses (Note 22)		(1,705,267)		(890,680)
		2,246,568		2,717,467

The caption ‘Other financial assets’, detailed above includes economic rights of several players, whose sporting rights were sold by FCPorto SAD, while keeping part of their economic rights.

During the year ended 30 June 2013 were estimated impairments related to these players’ economic rights that match the best Board of Directors’ estimate of the recoverable value expected from these investments.

During the year ended 30 June 2012 was recorded an additional impairment, in the amount of 518,681 Euros, on the economic rights of the player Diego Valeri once the employment contract that tied him to the club that is currently represents expired in the end of the current sporting season, thus having been extinguished the economic rights held by FC Porto SAD. On 30 June 2012, due to this impairment, the net value of this investment is nil having been derecognized (which justifies write-offs amounting 1,528,131 Euros). Were also recorded impairments on several players whose employment contracts with the present club ended in the 2012/13 sporting season, amounting to 890,680 Euros, namely the player Pelé. It was also recorded a gain in the amount of 1,054,711 Euros related to the percentage held by FC Porto SAD (35%) in the transfer of the economic rights of the player Vieirinha from Paok F.C. to Vfl Wolfsburg. These amounts were recorded under the caption "Gains and losses in investments" (Note 29).

10. GOODWILL

During the years ended as of 30 June 2013 and 2012 the movement in the caption "Goodwill" is due to the recognition of an impairment loss over the goodwill of the subsidiary PortoSeguro.

This caption as of 30 June 2013, in the amount of 238,045 Euro, respects to the goodwill calculated in the year ended 30 June 2007 in the acquisition of 90% of PortoSeguro, Lda., in the amount of 717,647 Euro, net of the impairment loss calculated in the year ended 30 June 2013 in the amount of 479,602 Euro (Note 29).

The Group carries out annual impairment tests on goodwill and whenever there are indications that it may be impaired. During the years ended 30 June 2013 and 2012, the Group has tested the goodwill impairment, having estimated an impairment loss in the amount 221,000 Euro and 258,602 Euro, respectively.

For impairment assessment purposes, it was considered that the goodwill was allocated only to the Cash Generating Unit of insurance intermediation business. The recoverable amount of the Cash Generating Unit was calculated based of value in use, using the discounted cash flow method, based on the business plan developed by the company's representative and duly approved by the Group's Board of Directors.

The key assumptions used in the mentioned business plan are as follows:

Period used	5 years cash-flow projection
Growth rate *(g)*[(1)]	2,2%
Discount rate [(2)]	12,5%

[(1)] Growth rate used to extrapolate cash flows beyond the business plan period
[(2)] Discount rate applied to projected cash flows

The Board of Directors, based on the discounted value of the forecasted cash flows of the Cash Generating Unit of this business segment, discounted at the rate of 12.5%, concluded that, as of 30 June 2013, the carrying amount of the net assets, including Goodwill, exceed its recoverable amount, having been recorded an impairment loss in the amount determined.

The projected cash flows were based on the historic performance and on the expectations regarding future development of the business.

11. TRADE RECEIVABLES

Non-current assets

The detail of non-current balances of 'Trade receivables' as of 30 June 2013 and 2012 is as follows:

	30.06.2013	30.06.2012
Trade receivables:		
Transactions of players' registrations	13,500,000	22,000,000
Futebol Clube do Porto	12,268,718	12,625,595
	25,768,718	34,625,595
Effect of discouting trade receivables	(1,001,965)	(1,800,178)
	24,766,753	32,825,417

As of 30 June 2013 the maturity of non-current asset caption "trade receivables – Transactions of players' registrations" ends in the 2014/15 season.

The balance of the caption 'Non-current assets - Trade receivables - Futebol Clube do Porto' refers to the medium and long term Futebol Clube do Porto's account receivable.

The FCPorto, SAD Board of Directors', together with the FCP Clube Management, defined an action plan to reduce the debt gradually, having this plan been formalized as of 30 June 2011. This payment plan requires the Club endowment of financial capacity through a set of different measures such as: (i) change of the actual operating model of Futebol Clube do Porto Group, based in the transference of the Dragon Stadium rents' related income to the Clube; (ii) revision of the price policy and internal redistribution of the quotas of the associates between the Clube and FCPorto, SAD; and (iii) the amateur sports' medium term budget rationalization under the Clube´s management. Some of these measures still depend on approval of financial institutions, a process that is on-going.

The mentioned plan, which estimates the recovery of that amount trough fifteen years, until the season of 2025/26, considers an interest rate at Euribor 6M, increased of a 6% spread.

The payment plan assumes the settlement of biannual raising instalments (capital and interests), with maturity in 31 December and 30 June of each sporting season. In the season 2013/14 two instalments totalizing 356,877 Euro of capital and 993,123 Euro of interests will take place at interest rate above referred. On medium and long term, the maturity of those instalments can be resumed as follows:

Maturity	Capital	Interests
01.07.2014 to 30.06.2015	541,486	958,514
01.07.2015 to 30.06.2019	2,820,264	3,361,077
01.07.2019 to 30.06.2026	8,906,968	2,862,419
	12,268,718	7,182,009

At the time of the statement of financial position, the non-current receivables are not due and was not recorded any impairment losses on these.

Current assets

The detail of current balances of 'Trade receivables' as of 30 June 2013 and 20112 is as follows:

	30.06.2013	30.06.2012
Trade receivables - current accounts:		
Transactions of players' registrations	44.367.319	19.847.553
Current operations	15.586.676	16.696.959
	59.953.995	36.544.512
Trade receivables - bills receivable:		
Current operations	4.450.000	2.735.500
	4.450.000	2.735.500
Trade receivables - doubtfull accounts:	5.042.712	5.793.681
	69.446.707	45.073.693
Effect of discouting trade receivables	(274.594)	(86.689)
Accumulated impairment losses (Note 22)	(5.042.712)	(5.793.681)
	64.129.401	39.193.323

As of 30 June 2013 and 2012 the balance of the current and non-current caption "Trade receivables - Transactions of players' registrations" includes, essentially, the following receivables:

Entity	Players	Jun-13		Jun-12	
		Current	Non-current	Corrente	Não corrente
Club Atlético de Madrid	Falcao e Ruben Micael	12.750.000	3.500.000	8.900.000	16.000.000
Zenit St Petersburg	Hulk	10.000.000	10.000.000	-	-
Inter Milão	Guarin	5.500.000	-	5.500.000	5.500.000
Inter Milão	Álvaro Pereira	4.000.000	-	-	-
AS Monaco	João Moutinho/James Roc	3.500.000	-	-	-
Gol Football Luxembourg	Diego Reyes	3.500.000	-	-	-
Olympique Lyon	Lisandro e Cissokho	1.661.788	-	1.661.788	-
Other		3.455.531	-	3.785.765	500.000
		44.367.319	13.500.000	19.847.553	22.000.000

The balance receivable from Zenit St. Petersbourg has as guarantee a Comfort letter from a multinational corporation with reputation.

The balance of the caption 'Trade receivables - Current Accounts - Current operations' includes balances resulting from several operations, with emphasis on the account receivables of:

(i) Futebol Clube do Porto ("Clube") (989,679 Euro as of 30 June 2013 and 780,435 Euro as of 30 June 2012);
(ii) Euroantas, Promoção e Gestão de Empreendimentos Imobiliários S.A. ("Euroantas") (5,715,804 Euro as of 30 June 2013 and 6,123,415 Euro as of 30 June 2012) (Note 28);
(iii) Portugal Telecom SGPS, S.A. (2,469,004 Euro as of 30 June 2013 and 2,460,000 Euro as of 30 June 2012).

(iv) FC Porto Media, S.A. ("FCP Media") (1,594,534 Euro as of 30 June 2013 and 102,704 Euro as of 30 June 2012).

The caption 'Trade receivables – bills receivable' includes bills not due at the end of the reporting period, part of which were discounted (Note 18). As of 30 June 2013 and 2012, these bills are related to accounts receivable resulting from the sale of television broadcasting rights.

The Group's exposition to credit risk is attributed to accounts receivable relating with its' operational activity. The amounts presented on the face of the statement of financial position are net of impairment losses, which were estimated, based upon the Group's past experience and on the assessment of the actual situation and economic environment. The Group considers that the book value of accounts receivable, net of impairment losses, reflects their fair value.

As of 30 June 2013 there are no indications that the debtors of trade accounts receivable not due will not fulfil their obligations on normal conditions, thus no impairment loss was recognised.

As of 30 June 2013 and 2012 the ageing of trade receivables are as follows:

		Due date			
30.06.2013	Total	- 90 days	90 - 180 days	180 - 360 days	+ 360 days
Trade receivables - current accounts	59,953,995	43,516,614	5,435,355	2,930,820	8,071,206
Transactions of players' registrations	44,367,319	36,033,417	4,682,671	1,889,096	1,762,135
Current operations	15,586,676	7,483,197	752,684	1,041,724	6,309,071
Trade receivables - bills receivable	4,450,000	4,450,000	-	-	-
Trade receivables - doubtfull accounts	5,042,712	-	-	-	5,042,712
	69,446,707	47,966,614	5,435,355	2,930,820	13,113,918

		Due date			
30.06.2012	Total	- 90 days	90 - 180 days	180 - 360 days	+ 360 days
Trade receivables - current accounts	36,544,512	24,147,138	2,125,188	4,728,113	5,544,073
Transactions of players' registrations	19,847,553	15,281,624	1,030,228	2,298,031	1,237,670
Current operations	16,696,959	8,865,514	1,094,960	2,430,082	4,306,403
Trade receivables - bills receivable	2,735,500	2,735,500	-	-	-
Trade receivables - doubtfull accounts	5,793,681	-	-	-	5,793,681
	45,073,693	26,882,638	2,125,188	4,728,113	11,337,754

As of 30 June 2013 and 2012 almost all of the balance of 'Trade receivables – current accounts – current operations' with seniority over 180 days respects to accounts receivable from Euroantas.

As of 30 June 2013 and 2012 the balance of 'Doubtful Accounts receivables' includes, mainly, accounts receivable from football clubs such as União Desportiva de Leiria, Futebol SAD, Club Atlético Independiente and Esporte Clube Vitória. As of 30 June 2013 this caption also considers accounts receivable from FCP Basquetebol, SAD amounting, approximately, 900,000 Euro which showed to be irrecoverable in face of the liquidation and dissolution of that company decided in mid-July 2012.

In determining the recoverability of accounts receivables the Group considers all the changes in credit quality of counterparties from the date of the granting of credit by the reporting date of the consolidated financial statements. The Group has no significant concentration of credit risk, since the risk is diluted by a scattered set of customers. Management believes that credit risk does not exceed the impairment loss recorded for doubtful debts and that the maximum exposure to credit risk corresponds to the total number of customers shown in the consolidated statement of financial position.

12. INVENTORIES

The detail of the caption 'Inventories' as of 30 June 2013 and 2012 is as follows:

	30.06.2013	30.06.2012
Inventories	1,415,250	916,896
Accumulated impairment losses on inventories (Note 22)	(302,696)	(151,215)
	1,112,554	765,681

The inventories' caption, as of 30 June 2013 and 2012, considers the merchandise related with the exploration of the commercial areas of Futebol Clube do Porto, carried out by the subsidiary Porto Comercial.

The cost of sales, for the years ended 30 June 2013 and 2012 was calculated as follows:

	30.06.2013	30.06.2012
Opening balance	916,896	729,661
Purchases	2,411,386	2,051,020
Closing balance	1,415,250	916,896
	1,913,032	1,863,785
Impairment losses (Note 22)	151,481	28,380
	2,064,513	1,892,165

13. OTHER CURRENT AND NON-CURRENT ASSETS

Other non-current assets

The detail of caption "Other non-current assets" as of 30 June 2013 and 2012 is as follows:

	30.06.2013	30.06.2012
Prepayment - 'Estádio do Dragão' rent (Note 33)	14,963,937	14,963,937
Prepayment - 'Centro de treinos do Olival' rent	289,157	325,301
	15,253,094	15,289,238

Other current assets

The detail of caption "Other current assets" as of 30 June 2013 and 2012 is as follows:

	30.06.2013	30.06.2012
State and public sector	2,657,658	780,795
Other debtors	8,925,603	2,753,518
Accumulated impairment losses (Note 22)	-	(40,168)
	11,583,261	3,494,145
Accrual income		
Champions league participation bonus (Note 2.3 l) iii)) to be received	8,600,000	8,600,000
Advirtising revenue to be billed	177,567	212,378
Commission fees to be billed	-	401,671
Bonus for FCP, SAD players participation in European Football 2012 to receive	-	592,040
Other accrual income	474,926	66,136
Deferred expenses		
Advances for expenses relating to the next season	1,707,373	1,033,126
Insurance	218,478	209,497
Other deferred expenses	58,212	51,158
	11,236,556	11,166,006
	22,819,817	14,660,151

As of 30 June 2013, the amount recorded in the caption “Other debtors” refers, essentially, to (i) advances to athletes (755,719 Euro and 1,791,719 Euro as of 30 June 2013 and 2012, respectively) as well as (ii) advances made to Futebol Clube do Porto (6,547,669 Euro) intended, mainly to the construction of the Futebol Clube do Porto Museum, which was inaugurated at 28 September 2013.

As of 30 June 2013 and 2012 the ageing of other debtors is as follows:

		Due date			
30.06.2013	Total	- 90 days	90 - 180 days	180 - 360 days	+ 360 days
Athletes	755,719	10,489	-	130,572	614,658
Other debtors	8,169,884	6,881,946	645,680	439,547	202,711
	8,925,603	6,892,435	645,680	570,120	817,368

		Due date			
30.06.2012	Total	- 90 days	90 - 180 days	180 - 360 days	+ 360 days
Athletes	1,791,719	828,326	-	310,499	652,894
Other debtors	961,799	620,632	58,762	52,650	229,755
	2,753,518	1,448,958	58,762	363,149	882,649

As of 30 June 2013 and 2012 the remaining financial assets recorded in the caption "Other non-current assets" and "Other current assets" are not due.

14. CASH AND CASH EQUIVALENTS

The caption 'Cash and cash equivalents' as of 30 June 2013 and 2012 is made up as follows:

	30.06.2013	**30.06.2012**
Cash	5,385	6,978
Bank deposits repayable on demand	17,547,401	1,894,579
Treasury applications	265,000	15,000
	17,817,786	1,916,557

As of 30 June 2013 and 2012 the amounts recorded in the caption "Treasury applications" refer to bank deposits repayable in less than three months and bear market interest rates.

15. TAXES

The Group has not recognised deferred taxes in its consolidated financial statements as there are no significant temporary differences between the amounts of expenses and income recognised for accounting and for tax purposes, except for deferred tax assets relating to tax losses carried forward and non-tax deductible provisions and impairment losses, which were not recognised for reasons of prudence.

The tax losses carried forward according to the income declarations presented by the companies included in the consolidation perimeter amounted to 73,811,170 Euro and mature as follows:

	Amount	Expiry date
Generated in the year ended:		
30 June 2008	44,231	30 June 2014
30 June 2009	11,305,975	30 June 2015
30 June 2010	12,102,408	30 June 2016
30 June 2011	12,419,257	30 June 2015
30 June 2012	37,787,648	30 June 2016
30 June 2013	151,652	30 June 2018
	73,811,171	

The tax losses detailed above do not consider any adjustments made by tax authorities to the tax base, which were contested by the Company (Note 22) and where the outcome of these processes, at the date of presentation of the consolidated financial statements, is still uncertain.

Following is the reconciliation between profit before income tax and income tax for the year:

	30.06.2013	30.06.2012
Profit before income tax	20,904,955	(34,744,685)
Increases:		
Non tax deductible amortisation, depreciation and impairment of assets depreciable or amortizable	-	4,009,898
Non tax deductible provisions	1,952,516	1,702,605
Fiscal gains (1)	51,038,904	17,919,925
Accounting losses (1)	-	1,035,958
Non tax deductible adjustments	158,859	1,076,871
Other	362,226	1,590,506
Decreases:		
Accounting gains (1)	(73,583,305)	(29,640,131)
Reversal of non tax deductible adjustments	(976,237)	(127,496)
Other	(9,570)	(7,310)
Taxable profit	(151,652)	(37,183,859)
Income tax rate	25.00%	12,5% - 25%
Municipal tax rate	1.50%	1.50%
Calculated tax	767	-
Municipality tax (2)	8,443	-
Autonomous taxation	271,227	1,202,656
Corporate income tax assessments	309,725	-
Reversal of corporate income tax assessments paid in previous periods	-	(22,300)
Estimated income tax excess	(14,682)	-
Others	(420)	-
Income tax for the year	575,060	1,180,356

(1) In the calculation of the taxable profit, the Group chose to consider the reinvestment of capital gains on the sale of players registrations', in legal terms, which allowed to deduct 50% of tax capital gains generated.

(2) Municipality tax of companies taxed according to RETGS and which present taxable profit for the year.

16. SHARE CAPITAL

As of 30 June 2013, the Company's share capital was fully subscribed and paid for and was made up of 15,000,000 nominal shares of 5 Euro each.

As of 30 June 2013 the following entities held more than 20% of the subscribed share capital:

- Futebol Clube do Porto – 40%

The individual financial statements of the Company as of 30 June 2013 present a shareholders' equity in the amount of 9,882,700 Euro comparing with a share capital of 75,000,000 Euro, whereby the provisions of Articles 35 and 171 of the Portuguese Commercial Code (Código das Sociedades Comerciais) are applicable.

With the goal to quickly fulfil this obligation, the Board of Directors has been analysing other solutions that allow the reinforcement of shareholders' equity as referred in the Board of Directors' Report.

The Board of Directors besides planning to review this matter on the Shareholders' General Meeting held to approve the accounts for the year, it may also call upon an Extraordinary Shareholders' General Meeting to discuss and approve the proposals that would be presented, which can include the following alternatives:

- Share capital decrease to an amount not less than the Company's shareholders' equity;
- Capital increase paid up by the shareholders; and
- A combination of these two alternatives.

According to Article 171 of the Portuguese Commercial Code (Código das Sociedades Comerciais), a company which shareholders' equity is less than half of its share capital, should indicate the share capital, the amount of share capital paid and the amount of shareholders' equity according to the last approved statement of financial position in all contracts, mail, publications, ads, websites, and in overall external activity.

17. NON-CONTROLLING INTERESTS

The changes in this caption during the years ended 30 June 2013 and 2012 were as follows:

Balance as at 30 June 2011	49,049
Net consolidated profit for the year attributable to non-controlling interests	(162,473)
Other changes	(2,254)
Balance as at 30 June 2012	(115,678)
Balance as at 30 June 2012	(115,678)
Net consolidated profit for the year attributable to non-controlling interests	(26,102)
Other changes	(44,444)
Balance as at 30 June 2013	(186,224)

18. BANK LOANS AND BONDS

The captions 'Bank loans' and 'Bonds' as of 30 June 2013 and 2012 are made up as follows:

	30.06.2013			
	Amortised cost		Nominal value	
Nature	Current	Non-current	Current	Non-current
Bank loans	23,964,514	13,125,000	22,475,000	13,125,000
Credit on current accounts	5,100,000	100,000	5,100,000	100,000
Factoring	9,489,500	-	9,489,500	-
Discounted bills (Note 11)	4,450,000	-	4,450,000	-
	43,004,014	13,225,000	41,514,500	13,225,000
Bonds	9,617,134	29,526,645	10,000,000	30,000,000
	52,621,148	42,751,645	51,514,500	43,225,000

Natureza	30.06.2012 Amortised cost Current	Non-current	Nominal value Current	Non-current
Bank loans	22.706.391	14.400.000	22.118.199	14.400.000
Credit on current accounts	14.000.000	-	14.000.000	-
Factoring	16.539.900	-	16.539.900	-
Discounted bills (Note 11)	2.735.500	-	2.735.500	-
	55.981.791	14.400.000	55.393.599	14.400.000
Bonds	17.797.686	9.813.000	18.000.000	10.000.000
	73.779.477	24.213.000	73.393.599	24.400.000

As of 30 June 2012 the repayment schedule of the nominal value of non-current loans may be summarised as follows:

	30.06.2013
2014/2015	4,475,000
2015/2016	30,000,000
2016/2017	4,375,000
2017/2018	4,375,000
	43,225,000

From the loans classified as liabilities at 30 June 2013, emphasis to:

Bank	Current	Non-current	Total	Amount not used	Open date	Interest rate	Instalments	interest	Maturity date	Guarantee / collateral
Loan issues										
FC Porto SAD 2011-2014	10,000,000	-	10,000,000	-	Jun-11	8%	At nominal value, at maturity	Semi-annual	Jun-14	-
FC Porto SAD 2012-2015	-	30,000,000	30,000,000	-	Dec-12	8.25%	At nominal value, at maturity	Semi-annual	May-15	-
Bank loans										
BES	4,375,000	13,125,000	17,500,000	-	Aug-10	Euribor 12M + spread	5 equal, sucessive annual instalments	Anual	Aug-16	Revenues from season tickets, ticketing and membership sponsorship until 2015/2016 season
BES	4,000,000	-	4,000,000	-	Dec-12	Euribor 3M + spread	Reimbursement in 3 instalments: 3M€ on Feb-13, 2M€ on Mai-13 and 2M€ on Feb-14	Quarterly	Feb-14	Amount (partial) to receive from Inter Milan regarding the sale of the player Álvaro Pereira
BES	9,000,000	-	9,000,000	-	Nov-12	Euribor 3M + spread	At maturity, on Aug-13	Quarterly	Aug-13	Amount (partial) to receive from Atletico de Madrid regarding the sale of the player Falcao
BES	3,450,000	-	3,450,000	-	Aug-12	Euribor 1M + spread	34 equal, sucessive monthly instalments	Monthly	May-15	Revenues from advertising sponsorship
Millennium BCP	1,650,000	-	1,650,000	-	Aug-12	Taxa fixa	3 monthly insstalments on Feb-13, Ago-13 and Feb-14	Semi-annual	Feb-14	Revenues from advertising sponsorship to receive from Unicer from 2012/13 and 2013/14 seasons
"Factoring"										
Internationales Bankhaus Bodensee AG	1,000,000	-	1,000,000	-	Dec-11	Taxa fixa	3 equal quarterly instalments until Oct-13	Antecipated	Oct-13	Amount to receive from the sponsorship contract of NIKE - Season 12/13 + 1st half of season 13/14
Internationales Bankhaus Bodensee AG	4,000,000	-	4,000,000	-	Jul-12	Taxa fixa	Reimbuersed in a single instalment on Jul-13	Antecipated	Jul-13	Amount (partial) to receive from Inter Milan regarding the sale of the player Freddy Guarin
Internationales Bankhaus Bodensee AG	4,489,500	-	4,489,500	-	Jan-13	Taxa fixa	2 equal semi-annual instalmentsstarting on Jul-13	Antecipated	Jan-14	Revenues from advertising sponsorship to receive from Portugal Telecom from 2013/14 season
Secured current accounts										
Millennium BCP	5,000,000	-	5,000,000	-	May-99	Euribor 1M + spread	-	Monthly	Renovável	Players Helton and Fucile
BES	100,000	-	100,000	9,900,000	Dec-12	Euribor 3M + spread	Recovorable until Aug-13	Quarterly	Aug-13	Amount (partial) to receive from Zenit ST. Petersbourg regarding the sale of the player Hulk
BES	-	100,000	100,000	9,900,000	Feb-13	Euribor 3M + spread	Recovorable until Aug-14	Quarterly	Aug-14	Amount (partial) to receive from Zenit ST. Petersbourg regarding the sale of the player Hulk
	47,064,500	**43,225,000**	**90,289,500**	**19,800,000**						

The average annual rate of bank loans as of 30 June 2013 is 8,51% (7,62% as of 30 June 2012).

19. OTHER CREDITORS

As of 30 June 2013 and 2012, the caption "Other creditors" is as follows:

		30.06.2013		30.06.2012	
Entity	**Player**	**Current**	**Non-current**	**Current**	**Non-current**
Soccer Invest Fund	João Moutinho	-	-	-	1,650,000
Soccer Invest Fund	Ukra	-	-	300,000	-
Soccer Invest Fund	Castro	-	-	300,000	-
Pearl Design	Walter	-	2,125,000	-	2,125,000
For Gool Ltd.	Walter	-	-	2,000,000	-
For Gool Ltd.	N/A	-	-	4,500,000	-
Doyen Sports Investments Ltd.	Defour	-	2,352,941	-	2,352,941
Doyen Sports Investments Ltd.	Mangala	-	2,647,059	-	2,647,059
		-	**7,125,000**	**7,100,000**	**8,775,000**
Interests		-	544,894	(132,442)	-
		-	**7,669,894**	**6,967,558**	**8,775,000**

In the financial year ended 30 June 2011, the Company entered into associated financial interests contracts with third parties, in order to transfer part of the economic rights of two of the players above mentioned: (i) 25% of Walter economic rights' by 2,125,000 Euro to Pearl Design Holding, Ltd.. Once that, according to the referred contracts, the significant risks and benefits regarding to the detention of those rights were not fully transferred, those transactions were not recorded as sales, and therefore, the part of the economic rights of that intangible assets was not derecognised. The amounts received from those entities were recorded in the caption of the statement of financial position "Other creditors".

On 22 July 2011, FCP, SAD paid to Soccer Invest Fund 22.5% of the economic rights assigned to João Moutinho initially covered by the contract of transfer of economic rights mentioned above. The difference between the value of the initial transfer the amount paid, amounting 1,525,000 Euro, was recorded under the caption "Other costs" in the year ended as of 30 June 2012.

On 30 January 2013, FCP, SAD paid to Soccer Invest Fund the remaining 15% economic rights for 3,300,000 Euro allocated to João Moutinho initially covered by the contract of transfer of economic rights mentioned above. The difference between the amount of initial transfer and the amount paid, in the amount of 1,650,000 Euro was recorded under "Other expenses" in the year ended 30 June 2013.

On 14 December 2011, the Company entered, with Doyen Sports Investments Limited, into two associated financial interests' contracts in order to transfer part of the economic rights of the players Defour and Magala amounting 2,352,941 Euro and 2,647,059 Euro, respectively. Once that, according to the referred contracts, the significant risks and benefits regarding to the detention of those rights were not fully transferred, those transactions were not recorded as sales, and therefore, the part of the economic rights of that intangible assets was not derecognised.

Thus, the percentages held of the players, referred to in Note 8, take in consideration the sharing with those entities of the inherent results in future transactions of the players Walter, Defour and Mangala.

On 9 March 2012, the Company entered with For Gool Co. Ltd. into a loan agreement amounting to 4,500,000 Euro. The amount financed was delivered in two instalments (2,500,000 Euro in March 2012 and 2,000,000 Euro in April 2012) and was repaid at once on 30 September 2012. These instalments were effectively paid during the second and third semester of this exercise, respectively.

20. TRADE PAYABLES

Non-current liabilities

The detail and maturity of non-current trade payables balances as of 30 June 2013 and 2012 is as follows:

	30.06.2013	> 1 YEAR	> 2 YEARS	> 3 YEARS	> 4 YEARS	> 5 YEARS
Trade payables - non-current						
Tangible and intangible assets' supliers:						
Transactions of players' registrations	4,000,000	4,000,000	-	-	-	-
Other tangible and intangible assets' supliers	89,501	38,358	38,357	12,786	-	-
Effect of discounting trade payables	(343,938)	(343,938)	-	-	-	-
	3,745,563	3,694,420	38,357	12,786	-	-

	30.06.2012	> 1 YEAR	> 2 YEARS	> 3 YEARS	> 4 YEARS	> 5 YEARS
Trade payables - non-current						
Tangible and intangible assets' supliers:						
Transactions of players' registrations	6.352.750	6.352.750	-	-	-	-
Other tangible and intangible assets' supliers	143.521	54.900	37.981	37.981	12.659	-
Effect of discounting trade payables	(523.168)	(523.168)	-	-	-	-
	5.973.103	5.884.482	37.981	37.981	12.659	-

The balance of the non-current trade payable account “Suppliers – transactions of players’ registrations” as at 30 June, 2013, is due to: (i) sporting and economic rights of the player Herrera, in the amount of 2,000,000 Euro; (ii) acquisition of 35% of the economic rights of the player James Rodriguez, in the amount of 2,000,000 Euro.

As of 30 June, 2012, the balance of non-current ‘Trade payables’ follows: (i) the acquisition of the registration sporting rights of Mangala and Defour, in the amount of 4,000,000 Euro; (ii) intermediation services related to the sale of the sporting rights of the player Falcao, amounting to 1,752,750 Euro, and (iii) the amount corresponding to the proportion of 20% of the economic rights of the player Ruben Micael previously held by Clube Desportivo Nacional, in the amount of 600,000 Euro.

Current liabilities

As of 30 June 2013 and 2012, the balances of current trade payables and their exibility may be detailed as follows:

	30.06.2013	Payable to - 90 days	Payable to 90 - 180 days	Payable to + 180 days
Trade payables - current account	5,546,113	5,546,113	-	-
Tangible and intangible assets' supliers:				
Transactions of players' registrations	56,176,292	32,497,830	9,397,801	14,280,661
Leasing	60,827	15,207	15,207	30,413
Other tangible and intangible assets' supliers	-	-	-	-
	56,237,119	32,513,037	9,413,008	14,311,074
Effect of discounting trade payables	(106,095)	(61,376)	(17,749)	(26,970)
	61,677,137	37,997,774	9,395,259	14,284,104

	30.06.2012	Payable to - 90 days	Payable to 90 - 180 days	Payable to + 180 days
Trade payables - current account	10,479,993	10,479,993	-	-
Tangible and intangible assets' supliers:				
Transactions of players' registrations	34,836,132	34,836,132	-	-
Leasing	123,916	30,979	30,979	61,958
Other tangible and intangible assets' supliers	130,246	130,246	-	-
	35,090,294	34,997,357	30,979	61,958
Effect of discounting trade payables	(123,078)	(123,078)	-	-
	45,447,209	45,354,272	30,979	61,958

As of 30 June 2013 and 2012 the main balances included in the captions, current and non-current, 'Fixed assets' suppliers – Transactions of players' registrations' can be detailed as follows:

Entity	Player	Nature	Jun/13 Current	Jun/13 Non-current	Jun/12 Current	Jun/12 Non-current
Gol Football Luxembourg	James Rodriguez	Acquisition of economic rights	6,750,000	2,000,000	-	-
Promotora del Club Pachuca SA de CV	Herrera	Acquisition of economic rights	6,000,000	2,000,000	-	-
Clube de Futebol America S.A. de C.V.	Diego Reyes	Acquisition of economic rights	5,500,000	-	-	-
Gestifute, S.A.	James Rodriguez	Intermediation services - Sale of economic rights	5,392,612	-	-	-
Standard de Liége S.A.	Defour e Mangala	Acquisition of economic rights	4,233,021	-	4,298,750	4,000,000
Club Jaguares de Chapas	Jackson	Acquisition of economic rights	4,204,893	-	-	-
Orel B.V.	James Rodriguez	Venda do "passe"	3,945,814	-	-	-
Gestifute, S.A.	João Moutinho	Intermediation services - Sale of economic rights	3,057,057	-	-	-
Sporting Sociedade Desportiva Futebol, SAD	João Moutinho	Venda do "passe"	2,841,953	-	-	-
Soccer Invest Fund	João Moutinho	Acquisition of economic rights	2,200,000	-	-	-
MHD, S.A.	Mauro Caballero	Acquisition of economic rights	1,548,282	-	-	-
Estoril - SAD	Licá	Acquisition of economic rights	1,500,000	-	-	-
Cluj	Álvaro Pereira	Venda do "passe"	1,330,000	-	-	-
Estoril - SAD	Carlos Eduardo	Acquisition of economic rights	900,000	-	-	-
Onsoccer International, S.A.	Vários	Several	238,311	-	2,180,750	-
Play International B.V.	Cristian Rodriguez	Acquisition of economic rights	154,500	-	2,525,347	-
C.D. Nacional	Ruben Micael	Compra/venda do "passe"	151,500	-	328,935	600,000
Desportivo Maldonado SAD	Alex Sandro	Acquisition of economic rights	-	-	5,248,475	-
Club Atletico Rentistas	Walter	Acquisition of economic rights	-	-	2,000,000	-
F.C.Twente	Marc Janko	Acquisition of economic rights	-	-	2,000,000	-
Natland Financieringsmaatschappij B.V.	Falcao	Intermediation services - Sale of economic rights	-	-	1,908,625	496,375
Orel B.V.	Falcao	Intermediation services - Renegotiation	-	-	1,808,625	496,375
Gestifute, S.A.	Falcao	Intermediation services - Sale of economic rights	-	-	1,377,500	760,000
Club Atletico Banfield	James Rodriguez	Acquisition of economic rights	-	-	1,250,000	-
Club Atletico Velez Sarsfield	Otamendi	Acquisition of economic rights	-	-	1,000,000	-
Sporting Sociedade Desportiva Futebol, SAD	João Moutinho	Acquisition of economic rights	-	-	928,935	-
Reina Bvba	Bruno Alves	Intermediation services - Sale of economic rights	-	-	600,000	-
S. C. Fotbal Club Rapid, S.A.	Sapunaru	Acquisition of economic rights	-	-	-	-
Others			6,228,349	-	8,265,395	-
			56,176,292	4,000,000	35,721,337	6,352,750

21. OTHER CURRENT AND NON-CURRENT LIABILITIES

The captions 'Other non-current liabilities' and 'Other current liabilities' as of 30 June 2013 and 2012 can be detailed as follows:

	30.06.2013	30.06.2012
Other non-current liabilities		
Accrued expenses:		
Cost of transactions of players' registrations, not yet due	2.655.736	4.794.507
Deferred income:		
Broadcasting rights advances - seasons 2012/13 to 2014/15 (Note 30)	2.000.000	1.750.000
Broadcasting rights advances - seasons 2014/15 to 2017/18 (Note 30)	6.000.000	8.000.000
Effect of discounting trade payables	(449.704)	(437.563)
	10.206.032	14.106.944

	30.06.2013	30.06.2012
Other current liabilities		
State and public sector	6.537.415	2.513.587
Advances to clients	4.450.000	-
Other creditors	9.643.050	10.289.705
	20.630.465	12.803.292
Accrued expenses:		
Accrued payroll	654.351	676.763
Cost of transactions of players' registrations, not yet due	7.697.823	13.028.254
Competition bonuses pending processing	330.642	8.789.458
Other accrued expenses	1.329.362	578.882
	10.012.178	23.073.357
Deferred income:		
Broadcasting rights advances - seasons 2012/13 to 2014/15 (Note 30)	1.750.000	1.450.000
Sale of season tickets	503.576	-
Advertising	6.184.402	4.535.333
Other deferred income	974.575	405.291
	9.412.553	6.390.624
Effect of discounting trade payables	(426.044)	(69.080)
	39.629.152	42.198.193

The caption 'Other current/non-current liabilities – Cost of transactions of players' registrations, not yet due' includes commitments assumed in players registrations transactions supported by the respective contracts and not yet invoiced as of the end of the reporting period.

As of 30 June 2013, includes, namely, amounts related to:

(a) registration's sale commission amounting 2,730,108 Euro related, among other to: economic rights acquisition of Danilo (750,000 Euros), Herrera (300,000 Euro) and Mangala (300,000 Euro) and the sale of Guarín economic rights (550,00 Euro);
(b) solidarity mechanism, amounting 3,472,400 Euro, related, among others, to economic rights sale of Falcao (1,790,765 Euro) and James Rodriguez (1,157,625 Euro);
(c) celebration and/or renewal of the labour contracts, namely signing-on and loyalty fees, amounting 3,857,740 Euro related, among others, to the players: Diego Reyes (1,392,320 Euro), Herrera (700,445 Euro) and Defour (523,180 Euro).

As of 30 June 2012, includes, namely, amounts related to:

(a) the registration's sale commission amounting 6,410,207 Euro related, among other to: economic rights acquisition of Danilo (2,350,000 Euros), Lucho Gonzalez (640,000 Euro) and Alex Sandro (400,000 Euro), renewal of the labour contracts with the player Hulk (588,235 Euro) and the sale of Guarín economic rights (1,100,00 Euro);
(b) the solidarity mechanism, amounting 2,290,653 Euro, related, among others, to Falcao economic rights sale (1,8557000 Euro);
(c) the celebration and/or renewal of the labour contracts, namely signing-on and loyalty fees, amounting 7,876,666 Euro related, among other, to the players: Danilo (1,739,131 Euro), Hulk (1,724,445 Euro), Álvaro Pereira (901,936 Euro), Defour (870,339 Euro) and João Moutinho (600,000 Euro); and
(d) the acquisition of players economic rights to clubs and other entities holders of the economic rights amounting 1,100,000 Euro, related, among others, to the acquisition of Iturbe (750,000 Euro).

In the classification as non-current balance, which regards the signing-on and loyalty fees, were considered the agreed payment dates.

The caption 'Other creditors', as of 30 June 2013, considers: (i) the amount of approximately 1,300,000 Euro, relating to the June athletes remuneration; (ii) bonus and other amounts payable do players, amounting, approximately, 4,000,000 Euro, which have terms of payment in the short term; (iii) termination costs of labor contracts in the amount of, approximately 500,000 Euro and (iv) the amount of 600,000 Euro received from Banco Minas Gerais as an advance under the signature of a partnership agreement concerning advertising and support of the construction of the FCP Museum, inaugurated at 28 September 2013.

The caption "Advertising", as at 30 June 2013 considers: (i) the amount of approximately 3,950,000 Euro already invoiced and received from Banco de Minas Gerais as advance payment regarding the signature of a partnership contract related to advertising and support in the construction of FCP Museum.

The caption 'Other creditors', as of 30 June 2012, considers: (i) bonus and other amounts payable do players, amounting, approximately, 6,700,000 Euro, which have terms of payment in the short term; and (ii) the amount of 2,750,000 Euro received from Banco Minas Gerais as an advance under the signature of a partnership agreement concerning advertising and support of the construction of the FCP Museum.

As of 30 June 2012 the caption 'Competition bonuses pending processing' includes the amounts related with the bonuses granted to the players, technical team and governing bodies for the victory on the Football Championship 2011/2012 as well as series of games bonuses and other values assigned to certain players to ensure minimum wages in their annual hired labour contracts.

The maturity of the captions 'Other non-current liabilities' and 'Other current liabilities' as of 30 June 2013 and 2012 can be detailed as follows:

	30.06.2013	> 1 YEAR	> 2 YEARS	> 3 YEARS	> 4 YEARS	> 5 YEARS
Other non-current liabilities						
Accrued expenses:						
Cost of transactions of players' registrations, not yet due	2,655,736	1,156,935	766,873	453,464	278,464	-
Deferred income:						
Broadcasting rights advances - seasons 2012/13 to 2014/15 (Note 30)	2,000,000	2,000,000	-	-	-	-
Broadcasting rights advances - seasons 2014/15 to 2017/18 (Note 30)	6,000,000	-	2,000,000	2,000,000	2,000,000	-
Effect of discounting trade payables	(449,704)	(195,907)	(129,857)	(76,786)	(47,153)	-
	10,206,032	2,961,028	2,637,016	2,376,678	2,231,311	-

	30.06.2013	< 90 DAYS	90-180 DAYS	180-360 DAYS
Other current liabilities				
State and public sector	6.537.415	6.537.415	-	-
Advances to clients	4.450.000	4.450.000		
Other creditors	9.643.050	9.643.050	-	-
	20.630.465	20.630.465	-	-
Accrued expenses:				
Accrued payroll	654.351	-	218.117	436.234
Cost of transactions of players' registrations, not yet due	7.697.823	7.269.428	43.750	384.645
Competition bonuses pending processing	330.642	330.642	-	-
Other accrued expenses	1.329.362	1.329.362	-	-
	10.012.178	8.929.432	261.867	820.879
Deferred income:				
Broadcasting rights advances - seasons 2012/13 to 2014/15 (Note 30)	1.750.000	437.500	437.500	875.000
Deferred income from reservations of reserved boxes	503.576	125.894	125.894	251.788
Advertising	6.184.402	3.092.201	3.092.201	-
Other deferred income	974.575	974.575	-	-
	9.412.553	4.630.170	3.655.595	1.126.788
Effect of discounting trade payables	(426.044)	(402.334)	(2.421)	(21.289)
	39.629.152	33.787.733	3.915.041	1.926.378

	30.06.2012	> 1 YEAR	> 2 YEARS	> 3 YEARS	> 4 YEARS	> 5 YEARS
Other non-current liabilities						
Accrued expenses:						
Cost of transactions of players' registrations, not yet due	4.794.507	2.639.270	1.555.715	599.522	-	-
Deferred income:						
Broadcasting rights advances - seasons 2012/13 to 2014/15 (Note 30)	1.750.000	1.750.000	-	-	-	-
Broadcasting rights advances - seasons 2014/15 to 2017/18 (Note 30)	8.000.000	-	2.000.000	2.000.000	2.000.000	2.000.000
Effect of discounting trade payables	(437.563)	(240.869)	(141.980)	(54.714)	-	-
	14.106.944	4.148.401	3.413.735	2.544.808	2.000.000	2.000.000

	30.06.2012	< 90 DAYS	90-180 DAYS	180-360 DAYS
Other current liabilities				
State and public sector	2.513.587	2.513.587	-	-
Other creditors	10.289.705	10.289.705	-	-
	12.803.292	12.803.292	-	-
Accrued expenses:				
Accrued payroll	676.763	-	225.588	451.175
Cost of transactions of players' registrations, not yet due	13.028.254	11.761.333	272.355	994.566
Competition bonuses pending processing	8.789.458	8.789.458	-	-
Other accrued expenses	578.882	578.882	-	-
	23.073.357	21.129.673	497.943	1.445.741
Rendimentos a reconhecer:				
Broadcasting rights advances - seasons 2012/13 to 2014/15 (Note 30)	1.450.000	362.500	362.500	725.000
Advertising	4.535.333	2.267.667	2.267.667	-
Other deferred income	405.291	405.291		
	6.390.624	3.035.458	2.630.167	725.000
Effect of discounting trade payables	(69.080)	(62.362)	(1.444)	(5.274)
	42.198.193	36.906.060	3.126.665	2.165.468

22. PROVISIONS AND ACCUMULATED IMPAIRMENT LOSSES

The movement in provisions and accumulated impairment losses in the years ended 30 June 2013 and 2012 is as follows:

Captions	Opening Balance 30.06.2012	Increase	Utlisation	Decrease	Closing Balance 30.06.2013
Accumulated impairment loss on investments (Note 9)	890.680	1.731.516	(916.929)	-	1.705.267
Accumulated impairment loss on account receivables (Note 11)	5.833.849	821.467	(57.832)	(1.554.772)	5.042.712
Accumulated impairment loss on inventories (Note 12)	151.215	151.481	-	-	302.696
Provisions	1.924.649	-	-	-	1.924.649
	8.800.393	2.704.464	(974.761)	(1.554.772)	8.975.324

Captions	Opening Balance 30.06.2011	Increase	Utlisation	Decrease	Closing Balance 30.06.2012
Accumulated impairment loss on investments (Note 9)	1.397.655	1.409.361	(1.916.336)	-	890.680
Accumulated impairment loss on account receivables (Notes 11 and 13)	4.590.438	1.773.119	(225.050)	(304.658)	5.833.849
Accumulated impairment loss on inventories (Note 12)	122.835	28.380	-	-	151.215
Provisions	1.924.649	-	-	-	1.924.649
	8.035.577	3.210.860	(2.141.386)	(304.658)	8.800.393

Provisions

Tax litigation

FCPorto, SAD, following a tax inspection of the year ended 30 June 2004, was notified in November 2007 of an additional Value Added Tax (VAT) assessment, in the amount of 819,098 Euro, and, in January 2008, of an additional Corporate Income Tax (CIT) assessment (which refers essentially to autonomous taxation over derecognized charges by Tax Authorities), in the amount of 2,486,972 Euro (including compensatory interests), which the Company: (i) paid and accepted the amount of 148,641 Euro; and (ii) submitted a complaint for the amount of 2,338,331 Euro. The amount paid was recorded as expenses in the income statement for the year in which the payment was made (2007/2008). In late 2011 FCPorto SAD received the final decision of the complaint filed, having been granted the value of 443,201 Euros in respect of CIT. For the remaining values contained in that settlement FCPorto, SAD filed out a judicial review.

FCPorto, SAD, in the beginning of 2009, following a tax inspection of the financial years ended 30 June 2006 and 30 June 2007, was notified of additional Corporate Income Tax (CIT) assessments amounting to 595,450 Euro (including compensatory interests), which the Company: (i) paid and accepted the amount of 220,261 Euro (ii) paid and submitted a complaint for the amount of 93,529 Euro; and (iii) submitted a complaint for the amount of 281,660 Euro. The amounts paid were recorded as expenses in the income statement for the year in which the payment was made (2008/2009).

In the end of 2009, following a tax inspection of the year ended 30 June 2008, FCPorto, SAD was notified of additional Corporate Income Tax (CIT) and Value Added Tax (VAT) assessments amounting to 444,371 Euro (including compensatory interests), which the Company: (i) paid and accept the amount of 99,379 Euro; (ii) paid and submitted complaints for the amount of 18,105 Euro; and (iii) submitted complaints for the amount 326,887 Euro. The amounts paid were recorded as expenses in the income statement for the year ended 30 June 2010.

In the end of 2010, following a tax inspection of the year ended 30 June 2009, the Company was notified of additional Corporate Income Tax (CIT) and Value Added Tax (VAT) assessments amounting to 823,732 Euro, which the Company: (i) paid and submitted complaints for the amount of 53,232 Euro; and (ii) submitted complaints for the amount 765,123 Euro. The amounts paid were recorded as expenses in the income statement caption ‘Other expenses’ for the year ended 30 June 2011.

In the end of 2011, following a tax inspection of the year ended 30 June 2010, the Company was notified of an additional Corporate Income Tax (CIT) assessment amounting to 480,909 Euro, which the Company submitted a complaint for the total amount filling out a judicial review.

Finally, in the end of 2012, following a tax inspection to the year ended as at 30 June, 2011, the Company received an inspection report that considers tax corrections under Corporate Income Tax (CIT), in the amount of 316,366 Euro (including compensation interests) on which the Company paid and submitted a complaint for the total amount filling out a judicial review. The amounts paid were registered as expense in the income statement for the year ended 30 June, 2013, under the caption “Income tax”.

The additional assessments above, claimed by FC Porto, SAD, for the financial years 2005/2006 to 2008/2009 refer to, essentially, the withholding tax on payments to non-residents.

The above mentioned complaints/administrative appeals/judicial reviews, were presented as the Board of Directors, and its’ legal and tax advisers, consider that the reasons given by the Tax Administration on the matters above mentioned are not in accordance with Portuguese law.

For the situations mentioned above, the Company maintains recorded, as of 30 June 2013, a provision in the amount of 1,514,094 Euro, which is considered adequate to cope with the risk of an unfavourable outcome of these assessments.

Bank guarantees

As of 30 June 2013, FCPorto, SAD has bank guarantees issued in favour of the Tax Administration in the amount of 5,445,230 Euro, related with the additional settlements for the years ended 30 June 2004, 2008 and 2009.

Other litigations

During the year ended 30 June 2008 a judicial process was brought by a third party against the subsidiary PortoEstádio; in May 2009 a sentence was issued by the the Judicial Court's (7ª Vara Cível do Tribunal Judicial do Porto) condemning PortoEstádio to pay a compensation of 404,241 Euro, plus default interests. Despite PortoEstádio presented an appeal against this verdict, as of 30 June 2013 the caption 'Provisions' consider the amount of, approximately, 410.000 Euros to cope with the risk of an unfavourable outcome of this process.

Impairment losses

During the financial year ended 30 June 2013 impairment losses related with accounts receivable were recorded in the amount of 821,467 Euro related with account receivables from football clubs and/or sporting entities that showed difficulties in the settlement of their commitments.

During the financial year ended 30 June 2013, the Company reversed impairment losses on accounts receivables in the amount of 1,553,772 Euro, from which 1,142,229 Euro are referring to accounts receivable of FCPBasquetebol, SAD which the respective impairment losses had been recorded in the year ended as at 30 June 2012, since the accounts receivable proved to be uncollectible due to the decision of liquidation and dissolution of that company at the beginning of the season of 2012/13. However given that, by agreement with the FC Porto, the club took their loss in receivables towards this society, impairment losses were reversed counterpart of an increase in accounts receivable from Futebol Clube do Porto.

23. SERVICES RENDERED

Services rendered for the years ended 30 June 2013 and 2012 are up made up as follows:

	30.06.2013	30.06.2012
Sporting income		
European competitions participating bonus	20,390,070	14,198,668
Ticketing income	2,311,731	2,860,571
Season tickets	3,237,993	4,348,404
Membership contributions	971,003	3,422,299
Other sporting income	1,135,521	1,499,214
	28,046,318	26,329,156
Advertising	13,067,314	13,242,066
Broadcasting rights	13,185,000	12,300,000
Corporate Hospitality (Note 33)	15,161,233	10,472,499
Others	5,090,917	5,714,744
	74,550,782	68,058,465

The decrease of in balance of the captions “Ticketing income” and “Season tickets” is related to a lower level of attendance in the games of the football team.

The decrease in balance of the caption “Membership contributions” is related to a decrease in the percentage of contributions transferred from FCP Clube to FCP SAD since 2012/2013 season to 25%, while in 2011/2012 the percentage amounted to 75%.

The caption “Corporate Hospitality” includes: (i) the gross amount of 5,878,988 Euro (net 1,191,145 Euro, less the cost of 4,687,843 Euro – Note 24; 1,044,780 Euro as of 30 June 2012) related to the income the “Lugares Euroantas” (surplus calculated as described in Note 33), (ii) the amount of 1,272,685 Euro (1,291,699 Euro as at 30 June 2012) related to the commission over the corporate segment charged to Euroantas by Porto Comercial within the business contract terms between the two entities; and (iii) the amount of 8,009,560 Euro related to the commercialization of box seats (commercialized by the subsidiary Porto Comercial and charged by Euroantas – Note 24).

24. EXTERNAL SUPPLIES AND SERVICES

As of 30 June 2013 and 2012, the main balances included in this caption were as follows:

	30.06.2013	30.06.2012
Corporate Hospitality (Note 33)	12.697.403	8.136.060
Specialised services	6.943.023	6.006.551
Subcontracts	3.717.198	2.697.785
Rentals	3.668.955	3.520.362
Advertising	1.691.891	4.758.340
Insurance	1.206.130	1.047.655
Security	1.143.791	1.187.020
Organization costs	975.687	926.471
Fees	871.723	910.782
Sports equipment	783.344	365.954
Repair and maintenance	584.601	411.541
Representation expenses	458.668	641.596
Cleaning up services	439.658	466.165
Communication	403.787	518.205
Fuels	400.387	342.835
Electricity	394.635	360.798
Travel and accommodation	-	1.155.063
Other costs	1.117.828	1.422.805
	37.498.709	34.875.988

The caption 'Corporate Hospitality" includes: (i) the amount of 4,687,843 Euro – Note 23, related to "Lugares Euroantas" (surplus calculated as described in Note 33), and (ii) the amount of 8,009,560 Euro related to the use of boxes by Euroantas to commercialization by the subsidiary PortoComercial – Note 24.

The caption 'Specialised services' includes several types of costs associated with the Group's activity, namely: (i) expenses with market research services, (ii) costs with legal advisory services, (iii) costs with audit services; and (iv) expenses with financial advisory services, namely the ones provided by FC Porto – Serviços Partilhados, S.A. (Note 30).

In the caption 'Subcontracts' are included costs incurred in connection with the protocol signed between the Group and Futebol Clube do Porto, mainly related with the use of several facilities, as well as the utilization of the training centre by the senior team, and also by the junior teams.

The caption 'Organization costs' considers various costs related with the games realization.

The 'Travel and accommodation' caption includes, essentially, the travels and accommodation made by the football team during the national championship, the European competitions and training periods.

The decrease verified in the caption "Travel and accommodation" and consequent increase in caption "Subcontracts" refers mainly to the input of the subsidiary Dragon Tour whose activity as of 30 June 2012 was irrelevant.

The decrease in the caption "Advertising" is related to the fact that FCP Club no longer be entitled to income-related media advertising for the procedures, which are now being allocated only to FCP SAD.

25. PAYROLL EXPENSES

The balances related to payroll expenses for the years ended 30 June 2013 and 2012 of the Company and subsidiaries are detailed as follows:

	30.06.2013	30.06.2012
Governing bodies	2,564,179	1,732,806
Players/Coaches/Medical	40,662,364	38,875,802
Technical and administrative staff	5,106,072	4,149,195
Charges on salaries	3,673,280	3,106,749
Insurance	1,537,705	1,203,660
Other costs	521,654	526,771
	54,065,254	49,594,984

Net payroll expenses for the year ended 30 June 2013, of players on temporary loan to other clubs, amounted to, approximately 2,100,000 Euro (1,800,000 Euro on 30 June 2012).

The remuneration of the members of the Board of Directors of FC Porto, SAD and its subsidiaries, for the years ended 30 June 2013 and 2012 is as follows:

	30.06.2013	30.06.2012
Fixed remuneration	2.564.179	1.596.547
Variable remuneration	-	136.259
	2.564.179	1.732.806

The detail of the remunerations for each Board of Directors' member and remaining governing bodies is disclosed in the Corporate Governance Report.

As of 30 June 2013 and 2012, the number of people working for the Group is as follows:

	30.06.2013	30.06.2012
Governing bodies	7	7
Administrative staff	120	119
Technical staff	31	31
Vendors (stores)	33	28
Football players	52	39
	243	224

26. RESULTS OF TRANSACTIONS WITH PLAYERS' REGISTRATIONS

The results of transactions with players' registrations in the years ended 30 June 2013 and 2012 can be detailed follows:

	30.06.2013	30.06.2012
Amortisation and impairment losses of players' registrations		
Amortisation of players' sporting registration rights (Note 8)	26,225,716	32,355,147
Impairment losses of players' sporting registration rights (Note 8)	300,842	3,988,349
	26,526,558	36,343,496
Income/(expenses) related with transactions of players' registrations		
Losses from the sales of players' registrations (Note 8)	-	(1,873,817)
Costs relating to players on loan	-	(80,000)
Other costs relating to players	(727,294)	(1,559,269)
	(727,294)	(3,513,086)
Gains from the sales of players' registrations (Note 8)	74,016,304	29,882,159
Income relating to players on loan	2,095,000	2,385,000
Other income relating to players	1,061,199	378,977
	77,172,503	32,646,136
	76,445,209	29,133,050
	49,918,651	(7,210,446)

Impairment losses of players' registrations rights consider the carrying amount of players' registrations as of 30 June 2013 whose employment contracts were terminated by the Company until the approval date of these financial statements, as well as the estimated impairment loss of the players' registrations considering the players' sport situation as of the approval date of the financial statements. The balance of this caption as of 30 June 2013 corresponds essentially to the players Emídio Rafael, Bracali, Ukra and Sereno, while as of 30 June 2012 it related essentially to the players Bellushi, Marc Janko, David Addy, Beto, Gil Dias, Pawel Kieszek, Sapunaru and William Soares.

The amounts included in the captions 'Gains from the sales of players' registrations' and 'Losses from the sales of players' registration' are presented net of the carrying amount of the players' registrations, intermediation service costs incurred with that sales, and liabilities under the 'solidarity mechanism' (if and when applicable) and also net from the discount effect of accounts receivable and payable related with those transactions (Note 8). The caption 'Gains from the sales of players' registrations' also includes, in the year ended 30 June 2012, the amount of, approximately, 250,000 Euros relating with the fulfilment, in that year, of objectives contractually defined in the sale of the registration of Falcao, achieved in the beginning of the referring financial year.

27. OTHER INCOME

As of 30 June 2013, the caption “Other income” included an amount of, approximately, 770,000 Euro related to the regularization of withholding taxes of personal income tax from athletes of FCP, SAD. As of 30 June 2012 the caption "Other income" included, essentially, the amount of 592,040 Euro related to the UEFA compensation for the participation of FCP, SAD players in qualifying stage and finals of the 2012 European Championship.

28. FINANCIAL EXPENSES AND INCOME

Financial expenses and income for the years ended 30 June 2013 and 2012 are made up as follows:

	30.06.2013	**30.06.2012**
Financial expenses:		
Interest	10,165,873	7,963,012
Discount effect of accounts payable	1,545,787	1,938,159
Other financial expenses	1,181,591	1,146,578
	12,893,251	11,047,749
Financial income:		
Interest	1,073,517	1,297,389
Discount effect of accounts receivable	2,697,790	1,893,567
	3,771,307	3,190,956
Net financial expenses	(9,121,944)	(7,856,793)

The balance of the captions ‘Discount effect of accounts receivable’ and ‘Discount effect of accounts payable’ relate to interest resulting from the temporal difference between the transaction date of sale / purchase of the registration rights of several sports players and the dates of receipt / payment contractually agreed.

In the year ended 30 June 2013 the income interest relate, mainly, to interest payable by FC Porto in accordance with the signed debt settlement agreement (Note 11).

29. GAINS AND LOSSES IN INVESTMENTS

The detail of caption “Gains and losses in investments” for the years ended 30 June 2013 and 2012 is as follows:

Description	30.06.2013
Impairment loses - players' economic rights (Note 9)	(1,731,516)
Gain on Beto economic rights sale	204,600
Impairment loss on Porto Seguro goodwill (Note 10)	(221,000)
	(1,747,916)

Description	30.06.2012
Impairment loses - players' economic rights (Note 9)	(1,409,361)
Gain on Vieirinha economic rights sale (Note 9)	1,054,711
Impairment loss on Porto Seguro goodwill (Note 10)	(258,602)
Other	166,667
	(446,585)

30. RELATED PARTIES

The balances and transactions between the Company and its subsidiaries, which are related parties, were eliminated in consolidation and therefore are not mentioned in this note. The main balances with related entities, identified below, as of 30 June 2013 and 2012 and the main transactions performed with these entities during the year ended as of that date are as follows:

Balances	Accounts receivable current and non-current	Accounts payable current and non-current	Other current and non-current assets	Other current and non-current liabilities
Futebol Clube do Porto (Note 11)	13.258.397	2.306	6.547.669	44.748
FCP Basket SAD	-	-	-	-
Euroantas (Note 33)	5.715.804	2.709.177	15.074.195	393.981
F.C.P. Serviços Partilhados	620.484	775.607	-	-
FCP Media	1.508.066	61.869	-	-
Fundação Porto-Gaia	-	-	335.387	-
PPTV/Olivedesportos	4.450.000	-	-	14.200.000
Sportinveste	102.406	7.037	-	6.240
	25.655.157	3.555.996	21.957.251	14.644.969

	30.06.2012			
Balances	Accounts receivable current and non-current	Accounts payable current and non-current	Other current and non-current assets	Other current and non-current liabilities
Futebol Clube do Porto (Note 11)	13.440.992	-	232.026	-
FCP Basket SAD	936.069	-	40.168	-
Euroantas (Note 33)	6.123.415	3.748.828	15.429.475	-
F.C.P. Serviços Partilhados	773.794	947.444	-	-
FCP Media	57.680	-	40.472	-
Fundação Porto-Gaia	-	-	371.532	-
PPTV/Olivedesportos	2.750.117	-	-	11.200.000
Sportinveste	94.635	4.970	-	12.651
	24.176.702	4.701.242	16.113.673	11.212.651

Transactions	30.06.2013 Sales and services rendered	Purchases and External supplies and services	Income interests	Other expenses
Futebol Clube do Porto	2.471.793	4.241.828	843.722	37.545
Euroantas (Notes 23, 24 and 33)	7.324.041	13.046.586	-	350
FCP Serviços Partilhados	396.918	4.621.870	-	5.711
FCP Basket SAD	1.125	-	-	-
FCP Media	57.555	237.777	-	891
Fundação Porto-Gaia	-	36.145	-	-
PPTV/Olivedesportos	14.003.951	-	-	-
Sportinveste	67.199	98.674	-	16.713
	24.322.582	22.282.880	843.722	61.210

Transactions	30.06.2012 Sales and services rendered	Purchases and External supplies and services	Income interests	Impairment losses
Futebol Clube do Porto	4.893.790	6.431.056	1.022.688	-
Euroantas (Notes 23, 24 and 33)	2.679.677	7.322.540	-	-
FCP Serviços Partilhados	399.870	3.490.497	-	-
FCP Basket SAD	138.665	1.494.995	-	976.237
FCP Media	26.142	(73.590)	-	-
Fundação Porto-Gaia	-	36.145	-	-
PPTV/Olivedesportos	13.303.150	-	-	-
Sportinveste	252.802	78.422	-	-
	21.694.096	18.780.065	1.022.688	976.237

Futebol Clube do Porto is the main shareholder of FC Porto, SAD (Note 16), and Euroantas is 99.99% owned by this entity. Additionally, is presented above information of Group balances and transactions with the entities Sportinveste - Multimédia, S.A. ('Sportinveste') and PPTV/Olivedesportos - Publicidade Televisão e Media, S.A. ('Olivedesportos'), as the Chairman of the Board of Directors of these entities is a referral shareholder of FC Porto, SAD.

As of 30 June 2013 and 2012, the transactions with the entity PPTV/Olivedesportos recorded in the caption "Sales and services rendered" are justified by the cession contract, in exclusivity, of the broadcasting rights relating to the FCP – Futebol, SAD main team games in 'Estádio do Dragão' for the Professional Football I League and for the UEFA organized competitions, as well as the static and virtual advertising commercial exploration relating to those games, signed between the parties. On the other hand, the balance recorded on the captions 'Other current/non-current liabilities' as of 30 June 2013 corresponds, essentially, to the advance received by the Company form the entity above relating to the mentioned rights applicable to the seasons 2013/14 and 2014/15, as well as early billing to the same entity on televising rights for the seasons 2015/16 to 2017/18 (Note 21).

31. EARNINGS PER SHARE

Earnings per share were calculated considering the following amounts:

	30.06.2013	30.06.2012
Earnings		
Net profit/(loss) considered for the computation of basic earnings per share	20,355,997	(35,762,568)
Effect of potencial shares	-	-
Net profit/(loss) considered for computation of diluted earnings per share	20,355,997	(35,762,568)
Number of shares		
Weighted number of shares used to compute the basic earnings per share	15,000,000	15,000,000
Effect of potencial shares	-	-
Weighted number of shares used to compute the diluted earnings per share	15,000,000	15,000,000
Earning per share (basic and diluted)	1.36	(2.38)

32. SEGMENT INFORMATION

Operationally, the Group is organised in two major segments:

Segment A: activity related to the participation in professional football competitions, and the promotion and organisation of sporting events represented by FCP SAD

Segment B: activity relating to the sale of image rights, sponsorship, merchandising and product licensing represented by PortoComercial

Other services: includes the activities of the subsidiaries PortoMultimedia, PortoEstádio and PortoSeguro.

Operational income, indicating transactions with other segments and those resulting from transactions with third parties, may be presented as follows:

	30.06.2013			
	Segm. A	Segm. B	Other services	Total
Operational income excluding income related with transactions of players' registrations				
Resulting from operations with external clients	57,640,978	17,679,770	3,120,607	78,441,355
Resulting from operations with other segments	278,016	781,417	4,992,970	6,052,403

	30.06.2012			
	Segm. A	Segm. B	Other services	Total
Operational income excluding income related with transactions of players' registrations				
Resulting from operations with external clients	49,326,275	18,803,701	4,054,356	72,184,332
Resulting from operations with other segments	406,358	1,135,780	2,960,765	4,502,903

The amounts related to operational profit, operational cash-flow and cash-flow, by segment, are as follows:

	30.06.2013				
	Segm. A	Segm. B	Other services	Intra-grup	Total
Operational profit / (loss)	**30,585,378**	**900,737**	**288,700**	**-**	**31,774,815**
Amortisation and depreciation excluding amortisation of players' registrations	424,207	83,863	208,418	-	716,488
Provisions and impairment losses excluding players' registrations	(55,057)	(123,513)	(554,734)	-	(733,304)
Amortisation and impairment losses of players' registrations	26,526,558	-	-	-	26,526,558
Operational cash-flow - EBITDA (a)	**57,481,086**	**861,087**	**(57,616)**	**-**	**58,284,557**
Gains and losses in investments	(1,747,916)	-	-	-	(1,747,916)
Financial expenses	(12,382,455)	(435,420)	(75,376)	-	(12,893,251)
Financial income	3,953,674	217,255	378	(400,000)	3,771,307
Income tax	(376,177)	(141,868)	(57,015)		(575,060)
Cash-flow (b)	**46,928,212**	**501,054**	**(189,629)**	**(400,000)**	**46,839,637**

(a) - Earnings before taxes, financial results, depreciation and amortisation, provisions and impairment losses
(b) - Profit plus depreciation and amortisation, provisions and impairment losses

	30.06.2012				
	Segm. A	Segm. B	Other services	Intra-grup	Total
Operational profit / (loss)	**(24,016,350)**	**(1,892,756)**	**(532,201)**	**-**	**(26,441,307)**
Amortisation and depreciation excluding amortisation of players' registrations	528,649	69,760	253,520	-	851,929
Provisions and impairment losses excluding players' registrations	82,462	831,519	554,480	-	1,468,461
Amortisation and impairment losses of players' registrations	36,343,496	-	-	-	36,343,496
Operational cash-flow - EBITDA (a)	**12,938,257**	**(991,477)**	**275,799**	**-**	**12,222,579**
Gains and losses in investments	(481,228)	-	-	34,643	(446,585)
Financial expenses	(11,008,764)	(37,267)	(1,718)	-	(11,047,749)
Financial income	3,083,995	89,563	17,398	-	3,190,956
Income tax	(1,046,562)	(59,783)	(74,011)	-	(1,180,356)
Cash-flow (b)	**3,485,698**	**(998,964)**	**217,468**	**34,643**	**2,738,845**

(a) - Earnings before taxes, financial results, depreciation and amortisation, provisions and impairment losses
(b) - Profit plus depreciation and amortisation, provisions and impairment losses

Data on total assets and total liabilities, as well as on the investment made in the year in tangible and intangible assets, including players' registrations, can be presented, by segment, as follows:

	30.06.2013				
	Segm. A	Segm. B	Other services	Eliminations and adjustments	Total
Total assets	215,068,141	12,914,230	3,745,650	(3,875,446)	227,852,575
Total liabilities	205,185,442	14,490,251	3,171,027	(2,621,500)	220,225,220
Investment made in the current year (c)	46,520,554	151,767	218,551	-	46,890,872

	30.06.2012				
	Segm. A	Segm. B	Other services	Eliminations and adjustments	Total
Total assets	200,056,497	11,807,075	4,191,632	(5,328,166)	210,727,038
Total liabilities	210,206,301	13,923,801	3,329,249	(4,074,218)	223,385,133
Investment made in the current year (c)	64,545,985	140,230	-	-	64,686,215

(c) Fixed tangible and intagible assets acquisitions including players' registrations

As FCP Group is currently developing its activity exclusively in the internal market, geographical segments are not reported.

33. ‘ESTÁDIO DO DRAGÃO’

On 7 July 2003 a Cooperation Agreement was signed between PortoEstádio, Euroantas, Futebol Clube do Porto and Futebol Clube do Porto – Futebol, S.A.D. relating to the construction, financing, operation and utilisation of ‘Estádio do Dragão’ (‘the Stadium’), which consists of an operating lease contract.

Under this agreement, Euroantas, the present owner of the Stadium, assigned to FCP, SAD the exploitation of certain activities from the Sporting Area of the Stadium for a period of 30 years, in return of an annual global charge, which approximates an “linear rent” over the 30 years period, supported by FCPorto, SAD through two components:

i) An amount equal to the debt service borne by Euroantas during the first 15 years on the Loan Contract entered into for the construction of the Stadium and, in the last 15 years, a lower amount indexed to the debt service for the last year (2018) on the Loan Contract; and

ii) The amount of 14,963,937 Euro, settled in the year ended 30 June 2003 and recorded as ‘Other non-current assets (Note 13), as a remuneration for the amount of the falling due rents during the 15 year period, determined from 2018. This amount will be recognized as a linear cost over the period of 15 years from 2018.

In accordance with the agreement, FCPorto, SAD also retains the right to receive from Euroantas, any excess, determined annually, of the income, net of the inherent operating expenses, commercialisation of Boxes and Business Seats of ‘Estádio do Dragão’ (‘Lugares Euroantas’) over the amount of the ‘rent’ mentioned above.

Starting on 2012/13 season, following the change in the accounting method, these two portions started to be invoiced separately from FCPorto SAD to Euroantas and from Euroantas to FCPorto, SAD by the gross amount.

Under such terms, the net excess for the year ended 30 June 2013 amounted to 1,191,145 Euro (Services rendered – 5,878,988 Euro – Note 23; External services and supplies – 4,687,843 Euro – Note 24). Regarding the year ended as of 30 June 2012, the net excess amounted to 1,044,780 Euro (Note 23).

34. CONTINGENT ASSETS AND LIABILITIES

As of 30 June 2010 there was an ordinary lawsuit brought against the Company by a shareholder requiring to be declared null and void the decisions of the Shareholders' General Meeting held on 28 October 2005 that approved:

1. The Board of Directors' Report and Non-Consolidated Financial Statements of the year ended 30 June 2005;
2. The Board of Directors' Report and Consolidated Financial Statements of the year ended 30 June 2005;
3. The proposed appropriation of net consolidated result for the year ended 30 June 2005.

In September 2010 a favourable ruling to FCP SAD was issued related to this case, having the counterpart, during 2010, moved an appeal.

The Board of Directors, as well as its' legal consultants, consider that the grounds included by that shareholder in the ordinary lawsuit brought against the Company and in the above referred appeal, are not in accordance with the Portuguese law; therefore no impacts over the consolidated financial statements are estimated to occur arising from the outcome of this lawsuit.

On 14 October 2010, Marítimo da Madeira – Futebol, SAD ("Marítimo") brought a declarative action against FCPorto, SAD in the Professional Football Portuguese League claiming a rectification in the amount due regarding the sale of the Pepe's registration to Real Madrid in the amount of, approximately, 840,000 Euro, which includes late payment interests. On 14 September, 2012, the Arbitral Comission of LPFP decided as unfounded all the claims from Marítimo, acquitting FCP, SAD. Subsequently, on 17 October, 2012, Marítimo presented appealed to decision to the plenary of LPFP. The Board of Directors, as well as its' legal consultants, are now expecting that the plenary confirms the sentence form the Arbitral Commission of LPFP; therefore no impacts over the consolidated financial statements are estimated to occur arising from the outcome of this action.

On 18 October 2011, Marítimo da Madeira – Futebol, SAD ("Marítimo") brought a declarative action against FCPorto, SAD in the Professional Football Portuguese League claiming a sum by way of "compensation for promotion or appreciation" of the player Kléber Laube Pinheiro. The Board of Directors, as well as its' legal consultants, consider that the grounds presented by Marítimo is not correct, haven´t being presented any contestation; therefore no impacts over the consolidated financial statements are estimated to occur arising from the outcome of this action.

35. SUBSEQUENT EVENTS

The following events took place after the date of the financial statements and, by its relevance, are presented as follows:

i) Players' registration acquisitions:

a. Acquisition of the registration and 50% of the economic rights of player Quintero from Delfino Pescara 1936 SRL for 5,000,000 Euro.

36. APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying financial statements were approved by the Board of Directors on 10 October 2013.

37. EXPLANATION ADDED FOR TRANSLATION

These consolidated financial statements are a translation of financial statements originally issued in Portuguese in accordance with International Financial Reporting Standards (IFRS/IAS) as adopted by the European Union and the format and disclosures required by those Standards, some of which may not conform to or be required by generally accepted accounting principles in other countries. In the event of discrepancies, the Portuguese language version prevails.

7. Legal Certification of Accounts and Audit Report

(Translation of a report originally issued in Portuguese – Note 37)

Introduction

1. In compliance with the applicable legislation, we hereby present our Statutory Audit and Auditors' Report on the consolidated financial information contained in the Board of Directors' Report and on the accompanying consolidated financial statements for the year ended 30 June 2013 of Futebol Clube do Porto – Futebol, S.A.D. ("Company") and subsidiaries ("Group"), which comprise the Consolidated Statement of Financial Position as of 30 June 2013 (that presents total net assets of 227,852,575 Euro and shareholders' equity of 7,627,355 Euro, including a net consolidated profit attributable to the Parent company of 20,355,997 Euro), the Consolidated Statements of Profit and Loss, of Comprehensive Income, of Changes in Equity and of Cash Flows for the year then ended and the corresponding notes.

Responsibilities

2. The Company's Board of Directors is responsible for: (i) the preparation of consolidated financial statements that present a true and fair view of the financial position of the companies included in the consolidation, the consolidated results and comprehensive income of their operations, the changes in consolidated equity and their consolidated cash flows; (ii) the preparation of historical financial information in accordance with International Financial Reporting Standards as adopted by the European Union and that is complete, true, timely, clear, objective and licit, as required by the Portuguese Securities Market Code; (iii) the adoption of adequate accounting policies and criteria and the maintenance of appropriate internal control systems; and (iv) the disclosure of any significant facts that have influenced the operations of the Company and companies included in the consolidation, their financial position, results and comprehensive income.

3. Our responsibility is to examine the financial information contained in the documents referred to above, including verifying that, in all material respects, the information is complete, true, timely, clear, objective and licit, as required by the Portuguese Securities Market Code, and to issue a professional and independent report based on our examination.

Scope

4. Our examination was performed in accordance with the Auditing Standards ("Normas Técnicas e as Directrizes de Revisão/Auditoria") issued by the Portuguese Institute of Statutory Auditors ("Ordem dos Revisores Oficiais de Contas") which require that the examination be planned and performed with the objective of obtaining reasonable assurance about whether the consolidated financial statements are free of material misstatement. Such an examination includes verifying, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements and assessing the significant estimates, based on judgments and criteria defined by the Board of Directors, used in their preparation. Such an examination also includes: verifying the consolidation procedures and that the financial statements of the companies included in the consolidation have been appropriately examined, assessing the adequacy of the accounting policies used and their uniform application and disclosure, taking into consideration the circumstances, verifying the applicability of the going concern concept, verifying the adequacy of the overall presentation of the consolidated financial statements, and assessing that, in all material respects, the consolidated financial information is complete, true, timely, clear, objective and licit. Our examination also comprised verifying that the consolidated financial information included in the consolidated Board of Directors' Report is consistent with the consolidated financial statements as well as the verifications established in numbers 4 and 5 of the article 451º of the Commercial Company Code ("Código das Sociedades Comerciais"). We believe that our examination provides a reasonable basis for expressing our opinion.

Opinion

5. In our opinion, the consolidated financial statements referred to in paragraph 1, present fairly, in all material respects, the consolidated financial position of Futebol Clube do Porto – Futebol, S.A.D. and subsidiaries as of 30 June 2013, the consolidated results and comprehensive income of its operations, consolidated changes in its equity and its consolidated cash flows for the year then ended, in accordance with the International Financial Reporting Standards as adopted by the European Union, and the financial information contained therein is, in terms of the definitions included in the auditing standards referred to in paragraph 4, complete, true, timely, clear, objective and licit.

Emphasis

6. The Company's individual financial statements as of 30 June 2013, show that half of its share capital has been lost and, as such, the provisions of articles 35 and 171 of the Commercial Company Code ("Código das Sociedades Comerciais") are applicable. As mentioned in the Board of Directors' Report and in Note 16 of the Notes to the consolidated financial statements, the Board of Directors believes that this situation should be analysed and decided in the Shareholders' General Meeting in order to adjust equity to the legal requirements. In addition, the individual and consolidated financial statements as of that date present a negative working capital and almost all the accounts receivable from Futebol Clube do Porto have an estimated recovery period in the long term, as mentioned in Note 11 of the Notes to the consolidated financial statements. The accompanying consolidated financial statements were prepared on a going concern basis, which considers the continued financial support of the financial institutions (Note 18), as well as the success of the Company's future operations, namely the positive outcome of the disposal of players' registrations, as has occurred in previous years, and as foreseen in its operating and cash-flow budgets, essential to the balance and fulfilment of financial commitments.

Reporting over other legal requirements

7. It is also our opinion that the financial information included in the Board of Directors' Report is in accordance with the consolidated financial statements of the year and that the Corporate Governance Report includes the information required to the Company, as established by the Article 245º- A of the Securities Market Code.

Porto, 11 October 2013

____

Deloitte & Associados, SROC S.A.
Represented by António Manuel Martins Amaral

8. Report and Opinion of the Audit Committee

To the Shareholders,

In compliance with the applicable legislation and in accordance with the terms of our mandate, the Audit Committee issues its report and opinion over the management report and the remaining documents of individual and consolidated financial statements of FUTEBOL CLUBE DO PORTO – FUTEBOL SAD, for the year starting on the 1st of July 2012 and ending on the 30th of June 2013.

Supervision

During the financial year, we have accompanied the evolution of the Group, promoting meetings as we saw fit. These meetings, considering the subjects analysed, had the presence of the operational heads of the financial department, the Board of Directors and the external auditors. We also kept a close proximity to the Statutory Auditor, who kept us informed on the nature and conclusions of the audits performed.
On keeping his duties, the Audit Board received from the Board of Directors, the services of all the companies in the Group and the Statutory Auditor, all the requested information and explanations, necessary for a full evaluation and understanding of the evolution of the Group, especially in terms of financial performance.
The Audit Board also accompanied the preparation and disclosing procedures of the financial information, as well as the review to the documents of individual and consolidated financial statements of the company, and received from the Statutory Auditor all the information and explanations required. The Audit Board also analysed all the demonstrations of the financial position, individual and consolidated, the individual and consolidated demonstrations of the results by nature, the individual and consolidated demonstrations of full income, the individual and consolidated demonstrations of changes to the Own Equity and the individual and consolidated demonstrations of cash-flow of the exercise ending in that date and subsequent attachments. The Audit Board also analysed the management report released by the Board of Directors and the legal certification of accounts and the audit report, released by the Statutory Auditor, which were approved by the Audit Board.

Advice

As a consequence of what has been stated above, the Audit Committee suggests that the following are to be approved:

- the Management Report, the individual and consolidated balance sheets referring to the period of 1st of July 2012 to 30th of June 2013, the individual and consolidated statements of results by nature, of cash flows and correspondent annexes;
- the proposition to apply the results of individual accounts presented by the Board of Directors.

Certificate of Responsibility

Under the terms of paragraph c) of point 1 of article 245 of the Securities Code, the members of the Audit Committee of FC Porto – Futebol, SAD, state that, to their knowledge, the information presented in this report, the annual accounts and other accounting documents required by law or legislation, even if not approved by General Meeting, has been gathered in conformity with applicable accounting standards , giving a true and accurate image of assets and liabilities, of the financial situation and results of the issuer and of the companies included in the Group, and that the management report faithfully lays out the evolution in business, performance and position of the issuer and of the companies included in the Group, and contains a description of the main risks and uncertainties the company has to face.

Porto, 11th of October 2013

The Audit Committee

José Paulo Sá Fernandes Nunes de Almeida - Chairman

Armando Luís Vieira de Magalhães - Member

Filipe Carlos Ferreira Avides Moreira - Member

C. Corporate Governance Report

INTRODUCTION

The revision of the Portuguese Commercial Companies Code, through the entering into effect of Decree-Law 76-A/2006 of 29 March, lead to a profound change in the rules regarding corporate governance in Portugal, particularly in reforming the supervision of companies by separating the supervisory functions and those for reviewing accounts, thereby reinforcing the independence and technical responsibilities of the members of the supervisory bodies. As a consequence, during the Annual General Meeting of 2007, a statutory revision was approved to comply with the changes proposed by that law on this important matter.

FC Porto – Futebol, SAD has been adjusting, always ruled by the criterion of the shareholder interest and the market, its practices, aiming at the continuous development of the best policies, especially concerning the values of accuracy and transparency.

In order to modernize the Statutes, thus complying with the most advanced practices concerning company governance, there has also been an attempt to make the necessary adjustments in relevant matters, such as the voting by post regulation and the compliance of the deadlines to participate in and suspend the General Meeting as suggested by CMVM. These changes were taken into consideration by the shareholders and approved in the General Meeting where the accounts for season 2008/2009 were approved. Additionally, in order to adjust the statutes to the Decree-Law no. 49/2010, the shareholders also approved a new change to the block of shares.

The Board of Directors pays special attention to the matters concerning the Company Governance, as the policies of the company must comply with the best practices and the governance model best suited to its dimension. This report is a statement of that policy, and the Board of Directors believes that it clearly shows the good performance of the model adopted and the company governance instated.

No restraints to the operation were found in the Governance Model adopted by the Company, with the accuracy, honesty and trust, among others, being core values for this success. The changes in the world, economy, corporations and stock market are known factors, and, should it ever be relevant, changes to improve the governance model will be internally analysed and proposed to the shareholders.

Chapter 0 – STATEMENT OF COMPLIANCE

FC Porto – Futebol, SAD, as a company that issues shares admitted to trade in the Official Listed Market of NYSE Euronext Lisbon (Eurolist by Euronext), prepared this report in accordance with the Code of Corporate Governance of the Committee Securities Market Commission (CMVM) of 2010, containing additionally the information required by the Regulation of CMVM no. 1/2010, of the 1st of February. The regulation is available for consultation at the website of CMVM, on the following address: www.cmvm.pt.

The company states that it has adopted the recommendations issued by the Committee Securities Market Commission concerning the company governance, present in the code mentioned above. There are, however, recommendations that were not adopted or not fully adopted.

In the following table, there is a listing of the Recommendations foreseen in the Code of Corporate Governance, stating those that were adopted, not adopted or not applicable, and the reference to the text in the Report where it can be confirmed if the recommendations were adopted or why they could not be adopted.

RECOMMENDATIONS OF CMVM ON CORPORATE GOVERNANCE	**STATUS OF RECOMMENDATION**	**REPORT**
I. GENERAL MEETING		
I.1. GENERAL MEETING BOARD		
I.1.1 The Presiding Board of the General Meeting shall be equipped with the necessary and adequate human resources and logistic support, taking the financial position of the company into consideration.	Adopted	1.1.
I.1.2 The remuneration of the Presiding Board of the General Meeting shall be disclosed in the Annual Report on Corporate Governance.	Adopted	1.1.
I.2. PARTICIPATION AT THE MEETING		
I.2.1 The requirement for the Board to receive statements for share deposit or blocking for participation at the general meeting shall not exceed 5 working days.	Adopted	1.2.

I.2.2 Should the general meeting be suspended, the company shall not compel share blocking during the interim period until the meeting is resumed and shall then prepare itself in advance as required for the first session.	Adopted	1.2.
I.3. VOTING AND EXERCISING VOTING RIGHTS		
I.3.1 Companies shall not impose any statutory restriction on postal voting and whenever adopted or admissible, on electronic voting.	Adopted	1.3.
I.3.2 The statutory deadline for receiving early voting ballots by mail may not exceed three working days.	Adopted	1.3.
I.3.3 Companies shall ensure the level of voting rights and the shareholder's participation is proportional, ideally through the statutory provision that obliges the one share-one vote principal. The companies that: i) hold shares that do not confer voting right; ii) establish non-casting of voting rights above a certain number, when issued solely by a shareholder or by shareholders related to former, do not comply with the proportionality principle.	Adopted	1.2
I.4. RESOLUTION-FIXING QUORUM Companies shall not set a resolution-fixing quorum that outnumbers that which is prescribed by law.	Adopted	1.2.
I.5. MINUTES AND INFORMATION ON RESOLUTIONS PASSED I.5.1 Extracts from the minutes of the general meetings or documents with corresponding content must be made available to shareholders on the company's website within a five day period after the General Meeting has been held, irrespective of the fact that such information may not be classified as material information. The information disclosed shall cover the resolutions passed, the represented capital and the voting results. Said information shall be kept on file on the company's website for no less than a 3 year period.	Not adopted	1.2.
I.6. MEASURES ON CORPORATE CONTROL		
I.6.1 Measures aimed at preventing successful takeover bids, shall respect both the company's and the shareholders' interests. The company's articles of association that by complying with said principal, provide for the restriction of the number of votes that may be held or exercised by a sole shareholder, either individually or in concert with other shareholders, shall also foresee for a resolution by the General Assembly (5 year intervals), on whether that statutory provision is to be amended or prevails – without super quorum requirements as to the one legally in force – and that in said resolution, all votes issued be counted, without applying said restriction.	Adopted / N.A.	1.5.
I.6.2. In cases such as change of control or changes to the composition of the Board of Directors, defensive measures shall not be adopted that instigate an immediate and serious asset erosion in the company, and further disturb the free transmission of shares and voluntary performance assessment by the shareholders of the members of the Board of Directors.	Adopted	1.5.
II. BOARD OF DIRECTORS AND SUPERVISORY BOARD		
II.1. GENERAL POINTS		
II.1.1. STRUCTURE AND DUTIES		
II.1.1.1. The Board of Directors shall assess the adopted model in its Annual Report on Corporate Governance and pin-point possible hold-ups to its functioning and shall propose measures that it deems fit for surpassing such obstacles.	Adopted	Introduction

II.1.1.2. Companies shall set up internal control and risk management systems in order to safeguard the company's worth and which will identify and manage the risk. Said systems shall include at least the following components: i) setting of the company's strategic objectives as regards risk assumption; ii) identifying the main risks associated to the company's activity and any events that might generate risks; iii) analyse and determine the extent of the impact and the likelihood that each of said potential risks will occur; iv) risk management aimed at aligning those actual incurred risks with the company's strategic options for risk assumption; v) control mechanisms for executing measures for adopted risk management and its effectiveness; vi) adoption of internal mechanisms for information and communication on several components of the system and of risk-warning ; vii) periodic assessment of the implemented system and the adoption of the amendments that are deemed necessary.	Adopted	2.1.
II.1.1.3. The Board of Directors shall ensure the establishment and functioning of the internal control and risk management systems. The Supervisory Board shall be responsible for assessing the functioning of said systems and proposing the relevant adjustment to the company's needs.	Not adopted	2.1.
II.1.1.4. The companies shall: i) identify the main economic, financial and legal risk that the company is exposed to during the exercise of its activity; ii) describe the performance and efficiency of the risk management system, in its Annual Report on Corporate Governance.	Adopted	2.1.
II.1.1.5. The Board of Directors and the Supervisory Board shall establish internal regulations and shall have these disclosed on the company's website.	Not adopted	Section I
II.1.2. GOVERNANCE INCOMPATIBILITY AND INDEPENDENCE		
II.1.2.1. The Board of Directors shall include a number of non-executive members that ensure the efficient supervision, auditing and assessment of the executive members' activity.	Not adopted	2.2.1.
II.1.2.2. Non-executive members must include an adequate number of independent members. The size of the company and its shareholder structure must be taken into account when devising this number and may never be less than a fourth of the total number of Board Directors.	Not adopted	2.2.1.
II.1.2.3. The independency assessment of its non-executive members carried out by the Board of Directors shall take into account the legal and regulatory rules in force concerning the independency requirements and the incompatibility framework applicable to members of other corporate boards, which ensure orderly and sequential coherence in applying independency criteria to all the company. An independent executive member shall not be considered as such, if in another corporate board and by force of applicable rules, may not be an independent executive member.	Adopted	2.2.1.
II.1.3. ELIGIBILITY AND APPOINTMENT CRITERIA		
II.1.3.1. Depending on the applicable model, the Chair of the Supervisory Board and of the Auditing and Financial Matters Committees, shall be independent and adequately competent to carry out his/her duties.	Adopted	2.3.
II.1.3.2. The selection process of candidates for non-executive members shall be conjured so as prevent interference by executive members.	Not adopted	2.2.
II.1.4. POLICY ON THE REPORTING OF IRREGULARITIES		

II.1.4.1. The company shall adopt a policy whereby irregularities occurring within the company are reported. Such reports shall contain the following information: i) the means by which such irregularities may be reported internally, including the persons that are entitled to receive the reports; ii) how the report is to be handled, including confidential treatment, should it be required by the reporter.	Adopted	2.10
II.1.4.2. The general guidelines on this policy shall be disclosed in the Annual Report of Corporate Governance.	Adopted	2.10
II.1.5. REMUNERATION		
II.1.5.1. The remuneration of the Members of the Board of Directors shall be structured so that the formers' interests are capable of being aligned with the long-term interests of the company. Furthermore, the remuneration shall be based on performance assessment and shall discourage taking on extreme risk. Thus, remunerations shall be structured as follows: i) The remuneration of the Board of Directors carrying out executive duties shall include a variable element which is determined by a performance assessment carried out by the company's competent bodies according to pre-established quantifiable criteria. Said criteria shall take into consideration the company's real growth and the actual growth generated for the shareholders, its long-term sustainability and the risks taken on, as well as compliance with the rules applicable to the company's activity. ii) The variable component of the remuneration shall be reasonable overall as regard the fixed component of the remuneration and maximum limits shall be set for all components. iii) A significant part of the variable remuneration shall fluctuate for a period not less than three years and its payment shall depend of the company's steady positive performance during said period. iv) Members of the Board of Directors shall not enter into contracts with the company or third parties that will have the effect of mitigating the risk inherent in the variability of the remuneration established by the company. v) The Executive Directors shall hold, up to twice the value of the total annual remuneration, the company shares that were allotted by virtue of the variable remuneration schemes, with the exception of those shares that are required to be sold for the payment of taxes on the gains of said shares. vi) When the variable remuneration includes stock options, the period for exercising same shall be deferred for a period of not less than three years. vii) The appropriate legal instruments shall be established so that in the event of a Director's dismissal without due cause, the envisaged compensation shall not be paid out if the dismissal or termination by agreement is due to the Director's inadequate performance. viii) The remuneration of Non-Executive Board Members shall not include any component the value of which is subject to the performance or the value of the company.	Not adopted	2.9.1.
II.1.5.2. A statement on the remuneration policy of the Board of Directors and Supervisory Board referred to in Article 2 of Law No. 28/2009 of 19 June, shall contain, in addition to the content therein stated, adequate information on: i) which groups of companies the remuneration policy and practices of which were taken as a baseline for setting the remuneration; ii) the payments for the dismissal or termination by agreement of the Directors' duties.	Not adopted	2.9.1.

II.1.5.3. The remuneration policy statement referred to in Article 2 of Law No. 28/2009 shall also include the directors' remunerations which contain an important variable component, within the meaning of Article 248-B/3 of the Securities Code. The statement shall be detailed and the policy presented shall particularly take the long-term performance of the company, compliance with the rules applicable to its business and restraint in taking risks into account.	Not adopted	2.9.1
II.1.5.4. A proposal shall be submitted at the General Meeting on the approval of plans for the allotment of shares and/or options for share purchase or further yet on the variations in share prices, to members of the Board of Directors and Supervisory Board and other managers within the context of Article 248/3/B of the Securities Code. The proposal shall mention all the necessary information for its correct assessment. The proposal shall contain the regulation plan or in its absence, the plan's conditions. The main characteristics of the retirement benefit plans established for members of the Board of Directors and Supervisory Board and other managers within the context of Article 248/3/B of the Securities Code, shall also be approved at the General Meeting.	N. A.	3.3.
II.1.5.6. At least one of the Remuneration Committee's representatives shall be present at the Annual General Meeting for Shareholders.	Adopted	1.4.
II.1.5.7. The amount of remuneration received, as a whole and individually, in other companies of the group and the pension rights acquired during the financial year in question shall be disclosed in the Annual Report on Corporate Governance. This Recommendation shall remain in force until the duty to provide information envisaged in Article 3/c) and /d) of CMVM Regulation No. 1/2010 is enacted.	Adopted	2.9.1.
II.2. BOARD OF DIRECTORS		
II.2.1 Within the limits established by law for each management and supervisory structure, and unless the company is of a reduced size, the Board of Directors shall delegate the day-to-day running and the delegated duties shall be identified in the Annual Corporate Governance Report.	Not adopted	2.2.
II.2.2 The Board of Directors must ensure that the company acts in accordance with its goals, and shall not delegate its duties, namely in what concerns: i) definition of the company's strategy and general policies; ii) definition of the corporate structure of the group; iii) decisions taken that are considered to be strategic due to the amounts, risk and particular characteristics involved.	Adopted	2.2.4.
II.2.3 Should the Chair of the Board of Directors carry out executive duties, the Board of Directors shall set up efficient mechanisms for coordinating non-executive members that can ensure that these may decide upon, in an independent and informed manner, and furthermore shall explain these mechanisms to the shareholders in the corporate governance report.	Adopted	2.2.1.
II.2.4 The annual management report shall include a description of the activity carried out by the Non-Executive Board Members and shall mention any restraints encountered.	Adopted	2.2.1.

II.2.5. The company shall expound its policy of portfolio rotation on the Board of Directors, including the person responsible for the financial portfolio, and report on same in the Annual Corporate Governance Report.	Adopted	2.2.1.
II.3. CHIEF EXECUTIVE OFFICER (CEO), EXECUTIVE COMMITTEE AND EXECUTIVE BOARD OF DIRECTORS		
II.3.1 When Managing Directors that carry out executive duties are requested by other Board Members to supply information, the former must do so in a timely manner and the information supplied must adequately suffice the request made.	Adopted	2.2.1.
II.3.2 The Chair of the Executive Committee shall send the convening notices and minutes of the meetings to the Chair of the Board of the Directors and, as applicable, to the Chair of the Supervisory Board or the Auditing Committee, respectively.	N. A.	Chapter 2
II.3.3 The Chair of the Board of Directors shall send the convening notices and minutes of the meetings to the Chair of the General and Supervisory Board and the Chair of the Financial Matters Committee.	N. A.	Chapter 2
II.4. GENERAL AND SUPERVISORY BOARD, FINANCIAL MATTERS COMMITTEE, AUDIT COMMITTEE AND SUPERVISORY BOARD		
II.4.1 Besides carrying out its supervisory duties, the General and Supervisory Board shall advise, follow-up and carry out an on-going assessment on the management of the company by the Executive Board of Directors. Besides other subject matters, the General and Supervisory Board shall decide on: i) the definition of the strategy and general policies of the company; ii) the corporate structure of the group; and iii) decisions taken that are considered to be strategic due to the amounts, risk and particular characteristics involved.	N. A.	Chapter 2
II.4.2 The annual reports and financial information on the activity carried out by the General and Supervisory Committee, the Financial Matters Committee, the Auditing and Supervisory Committee must be disclosed on the company's website.	Adopted	2.3.
II.4.3 The annual reports on the activity carried out by the General and Supervisory Board, the Financial Matters Committee, the Audit Committee and the Supervisory Board must include a description on the supervisory activity and shall mention any restraints that they may have come up against.	Adopted	2.3.
II.4.4 The General and Supervisory Board, the Auditing Committee and the Supervisory Board (depending on the applicable model) shall represent the company for all purposes at the external auditor, and shall propose the services supplier, the respective remuneration, ensure that adequate conditions for the supply of these services are in place within the company, as well as being the liaison officer between the company and the first recipient of the reports.	Adopted	2.3.
II.4.5 According to the applicable model, the General and Supervisory Board, Auditing Committee and Supervision Board shall assess the external auditor on an annual basis and advise the General Meeting that he/she be discharged whenever justifiable grounds are present.	Adopted	2.3.
II.4.6. The internal audit services and those that ensure compliance with the rules applicable to the company (compliance services) shall functionally report to the Audit Committee, the General and Supervisory Board or in the case of companies adopting the Latin model, an independent director or Supervisory Board, regardless of the hierarchical relationship that these services have with the executive management of the company.	Not adopted	2.1.

II.5. SPECIAL COMMITTEES		
II.5.1 Unless the company is of a reduced size and depending on the adopted model, the Board of Directors and the General and Supervisory Committees, shall set up the necessary Committees in order to: i) ensure that a competent and independent assessment of the Executive Directors' performance is carried out, as well as its own overall performance and further yet, the performance of all existing committees; ii) study the adopted governance system and verify its efficiency and propose to the competent bodies, measures to be carried out with a view to its improvements; iii) in due time identify potential candidates with the high profile required for the performance of director's duties.	N. A.	2.7. and 2.8
II.5.2 Members of the Remuneration Committee or alike shall be independent from the Members of the Board of Directors and include at least one member with knowledge and experience in matters of remuneration policy.	Adopted	2.7.
II.5.3 Any natural or legal person which provides or has provided, over the past three years, services to any structure subject to the Board of Directors, to the Board of Directors of the company or that has to do with the current consultant to the company shall not be recruited to assist the Remuneration committee. This recommendation also applies to any natural or legal person who has an employment contract or provides services.	Adopted	2.7.
II.5.4 All the Committees shall draw up minutes of the meetings held.	Adopted	Chapter 2
III. INFORMATION AND AUDITING		
III.1. GENERAL DISCLOSURE DUTIES		
III.1.1 Companies shall maintain permanent contact with the market thus upholding the principle of equality for shareholders and ensure that investors are able to access information in a uniform fashion. To this end, the company shall create an Investor Assistance Unit.	Adopted	3.8.
III.1.2 The following information that is made available on the company's Internet website shall be disclosed in the English language: a) The company, public company status, headquarters and remaining data provided for in Article 171 of the Commercial Companies Code; b) Articles of Association; c) Credentials of the Members of the Board of Directors and the Market Liaison Officer; d) Investor Assistance Unit – its functions and access means; e) Accounts Reporting documents; f) Half-Yearly Calendar on Company Events; g) Proposals sent through for discussion and voting during the General Meeting; h) Notices convening general meetings.	Not adopted	3.8.
III.1.3. Companies shall advocate the rotation of auditors after two or three terms in accordance with four or three years respectively. Their continuance beyond this period must be based on a specific opinion for the Supervisory Board to formally consider the conditions of auditor independence and the benefits and costs of replacement.	Not adopted	2.4.
III.1.4. The external auditor must, within its powers, verify the implementation of remuneration policies and systems, the efficiency and functioning of internal control mechanisms and report any shortcomings to the company's Supervisory Board.	Adopted	2.4.

III.1.5. The company shall not recruit the external auditor for services other than audit services, nor any entities with which same takes part or incorporates the same network. Where recruiting such services is called for, said services should not be greater than 30% of the total value of services rendered to the company. The hiring of these services must be approved by the Supervisory Board and must be expounded in the Annual Corporate Governance Report.	Not adopted	2.9.2
IV. CONFLICTS OF INTEREST		
IV.1. SHAREHOLDER RELATIONSHIP		
IV.1. Where deals are concluded between the company and shareholders with qualifying holdings, or entities with which same are linked in accordance with Article 20 of the Securities Code, such deals shall be carried out in normal market conditions.	Adopted	3.7.
IV.1.2 Where deals of significant importance are undertaken with holders of qualifying holdings, or entities with which same are linked in accordance with Article 20 of the Securities Code, such deals shall be subject to a preliminary opinion from the Supervisory Board. The procedures and criteria required to define the relevant level of significance of these deals and other conditions shall be established by the Supervisory Board.	Not adopted	3.7.

Chapter 1 – GENERAL MEETING

1.1. Members of the General Meeting Board

The General Meeting is the highest governing body of the company and is composed of the entirety of the shareholders. The shareholders gathered in General Meeting must decide on statutory changes, assess the general administration and audits of the company, analyse the management report of the current financial year and elect the relevant social bodies. The General Meeting must also decide on any other relevant subject and on all matters set by legislation or contract with the company and by any other subject not under the control of other organs of the company.

In the General Meeting on the 13th of February 2012, it was decided the election for the period 2012/2015 of José Manuel de Matos Fernandes as chairman of the General Meeting and of Rui Miguel de Sousa Simões Fernandes Marrana as secretary of the General Meeting.

The members of the Board of the General Meeting of FC Porto – Futebol, SAD are not paid for the work developed under their duties to this company.

The Chairman of the General Assembly is provided with human resources and logistical support appropriate to his needs and to fulfil his duties, considering the size of the company, including the support and cooperation rendered by the secretary of the company, the Legal Office and the Office Management Control of FC Porto - Futebol, SAD.

1.2. Participation in the General Meeting

FC Porto - Futebol, SAD, before each General Meeting, and respecting the legal deadlines, makes the publication of the notice of meeting, including on the site of the company (www.fcporto.pt).

In accordance with the Company's Statutes, the shareholders entitled to vote may participate in General Meeting, as long as their shares are registered under their name by zero hours

(GMT), five working days before the General Meeting, and if they confirm their registration before the company, until the same five working days before the General Meeting. Furthermore, the shareholders must register their will to participate in the General Meeting through a written letter sent five working days before the Meeting to the Chairman of the Board, or, as a last resort, through an e-mail sent six days before the Meeting. However, the past Chairmen of the General Meeting, taking into account the issues associated with the time of receipt of declarations for blocking shares, have decided that all applications should be accepted, even those whose copies are received by fax or e-mail until the period specified in the Statutes and confirmed by the receipt of the documents until the day before the General Meeting.

Shareholders who are individuals may be represented at meetings of the General Assembly under the conditions defined by law. Legal collective persons will make themselves represented by a person designated for that purpose and their authenticity will be appreciated by the Chairman of the Board.

The Company makes available to the Shareholders a form of letter of representation that can be obtained by request addressed to this company, by phone (+351225070500) or via e-mail (geral@fcporto.pt). The instruments of voluntary representation should be submitted to the head office, addressed to the Chairman of the Board of the General Meeting at least three days prior to the date of the General Meeting, and specifying the meeting to which it relates, the date, time and place in which it is conducted and their agenda, verify their clear mandate to the representative, with proper identification of the latter.

For the purpose of exercising the right to vote, each share gives one vote, and the presence in the General Meeting is not subject to imprisonment of a minimum number of shares.

The Company's Statutes, on n. four of article eight, foresee the attribution of preferential shares without voting rights, possibly payable, by its current value to which may be added a bonus, if the General Meeting decides so, and, if that is the case, set the method of calculation of the bonus. In case there is no payment for the share, the company is forced to indemnity the shareholder, in a previously set amount. However, this type of situation has never occurred.

In accordance with article twenty of the Statutes, the General Meeting will act regardless of the number of shareholders present or represented, both in first and second call, without prejudice to the statutory requirement for certain constitutive quorum for certain actions and, in particular, to the need, in the first call, of presence or representation of shareholders with at least two-thirds of the votes for the Assembly to authorize any of the acts referred to in article thirteen, number two, of these Statutes (“Need of authorization for general acts which exceed the forecast in the budget by resolution passed by simple majority, and alienation and encumbrance of any type of assets making up the estate of the Company, by resolution approved by two-thirds of the votes cast “).

By the end of each General Meeting, the company will issue a statement, available to consultation on their website and on the official website of CMVM, with all the decisions made, the represented capital and the voting results. The minutes of the General Assembly and the historical collection of primary information on these meetings have been sent to shareholders who requested them. In order to comply with the recommendations of CMVM, the company has, as off 2009, made available on its website, the minutes of the General Meetings, in the maximum deadline of fifteen days, as stated in the Decree-Law no. 49/2010.

1.3. Exercise of Voting Rights by Post and by Electronic Means

There are no statutory rules that prohibit the right to vote by post. For the vote intents by post to be admitted, they have to be received by the company on the third working day before the General Meeting. Postal votes count for the formation of a constitutive quorum of the General Meeting, and it is the responsibility of the Chairman of the Board to verify their authenticity and regularity, as well as to assure confidentiality until the voting time. In the event that a Shareholder or a Shareholder's representative is present at the Meeting, the postal vote is considered revoked. Postal votes count as negative votes concerning deliberative proposals presented subsequently to the date on which those votes were issued.

In order to facilitate postal voting, FC Porto - Futebol, SAD provides a model ballot paper for this purpose and can be obtained by request addressed to this Society, by phone (+351225070500) or via e-mail (geral@fcporto.pt).

The possibility to exercise voting rights by electronic means is not yet foreseen.

1.4. Intervention by the General Meeting regarding the Remuneration Policy of the Company, plans to distribute shares and retirement benefits

Given the publication of Law No. 28/2009, a statement on the remuneration policy for members of the Board of Directors and Supervision must be approved every year by the General Meeting. In the General Assembly for approval of accounts 2008/2009, the esteemed Fernando Freire de Sousa, a representative of the Remuneration Committee, presented the declaration mentioned above and put it under consideration of the shareholders. That statement, valid during the term, was again put under consideration, and approved, by the shareholders present at the General Meeting for approval of accounts 2009/2010, 2010/2011 e 2011/2012.

The Company does not hold any plans of share distribution and/or share acquisition options or retirement benefits, for the members of the body of administration and/or workers, and no plans have been put under consideration in General Meetings.

There is no statute norm that foresees the limitation of the number of votes or exercised by a single shareholder, individually or in agreement with other shareholders, and the maintenance or removal of that norm was never put under consideration of the General Meeting.

1.5. Measures concerning the change of control

FC Porto - Futebol, SAD did not introduce any defensive measures designed to have the effect of an automatic and severe erosion of the assets of the Company in the event of transfer of control or change the composition of the board, thus affecting the free transfer of shares and discretion by the shareholders of the performance of the board of directors.

So, there are no significant agreements to which the Company is a party and which take effect, alter or terminate in the event of a change of control of the Company following a takeover bid, or agreements between FC Porto - Futebol, SAD and the members of the board of directors or workers providing for compensation in case of resignation or dismissal of members of the board, or in case of resignation of the worker, unfair dismissal or termination of employment, following an offer for a takeover.

Similarly, FC Porto - Futebol, SAD did not adopt any measure which aims to prevent the success of takeover bids that violate the interests of the Company and shareholders.

In any case, the existence of legal restrictions on the ownership of shares representing the assets of FC Porto - Futebol, SAD should be pointed out, consequence of the special demands of the sports activity that is their primary purpose. Sports societies are governed by a special legal regime set by the Decree-Law 67/97 of the 3rd of April, according to changes that were introduced by Law No. 107/97 of the 16th of September. From these characteristics, it should be noted:

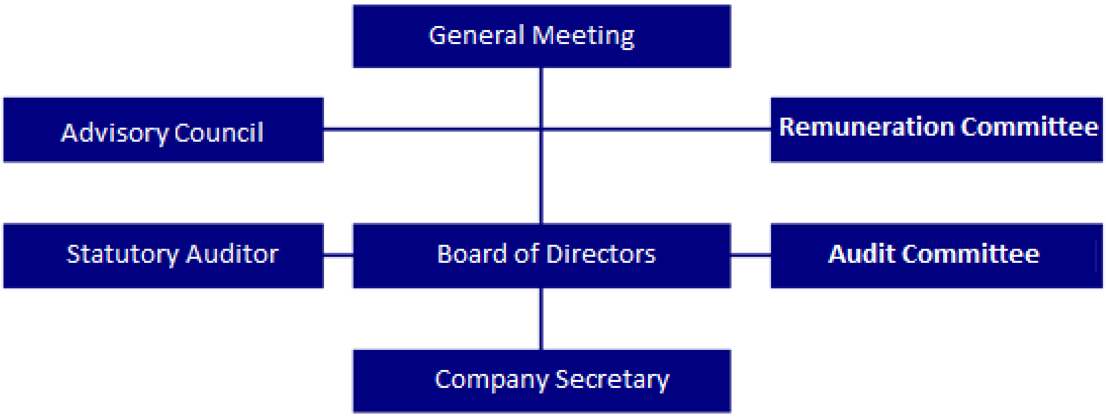
- The existence of two classes of shares, considering that class A shares are those subscribed and held at any time by the founding club, which are only liable to seizure or encumbrance in favour of legal persons of public law;

- The special system of company loyalty to the founding club, reflected, namely, by the club's obligation to maintain a minimum holding in the Company (no less than 15% nor more than 40%); the granting of special rights to the shares held by the founding club and the creation of encumbrances in favour of the club members;

Chapter 2 - GOVERNING BODIES

Section I – General Subjects

The Governing Bodies of FC Porto - Futebol, SAD are the General Meeting, the Board of Directors, the Audit Committee, the Statutory Auditors, the Company Secretary, the Advisory Board and the Remuneration Committee.



FC Porto - Futebol, SAD has no executive committee, given its small dimension, and holds the Management Board responsible for ensuring the daily management of the Company.

The mandate of the members of the governing bodies has duration of four years, and multiple re-elections are allowed.

The Internal Bodies of FC Porto – Futebol, SAD do not have formally approved functioning regulations. However, the members intend to set those regulations and disclose them afterwards in the website www.fcporto.pt.

There is no list of incompatibilities set be the Board of Directors and no limit to the number of added positions in the management bodies of other companies.

2.1. Internal control and risk management system

The administration and supervising bodies of the company have been giving growing importance to the development and improvement of the internal control and risk management systems, concerning the operational, economic and financial aspects with a relevant impact to the activities of the group, as recommended by national and international experts, including the CMVM.

Thus, for the financial year of 2010/2011, a department of Internal Audit and Compliance has been created, developing its activity in assessing the efficiency and efficacy of the internal control system and the business procedures concerning the entire group, independently and systematically, in examining and evaluating the rigour, quality and application of the operational, accounting and financial controls, promoting an effective control at a reasonable cost and proposing measures that present themselves as necessary to prevent possible deficiencies in the internal control system. Its function is also assuring the full compliance with legislation and regulations affecting the organization.

The department for Internal Audit and Compliance has set an annual plan where it was determined the audits that should be carried out in order to assess the quality of the control processes that certify the compliance of the objectives of the Internal Control System, namely those that certify the operation efficiency, the reliability of the financial and operational reports and the compliance with laws and regulations. The failures in the internal control will be reported to the project managers and the most severe to the Board of Directors.

There is also a Management Planning and Control department with the main intent of supporting the administration in the detection of relevant financial risks, which means analysing periodically the information related to financial planning and control, such as the business plan, the operation budgets and treasury and its control, management indicators, among others. These procedures are designed to help in the quality of the information disclosed to the market.

Both the Internal Audit and Compliance and the Management Planning and Control depend of the Board of Directors.

The Audit Committee has no responsibility in the creation and functioning of the internal control systems, but takes into consideration its existence and efficacy when assessing the risks to the company.

The Board of Administration considers that FC Porto – Futebol, SAD is exposed to risks inherent to its activity. Thus, the main financial risks the company believes to be subjected to are: market risk (interest rate risk and currency risk), credit risk and liquidity risk. The control mechanisms of these risks are described in the attachment regarding financial demonstrations.

Apart from the financial risk, the activity of the company is also very reliant of the sporting performance of the main football team. The sporting success is a key factor to obtain the traditional revenues and to the value of its assets, as they represent invaluable gains to the company due to transfers.

FC Porto – Futebol, SAD counts on a team of experts whose objective is to assure that the players are at their best. For that, the team has a set of coaches capable of making the players evolve, medical staff and fitness coaches, to prevent diseases and injuries, and a team of psychologists, who promote emotional stability and winning spirit.

Section II – Board of Directors

2.2. Board of Directors

In accordance with the Statutes, the company is managed by a Board of Directors, composed of three, five, seven or nine members who must compulsory be professional managers, elected in General Meeting, who will designate the Chairman, if he has not already been appointed at that meeting.

This body is currently composed of five members, four of which executives, who are responsible for the management of the company.

The substitution of an administrator will take place under the Companies Act, and there are no statutory rules on this subject, occurring at one of the following: inexistence of substitute directors, the Board may proceed with the co-option of an administrator, being subject to ratification at the next General Meeting; when no provision is made for co-option within 60 days, the supervisory board designates a substitute administrator, which shall also be subject to ratification at the next General Meeting; if it does not occur, replacement will be done through the election of a new director by the General Meeting.

There is no statutory rule establishing the selection process of the non-executive administrators. The election of the governing bodies, namely the Board of Directors, in the sum of its members, is done as a whole, in a list presented by the shareholders who intend it and approved in General Meeting.

2.2.1. Division of powers between directors

The current Board consists of five members, four officers and one non-executive.

In the Shareholders General Meeting on the 13th of February 2012, the following elements were elected to be part of the Board of Directors for the term of 2012/2015:

Board of Directors	
Jorge Nuno Lima Pinto da Costa	Chairman of the Board of Directors
Reinaldo da Costa Teles Pinheiro	Football Department
Angelino Cândido Sousa Ferreira	Administrative and Financial Department, Capital Market
Adelino Sá e Melo Caldeira	Legal, Marketing and Public Relations Departments
Rui Ferreira Vieira de Sá	Non-executive Director

Members of the Board are not independent, with the exception of Rui Ferreira Vieira de Sá, as they are part of the Directorate of Futebol Clube do Porto, which holds about 40% stake in Futebol Clube do Porto - Futebol, SAD, and to which it exercises a dominant influence. Rui Ferreira Vieira de Sá is part of the Board of Directors of Somague Engenharia, SA, fully held by Somague, SGPS, SA, which in turn is fully held by Sacyr SAU, part of Sacyr Vallehermoso, SA, a company that holds 18,79% of Futebol Clube do Porto – Futebol, SAD social capital.

FC Porto - Futebol, SAD does not comply with the recommendation II.1.2.1, which recommends a sufficient number of non-executive directors. Although the company understands that, given its small dimension and the fact that its executive members are well trained in the management of the company, the existence of an non-executive administrator assures the effective capacity of supervision, assessment and evaluation of the activity of the non-executive members, the CMVM understands that, in order to fulfil this recommendation, at least one third of the total numbers of administrators must be non-executive.

The company is not in compliance to recommendation II.1.2.2, as all the directors are not independent.

Despite not referred in the management report, the non-executive director has carried out his duties not only in participating in the reunions of the Board of Directors, but also by permanently accompanying and supervising the work of the executive directors, through the coordinated and efficient presentation of additional information requests related to subjects analysed by the Board of Directors, related to finance, governance and regulations. It should be pointed out that the non-executive director had no impediment to his duties.

Whenever requested by other members of the governing bodies, any information was disclosed in time and in appropriate manner by the executive directors.

There is no rotation policy concerning the functions within the Board, namely the responsible for the financial department. On FC Porto – Futebol, SAD particular case, the adoption of this recommendation would be harmful for the operation management of the company, as each member of the Board assumes the department most adequate to its capabilities and professional experiences and duties.

2.2.2. Functions Performed by the Members of the Board in other companies

Jorge Nuno de Lima Pinto da Costa

- Chairman of the Board of FC Porto
- Chairman of the Board of InvestiAntas, SGPS, SA
- Chairman of the Board of EuroAntas, Promoção e Gestão de Empreendimentos Imobiliários, SA
- Chairman of the Board of Directors of PortoEstádio, Gestão e Exploração de Equipamentos Desportivos, SA
- Chairman of the Board of Directors of Fundação PortoGaia para o Desenvolvimento Desportivo
- Chairman of the Board of FCPortoMultimédia, Edições Multimédia, SA
- Chairman of the Board of PortoComercial, Sociedade de Comercialização, Licenciamento e Sponsorização, SA
- Chairman of the Board of FC Porto – Serviços Partilhados, SA
- Chairman of the Board of FCP Media, SA
- Chairman of the Board of Dragon Tour, Agência de Viagens, SA

Adelino Sá e Melo Caldeira

- Vice-Chairman of the Board of FC Porto
- Member of the Board of Directors of Investiantas, SGPS, SA
- Member of the Board of Directors of EuroAntas, Promoção e Gestão de Empreendimentos Imobiliários, SA
- Member of the Board of Directors of PortoEstádio, Gestão e Exploração de Equipamentos Desportivos, SA
- Member of the Board of FCPortoMultimédia, Edições Multimédia, SA
- Member of the Board of PortoComercial, Sociedade de Comercialização, Licenciamento e Sponsorização, SA
- Manager of PortoSeguro – Sociedade Mediadora de Seguros do Porto, Lda.
- Member of the Board of FC Porto – Serviços Partilhados, SA
- Member of the Board of FCP Media, SA
- Member of the Board of Dragon Tour, Agência de Viagens, SA

Angelino Cândido Sousa Ferreira

- Vice-Chairman of the Board of FC Porto
- Member of the Board of Directors of Investiantas, SGPS, SA
- Member of the Board of Directors of EuroAntas, Promoção e Gestão de Empreendimentos Imobiliários, SA
- Member of the Board of PortoComercial, Sociedade de Comercialização, Licenciamento e Sponsorização, SA
- Member of the Board of Directors of PortoEstádio, Gestão e Exploração de Equipamentos Desportivos, SA
- Member of the Board of Directors of Fundação PortoGaia para o Desenvolvimento Desportivo
- Manager of PortoSeguro – Sociedade Mediadora de Seguros do Porto, Lda.
- Member of the Board of FC Porto – Serviços Partilhados, SA
- Member of the Board of FCP Media, SA
- Member of Board of Dragon Tour, Agência de Viagens, SA

Reinaldo Teles da Costa Pinheiro

- Vice-Chairman of the Board of FC Porto

Rui Ferreira Vieira de Sá

- Chairman of the Board of Somague SGPS, SA, since January 15th 2013;
- Chairman of the Board of Somague Engenharia, SA;
- Chairman of the Board of Somague Concessões de Infraestruturas, SA;
- Chairman of the Board of Somague Imobiliária, SA;
- Chairman Director of Somague Engenharia Brasil;
- Member of the Board of Directors of Viaexpresso da Madeira, S.A.;
- Member of the Board of Directors of Escala Parque – Gestão de Estacionamento, S.A.;
- Non-executive Member of the Board of Directors of Somague MPH Construções, S.A.;
- Director of AGS – Administração e Gestão de Sistemas de Salubridade, S.A. do Brasil.

2.2.3. Professional qualifications, activities carried, shares held and mandate

- Professional qualifications and activities carried out in recent years

Jorge Nuno de Lima Pinto da Costa

- Education: Secondary complete
- Other positions held at FC Porto Group, referred to in section 2.2.2.

Adelino Sá e Melo Caldeira

- Degree in Law by the Universidade Federal do Estado do Rio de Janeiro, in 1980
- Lawyer since 1980 until today
- Member of the Law Firm Graça Moura & Associates from 1996 to 2005
- Member of the Law Firm Gil Moreira dos Santos, Caldeira, Cernadas & Associates since 2005
- Other positions held at FC Porto Group, referred to in section 2.2.2.

Angelino Cândido Sousa Ferreira

- Degree in Economics by the University of Coimbra, in 1978
- Other positions held at FC Porto Group, referred to in section 2.2.2.

Reinaldo Costa Teles Pinheiro

- Education: 1st Cycle of Basic Education
- Other positions held at FC Porto Group, referred to in section 2.2.2.

Rui Ferreira Vieira de Sá

- Degree in Civil Engineering by the Faculdade de Engenharia of Universidade do Porto, in 1977
- From 1977 to 1996, Head of Services and Construction Director of Grupo Somague
- Other positions referred to in section 2.2.2.

- Shares held and mandate

Name	***N. of shares held***	***Date of 1st appointment***	***Expiry of mandate***
Jorge Nuno de Lima Pinto da Costa	184.481	23-Sept-1997	31-Dec-2015
Adelino Sá e Melo Caldeira	0	23-Sept-1997	31-Dec-2015
Angelino Cândido Sousa Ferreira	0	01-Feb-2010	31-Dec-2015
Reinaldo Costa Teles Pinheiro	9.850	23-Sept-1997	31-Dec-2015
Rui Ferreira Vieira de Sá	0	13-Feb-2012	31-Dec-2015

2.2.4. Duties of the Board of Directors

Notwithstanding the other powers conferred by law and the Statutes, the Board is responsible for the management of all business and conduct all operations relating to the objects in which they were granted the broadest powers, namely:

a) Representing the Company, in and out of court, proposing and contesting any action, compromising and forfeiting and engaging in arbitrage. To this end, the board may delegate its powers to one representative;
b) Develop the company’s budget for approval by the General Meeting;
c) Acquiring, disposing of and encumbering or leasing movable property, including stocks, shares, bonds and rights of registration of players;
d) Signing employment contracts and contracts for sports training and providing for their termination, either unilaterally or by mutual agreement;
e) Acquiring real estate;
f) Deciding if the company will join other individuals, under article four of the Statutes;
g) Deciding to issue bonds and borrowing on domestic or foreign financial market and accepting the supervision of the various lenders;
h) Appointing any other person, individual or collective, for paid positions in other companies.

Any increase in capital needs deliberation by the General Meeting, and the class A shares, held by Futebol Clube do Porto (Club), always confer the right to veto decisions of the General Meetings designed to, namely, raise or reduce the joint capital.

The matters discussed in this body are of private nature and its members must respect this principle.

In this financial year, the board met five times, and a minute of each of those reunions was made and is available for consultancy by any governing bodies who wish it.

Section III – General and Supervising Board, Financial Committee and Audit Committee

2.3. Audit Committee

The supervision of the FC Porto – Futebol, SAD activity is the responsibility of the Audit Committee which, according to the Statutes, has the powers specified by Law.

With the entry into force of Decree-Law 76-A/2006 on the 29th of March, which now offers three models for organizing the administration and supervision of companies, FC Porto - Futebol, SAD changed its statutes in administration and supervision in order to adopt one of the three methods provided in paragraph 1 of Article 278 of the Companies Code. Consequently, the Company, in the General Meeting of the 30th of November 2007, approved amendments to the Statutes, and elected the members of the Audit and Statutory Auditors until the end of the mandate of the governing bodies open until the 31st of December 2007.

In the Shareholders General Meeting on the 13th of February 2012, the following elements were elected to be part of the Audit Committee for the term of 2012/2015:

Audit Committee	
José Paulo Sá Fernandes Nunes de Almeida	Chairman
Armando Luís Vieira de Magalhães	Member
Filipe Carlos Ferreira Avides Moreira	Member
José Manuel Taveira dos Santos	Substitute

It is mandatory that one of the members of the Audit Committee is a statutory auditor (or an auditors' society, as an entity).

The members certified, by declaration, the compliance of the incompatibility and independence criteria outlined in no. 1 of article 414 A and in no. 5 of article 414, respectively, of the Companies Code.

The Audit Committee must supervise the activity of the company, confirming the compliance of the law and statutes. As a result, the Audit Committee shall, on an annual basis, create a report on the activities developed, stating any incompliance verified, and issue an opinion on the documents of accountability and on the proposed appropriation of results, presented by the Board to the General Meeting. This report is available for consultancy on the website of the Company, and on the website of CMVM, together with the documents of accountability.

The annual reports on the activity of the Audit Committee are disclosed on the website of the Company, together with the documents of accountability.

It must also represent the Company, for all purposes, at its External Auditor, responsible for, among others, propose the person responsible for these services, their remuneration, ensure there are, within the company, proper conditions to the provision of services, as well as being the partner of the company, as the recipient of the reports at issue, together with the Board of Directors.

The Audit Committee, whenever appropriate, meets with the External Auditor not only in its own name but also in that of the Company, pursuant to its powers. It is not under his role, however, to propose the provider of the External Audit, given his recruitment precedes the appointment of a separate Audit Committee of the Statutory Auditors. The external auditing services have been analysed independently and standing by the supervisory board, issuing an annual opinion on the activity of the Auditor during the year and making mention of any facts that could hinder the continuity of the office for just cause. The Audit Committee is, along with the Board of Directors, the first recipient of the reports issued by the external audit firm.

This year the Audit Committee met on 4 occasions, and a minute for each of the sessions was made.

2.3.1. Functions Performed by the members of the Audit Committee in other Companies

José Paulo Sá Fernandes Nunes de Almeida

- Managing Partner of TRL - Têxteis em Rede, Lda
- Member of the Executive Board of the Project Portugal Fashion
- Chairman of the General Assembly of AAJUDE - Associação de Apoio à Juventude Deficiente
- Chairman of the Audit Committee of the Associação Fórum Manufacture Portugal
- Chairman of the General Council of PortoLazer - Empresa Municipal
- Member of the Advisory Board of Fundação da Juventude
- Vice-Chairman of the General Council and the Board of Directors of AEP - Associação Empresarial de Portugal
- Chairman of the General Council of Fundação AEP
- Chairman of the Board of EURISKO Estudos, Projectos e Consultoria, SA
- Vice-Chairman of the Board of Europarque - Económico e Social
- Chairman of the General Council of Exponor Brazil - Feiras e Eventos, Lda
- Chairman of the Board of CESAE - Centro de Serviços e Apoio às Empresas
- Vice-Chairman of the General Board of CIP – Confederação Empresarial de Portugal
- Chairman of the General Meeting of AGAVI – Associação para a Promoção das Gastronomia, Vinhos, Produtos Regionais e Biodiversidade
- Chairman of the General Meeting of Paredes Industrial - Parques Industriais, SA
- Chairman of the General Meeting of Tirso Parques – Parques Empresariais de Santo Tirso, SA
- Chairman of the General Meeting of Parque-Invest – Sociedade Promotora de Parques Industriais, SA
- Chairman of the Audit Committee of Futebol Clube do Porto

- Chairman of the Audit Committee of PortoEstádio, Gestão e Exploração de Equipamentos Desportivos, SA
- Chairman of the Audit Committee of EuroAntas, Promoção e Gestão de Empreendimentos Imobiliários, SA

Armando Luís Vieira de Magalhães

- Member of the Audit Committee of Sonae Indústria, SGPS, SA
- Member of the Audit Committee of Sonae Capital, SGPS, SA
- Member of the Audit Committee of Sonaecom, SGPS, SA
- Member of the Audit Committee of the Fundação Eça de Queiroz
- Account Rapporteur of the Audit Committee of Futebol Clube do Porto
- Member of the Audit Committee of PortoComercial, Sociedade de Comercialização, Licenciamento e Sponsorização, SA

Filipe Carlos Ferreira Avides Moreira

- Chairman of the General Assembly of the CPC AFRICA, SA
- Chairman of the Board of Directors of Porto Digital – Operador Neutro de Telecomunicações, S.A.
- Substitute of the Audit Committee of Futebol Clube do Porto
- Member of the Audit Committee of PortoComercial, Sociedade de Comercialização, Licenciamento e Sponsorização, SA

José Manuel Taveira dos Santos

- Secretary of the Audit Committee of Futebol Clube do Porto
- Substitute of the Audit Committee of PortoEstádio, Gestão e Exploração de Equipamentos Desportivos, SA
- Substitute of the Audit Committee of PortoComercial, Sociedade de Comercialização, Licenciamento e Sponsorização, SA
- Substitute of the Audit Committee of EuroAntas, Promoção e Gestão de Empreendimentos Imobiliários, SA
- Substitute of the Audit Committee of FC Porto – Serviços Partilhados, SA
- Substitute of the Audit Committee of Dragon Tour, Agência de Viagens, SA
- Substitute of the Audit Committee of FCP Media, SA

2.3.2. Professional qualifications, activities carried, shares held and mandate

➢ Professional qualifications and activities carried out in recent years

José Paulo Sá Fernandes Nunes de Almeida

- Degree in Economics from the Faculdade de Economia do Porto
- Technical Sales Department at the Banco Português do Atlântico from 1982 to 1984
- Director of the Company Sofite - Sociedade Industrial de Fibras Têxteis, SA from 1984 to 2005
- Managing Partner of the ATM - Gabinete de Gestão, Lda from 1984 to 2004
- Manager of the Gorem - Sociedade Técnica de Serviços, Lda from 1990 to 2000
- Administrator of Risfomento - Sociedade de Fomento Empresarial, SA from 1991 to 1993
- Managing Partner of Ninfamar - Indústria de Confecções, Lda. from 2002 to 2004
- Manager of Hotpink, Comércio, Lda. from 2010 to 2013
- Vice-Chairman of ANJE - Associação Nacional de Jovens Empresários from 1986 to 1996
- Chairman of ANJE - Associação Nacional de Jovens Empresários from 1996 to 2002
- Director of APET - Associação Portuguesa dos Exportadores de Têxteis from 1991 to 1994
- Vice-Chairman of the General Council of the APT - Associação Portuguesa de Têxteis e Vestuário from 1994 to 2003
- Member of the Economic and Social Council from 1996 to 2000
- Director of the Associação Comercial do Porto - Câmara de Comércio e Indústria do Porto from 1997 to 2001
- Member of the National Commission for Monitoring the IMIT - Iniciativa para a Modernização da Indústria Têxtil from 1997 to 2002
- Member of the Audit Committee of MTV - Movimento do Têxtil e do Vestuário from 2001 to 2003
- Chairman of the General Office of the Associação Gabinete de Desporto do Porto from 2002 to 2006
- Chairman and CEO of ATP - Associação Portuguesa de Têxteis e Vestuário de Portugal from 2003 to 2008
- Vice-Chairman of the Board of the CIP - Confederação da Indústria Portuguesa from 2004 to 2008
- Member of the Monitoring Committee of Prime - Programa de Incentivos à Modernização da Economia in 2009
- Member of the General Council and the Board of Directors of AEP - Associação Empresarial de Portugal from 2005 to 2008
- Vice-Chairman of the Supervisory Board of the FC Porto from 2007 to 2008
- Chairman of the General Council of PortoLazer - Empresa Municipal from 2008 to 2013.

- Chairman of the Board of Directors of Fundação AEP
- Chairman of the General Meeting of AGAVI – Associação para a Promoção das Gastronomia, Vinhos, Produtos Regionais e Biodiversidade
- Vice-Chairman of the General Board of CIP-Confederação Empresarial de Portugal since 2011
- Other positions held referred to in section 2.3.1.

Armando Luís Vieira de Magalhães

- Executive MBA - European Management (IESF / IFG), completed in 1996
- Degree in Economics from the Faculdade de Economia do Porto, completed in 1978
- Degree in Accounting (former ICP and current ISCAP), completed in 1972
- From 1964 to 1989 he pursued his work in Portuguese credit institution and has held the following functions:
  Technical Analysis of the Department of Management;
  Head of Office of Planning and Management Control in the Northern Region;
  Head of Services Department of Accounting;
  Deputy Director;
  Deputy Director, appointed as head of the department North Executive Operation.
- Certified Public Accountant since 1972
- Statutory Auditor, individually, since 1989
- Statutory Auditor, integrated in Sociedade Santos Carvalho & Associados, SROC, SA from 1989 to 2010
- Statutory Auditor, integrated in Sociedade Armando Magalhães, Carlos Silva & Associados, SROC, Lda., since 2010
- Other positions held referred to in section 2.3.1.

Filipe Carlos Ferreira Avides Moreira

- Degree in Law at the Faculdade de Direito de Coimbra, in 1996
- Course of Commercial Law (Public Company) at Facoltà di Giurisprudenza dell'Università di Roma "La Sapienza" (Italy) - in the 1st semester of 1995/96, under the ERASMUS project
- Postgraduate in European Studies at the Centro de Estudos Europeus da Faculdade de Direito de Coimbra, concluded in 1997
- Accounting Course for Lawyers and Engineers at Universidade Católica Portuguesa, concluded in 1998
- Attendance of Graduate Public Law - The New Legal Director, Universidade Católica Portuguesa, during 2002/2003

- Attendance of Postgraduate in “The New Code for Public Contracts” at Escola de Direito of Universidade Católica Portuguesa (Porto), 2009/2010
- Training in Specialization in “Public Contracts, Assessment of Propositions in Tender Procedures”, at Faculdade de Direito of Universidade de Coimbra (CEDIPRE), 2009/2010
- Practiced as a lawyer in a law firm in Porto, since February 1999
- Practiced as a lawyer in law firm in Macau (Drª Manuela António) from April 1999 to April 2001
- Practiced as a lawyer in a law firm in Porto (in his own name and as a collaborator/associate of the Society of Advocates Cerqueira Gomes & Associados) from 2001 to 2009
- Lawyer of Câmara Municipal do Porto from March 2003 to June 2004
- Associate Attorney of Cuatrecasas, Gonçalves Pereira & Associates, since 2009
- Instructor of the Law Bar, District Center of Porto, in the module “Company Law” (2006/2011)
- Instructor of Course for Expert Evaluators, organized by the Centro de Estudos Judiciários, 2009
- Trainer at Cuatrecasas, Gonçalves Pereira in Escola de Direito of Universidade Católica Portuguesa (Porto), for the seminares on Public Law, since 2010
- Member of Editorial Board for Legal Area of Editora Brasileira Juruá;
- Member of União Internacional dos Advogados (UIA);
- Vice-Chairman of the Conselho de Justiça of the Federação Portuguesa de Ténis since 2012
- Other positions held referred to in section 2.3.1.

José Manuel Taveira dos Santos

Training

- Degree in Economics from the Faculdade de Economia do Porto, completed in 1981
- Accounting Course, Instituto Comercial do Porto, completed in 1974
- General Course of Trade, Escola Oliveira Martins, completed in 1971;

Professional Activity

- From 1981 to 1983 work in textile undertaking, in the administrative and financial area
- From 1983 to 2009 work in AEP – Associação Empresarial de Portugal and has held the following functions: Technical Office for Economic Studies; Director of Professional Training Area; Director of Information and Business Services Area; Editor of “A Indústria do Norte”; Director of International Area; Director of Europarque – Centro de Congressos; Director of the Office of the Board of Directors; Advisor to the Chairman.
- Since 2009 consultant for companies in Portugal and Angola

Other professional activities

- Member of the Technical Commission for the Organization of 1. and 2. Congress of the Business Council of America in 1982 and 1987;
- Member of the Technical Educational Program insertion in the work of Young Technicians Industry, launched by the Ministry of Industry, from 1985 to 1987
- Member of the Board of the Instituto Luso-Americano para a Formação from 1991 to 1994
- Member of the Board of the Council for Higher Education Cooperation Company from 1991 to 1996

➢ Shares held and mandate

Name	*N. of shares held*	*Date of 1st appointment*	*Expiry of mandate*
José Paulo Sá Fernandes Nunes de Almeida	100	13-Nov-2008	31-Dec-2015
Armando Luís Vieira de Magalhães	0	29-Feb-2008	31-Dec-2015
Filipe Carlos Ferreira Avides Moreira	10	29-Feb-2008	31-Dec-2015
José Manuel Taveira dos Santos	0	29-Feb-2008	31-Dec-2015

2.4. Statutory Auditors

It is the auditor's job to examine and audit the Company's accounts, necessary to review and legally certify the accounts.

The external auditor must, within its powers, verify the implementation of remuneration policies and systems, the efficiency and functioning of internal control mechanisms and report any inadequacies to the company's Supervisory Board.

The post of Statutory Auditors of the Company is held by the Society of Accountants Deloitte & Associados, Sociedade de Revisores Oficiais de Contas, based in Edifício Atrium Saldanha, Praça Duque de Saldanha, 1 - 6º 1050-094 Lisboa, registered in Ordem dos Revisores Oficiais de Contas with the number 43 and with the CMVM under number 231, represented by António Manuel Martins Amaral (ROC n.º 1130).

The company has not set a period of rotation for the external auditor. However, the society of accountants has their own internal regulations, which demand the rotation of the external auditor every seven years. This method has the full support of the Board of FC Porto – Futebol, SAD and its Audit Committee, as the society complies, indirectly, with recommendation III.1.3.

Section IV – Specialized Commissions and Other Governing Bodies

2.5. Company Secretary

The Company Secretary and Substitute are appointed by the Board of Directors, and hold office until the end of the term of the board that has elected them. The main task of the Secretary is to assist meetings of the governing bodies, certify the acts performed by them and the powers of its members, meet the demands of shareholders in exercising their right to information and certify copies of minutes and other company documents.

For the current term of office of 2012-2015, the Secretary and his Substitute are;

- Secretary: Daniel Lorenz Rodrigues Pereira
- Substitute: Raul Filipe Pais da Costa Figueiredo

2.6. Advisory Council

The Advisory Board is composed of a maximum of twenty members and has no functions. This body is responsible for advising the Board of Directors, with no bindings, on the issues that this agency intends to submit for consideration.

The current Advisory Board of FC Porto - Futebol, SAD (from 2012 to 2015) is composed of the following members:

- Alípio Dias (Chairman)
- – Álvaro Jose Pereira Pinto Júnior
- – Álvaro Rola
- – António Fernando Maia Moreira de Sá
- – António Manuel Gonçalves
- – Artur Santos Silva
- – Fernando Alberto Pires Póvoas
- – Fernando José Guimarães Freire de Sousa
- – Fernando Manuel dos Santos Gomes
- – Ilídio Costa Leite Pinho
- – Ilídio Pinto
- – Jaime Eduardo Lamego Lopes
- – João Espregueira Mendes
- – Jorge Nuno de Lima Pinto da Costa
- – Joaquim Manuel Machado Faria e Almeida
- – José Alexandre de Oliveira
- – José Paulo Sá Fernandes Nunes de Almeida
- – Jorge Alberto Carvalho Martins
- – Luís Portela
- – Rui de Carvalho de Araújo Moreira

2.7. Remuneration Committee

The Remuneration Committee of FC Porto - Futebol, SAD is the body responsible for fixing the remuneration of the Executives of the Company and set the remuneration policy to be applied to the Board of Directors of FC Porto - Futebol, SAD.

The current Remuneration Committee of FC Porto - Futebol, SAD (from 2012 to 2015) is composed of the following members:

- Alípio Dias (Chairman)
- Fernando Freire de Sousa
- Joaquim Manuel Machado Faria de Almeida

The Remuneration Committee is composed by members independent to the administration. To that extent, the Remuneration Committee does not include any member of another governing body to which it sets the respective remuneration, and the three members have no family bonds with members of other bodies, including as their spouses, kin or straight line to the 3rd degree.

The members of the Remuneration Committee have knowledge and experience concerning remuneration policy.

During the financial year of 2011/2012, the Remuneration Committee did not find necessary to hire additional support to their duties.

After each meeting, the Remuneration Committee produces a minute.

2.8. Other Committees

Taking into account the corporate governance model implemented by FC Porto - Futebol, SAD, integrating a Remuneration Committee, which evaluates the management performance, and the small size of the Company, it has been decided that there is no need for the creation of specialized committees with the sole purpose of evaluating the performance of the executive administrators or the activity of the existing committees.

On the other hand, FC Porto - Futebol, SAD, for its specific operating field as a sports company, has in the exercise of its activity a number of obligations to comply with sporting bodies. In order to be able to participate in national and European competitions, the Company must demonstrate that it meets a number of requirements, with a strong focus on the financial ones, which somehow validate the competence of the administration, and, if the stipulated conditions are not met, exclude the team's participation in the competitions.

Section V – Remuneration

2.9. Remuneration of the Governing Bodies

In the General Meeting of 2012, a proposition with guidelines to the Remuneration Committee was presented, setting the main requirements when establishing the remuneration of the governing bodies, namely regarding the performance. This proposition was disclosed and approved.

2.9.1. Remuneration of the Board of Directors

The body responsible for assessing the performance of the executive directors and consequent remuneration is the Remuneration Committee, who follows the criteria seen as fit, in compliance with the law and the current statutory practices.

In accordance with its responsibilities, the Remuneration Committee , re-elected in February 2012 for the period of 2012/2015, decided to change the remuneration policy approved in General Meeting, which, despite being revised annually, was similar in the entire duration of the mandate. The effects on the year analysed materialize in the removal of the variable remuneration, regarding the sporting performance of the main team of FC Porto.

The proposition for the new remuneration policy of the Board of Directors and Auditors was presented and submitted to approval by the shareholders in the General Meeting of 2012, having been approved.

In the analysed season, the remuneration of the members of the board was not dependent on shares price quota or any other variable.

There was no plan for attribution of shares or options to acquire shares to the Directors. Also, there was no policy or measure for the attribution of contractually negotiated compensations, in the eventuality of the cessation of duties or early retirement, nor mechanisms to limit the variable remuneration. There was no contractual obligation concerning the compensation for wrongful dismissal.

The members of the Board of Directors are not remunerated by other companies in the group or by companies controlled by shareholders with qualified holdings.

The remunerations attributed to the Board of FC Porto – Futebol, SAD during this financial year reached 2.016.000 euros. This value is already fully paid, with the exception of the holyday and Christmas bonuses, which will be paid in due time. As for the gratifications, only 224 thousand euros were paid.

The gross earnings in the year in question, by all the members of the board, relates exclusively to the executive directors.

Director	Fix	Gratifications
Jorge Nuno de Lima Pinto da Costa	400.000	320.000
Reinaldo Costa Teles Pinheiro	240.000	192.000
Adelino Sá e Melo Caldeira	240.000	192.000
Angelino Cândido Sousa Ferreira	240.000	192.000
Rui Ferreira Vieira de Sá	0	0

2.9.2. Remuneration of other Governing Bodies

During the year which ended on the 30th of June 2013, the fees paid by companies belonging to the group of FC Porto - Futebol, SAD to its Statutory Auditors and external auditors were as follows:

1. Services for statutory accounting: 73.000 Euros
2. Other services of compliance assessment: 13.000 Euros

The remaining members of the Governing Bodies of the Company: General Meeting Board, Audit Committee, Company Secretary, Advisory Council and Remuneration Committee, are not remunerated for carrying out these duties in FC Porto – Futebol, SAD.

2.10. Irregularities Communication Policy

Although the policy statement of internal irregularities is not formally defined, considering the proximity of the members of the Board to the activities of the Company and its employees, FC Porto - Futebol, SAD considers that such proximity allows the communication of whichever irregularities that may appear to the Board, ensuring the implementation of procedures aimed at dealing effectively and fairly with any irregularities detected. At the level of expertise in evaluating ethical issues and the structure and governance of the company, these functions are performed directly by the Board, specifically by the administrator responsible for the legal department, which maintains a constant debate on the issue.

The staff of FC Porto – Futebol, SAD must report to the legal department, or to the director in charge, any irregular practices detected or suspected, in order to prevent or stop irregularities that may be cause damages to the financial health of the company or to its honour. This report must be done in writing and describe all the existing elements and information necessary to the assessment of the irregularity; a first approach to the report may be done directly or by phone.

The communication of irregularities in the Society have ensured confidentiality and its sequel by any preliminary investigation of the responsibility of those who, to this end, will be designated by the concerning director.

Chapter 3 – INFORMATION AND AUDITING

3.1. Capital Structure of the Company

The joint capital is seventy-five million euros, and is divided into fifteen million shares of Class A and Class B (respectively 40% and 60% of the capital), depending on the identity of the owner. The class A shares are only part of this category while in possession of Futebol Clube do Porto, or holding company of shares in which the Club owns the majority of the capital, automatically converting into shares of class B in the case of sale to another party. For the purpose of exercising the right to vote, each share represents one vote. The class A shares always confer the right to veto the resolutions of the General Meeting designed to the merger, division, transformation or dissolution of the Company and amendment of its Statutes, the increase and reduction of share capital and the change of location of the head office.

3.2. Qualifying holdings

Under and for the purposes of Articles 16 and 20 of the CMVM and Article 448 of the Companies Code, it is reported that the Company and / or individuals with qualified social participation exceeding 2%, 5%, 10%, 20%, a third, 50%, two thirds and 90% of the votes, and according to reports received at the headquarters of the Company are, as of the 30th of June 2012, as follows:

Futebol Clube do Porto	**N. of Shares**	**% Voting rights**
Directly	6.000.000	40,00%
Through Jorge Nuno de Lima Pinto da Costa	206.000	1,23%
Through Reinaldo da Costa Teles Pinheiro	9.850	0,07%
Total Attributable	**6.245.850**	**41,44%**

Imobiliária Sacyr Vallehermoso, S.A.	N. of Shares	% Voting rights
Through Somague Imobiliária	1.359.093	9,06%
Through Somague Engenharia	1.359.092	9,06%
Through Somague Investimentos Gestão e Serviços, SA	100.000	0,67%
Total Attributable	**2.818.185**	**18,79%**

Note: The Company Somague Imobiliária is owned 100% by Vallehermoso, which in turn is owned 100% by Sacyr Vallehermoso, S.A.
The company Somague Engenharia is owned 100% by Somague, S.G.P.S., S.A., which in turn is owned 100% by Sacyr SAU, owned 100% by Sacyr Vallehermoso, S.A..
The company Somague Investimentos Gestão e Serviços, S.A. is fully owned by Somague Engenharia, which is owned 100% by Somague, S.G.P.S., S.A., in turn owned 100% by Sacyr SAU, owned 100% by Sacyr Vallehermoso, S.A..

António Luís Alves Oliveira	N. of Shares	% Voting rights
Directly	1.650.750	11,01%
Through Francisco António de Oliveira	980	0,01%
Total Attributable	**1.651.730**	**11,01%**

Joaquim Francisco Alves Ferreira de Oliveira	N. of Shares	% Voting rights
Through Sportinveste – SGSPS, SA	1.502.188	10,01%

3.3. Special rights, restrictions on transfer of shares, shareholders agreements, rules governing the amendment of the Statutes and system of employee participation in capital

There are no limits to the exercise of voting rights in addition to the rules outlined in Point 1.5 of this report. FC Porto, main shareholder of the Company, has special rights, in compliance with the Statutes, and the legal system for anonymous sports companies. The shares held by this institution always confer the right to veto decisions of the General Meeting designed to the merger, division, transformation or dissolution of the Company and amendment of its Statutes, the increase and reduction of share capital and change of location of the head office.

The Board is unaware of any shareholders agreement with the nature of those mentioned in article 19 of the CMVM regarding the exercise of social rights or the transfer of shares of FC Porto - Futebol, SAD.

There is, in particular, no union vote or agreement of defence against a takeover bid (OPA).

There are no applicable statutory rules regarding the amendment of the Statutes, so that to this subject the terms defined by law are applied.

The Company has not set any plans for the allocation of shares and/or options to acquire shares or based on changes in stock prices, to members of the board and/or employees, so there are no participation control mechanisms for workers in the capital of the Company.

3.4. Evolution of prices of the shares of F.C. Porto – Futebol, SAD

The price of the shares has been decreasing gradually since 2003/2004. Even when presenting results and/or privileged information, or even the victory on important trophies such as the national championship (and qualification for the UEFA Champions League) led to obvious variations in the price of the shares. Still, there was a recovery on the second half of the exercise analysed, which allowed that the impact wasn't as negative as the tendency of the first semester indicated.
The price of the shares of the company show a drop of 21%, having closed the period, on the 30th of June, at 0.33 Euros, with a market capitalization of 4,950 million euros. It should also be noted the reduced liquidity of the bonds, with a transitioned amount of 113 mil euros, divided in 660 businesses.

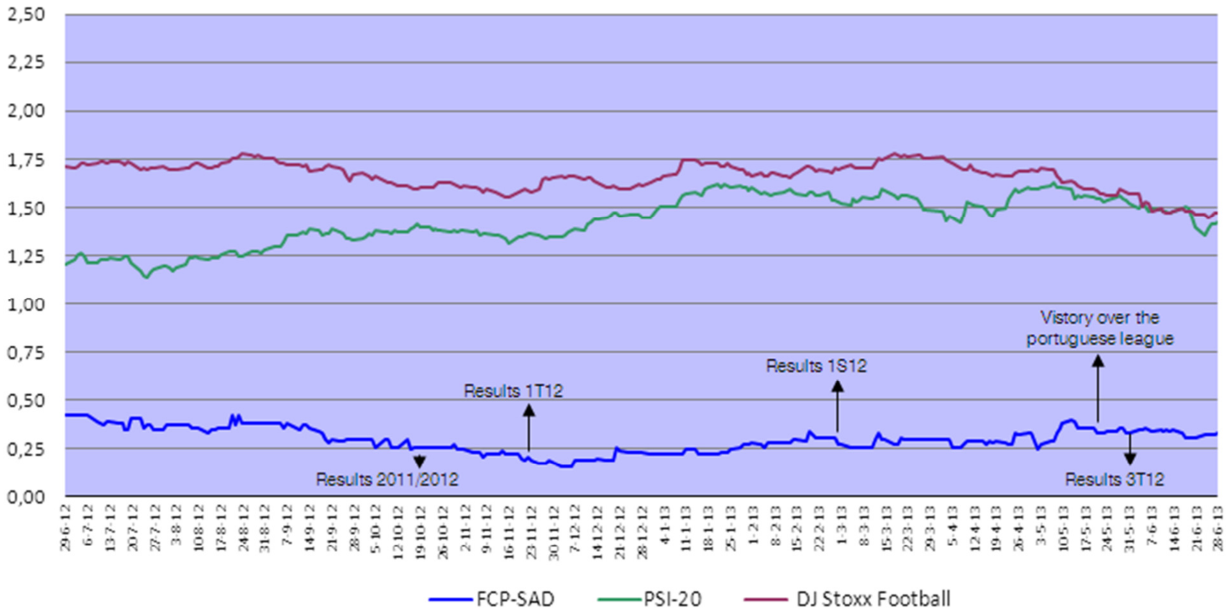
	2010/11	2011/12	2012/13
Amount of Businesses	1.002	703	660
Traded Shares	468.386	256.713	393.081
Average number of shares traded per business	467	365	596
Liquidity	447.105	146.714	112.531
Maximum of Period	1.10	0.80	0.42
Minimum of Period	0.74	0.35	0.16
Prices for the Beginning of the Period	1.06	0.76	0.42
Prices for the End of the Period	0.74	0.42	0.33
Range throughout the season	-30%	-45%	-21%
Market Capitalisation as of the 30^{th} of June	11.100.000	6.300.000	4.950.000

The data presented in the table indicate that, in this period, in comparison to the same previous from last year, the stocks of FC Porto – Futebol, SAD had less liquidity, which was caused only by the reduction in the amount of businesses concluded, as the numbers of shares transitioned was superior. Also, the values presented as the maximum and minimum values are substantially inferior to those of previous exercise. The variation between the maximum and minimum value was very noticeable, with the minimum representing only 38% of the maximum value at the time of closure.

Compared with the main international index in the football industry, *Dow Jones EuroStoxx Football*, of which FC Porto – Futebol, SAD is part of, and which has dropped 14% in the period analysed, the drop in value of the shares of the company is somewhat explained, as it is in a similar situation to other European companies in the same field of activity.

Still, the behaviour of the reference index to the national stock market, PSI-20, which reflects the stock exchange in Portugal, despite the ups and downs in this period, shows a very positive evolution, having closing with an increase of 14% in comparison to the start of the period.

These behaviours can be seen in the following chart:



3.5. Dividends allocation policy

FC Porto - Futebol, SAD has not defined the terms of its policy of distributing dividends, and, since its establishment, has never paid dividends.

3.6. Share and/or options allocation plan

The Company does not have any kind of plan shares allocation or options to acquire shares.

3.7. Related-parties Businesses

There are no significant businesses in economic terms for any of the parties involved between the Company and members of the administrative, supervisory, holders of qualified shareholdings or companies who are in a control or domination group, except as regards to the businesses or operations performed in normal market conditions for similar operations and are part of the current activities of the Company.

Apart from the legal requirements applicable to the activity of the Advisory Council, the company has not set any additional mechanisms concerning the previous evaluation of businesses to be carried out between the company and the owners of qualifying holdings or entities related to them, under the terms of article 20 of the Securities Code.

3.8. Investor Assistance

The representative of FC Porto - Futebol, SAD for capital market relations is the privileged interlocutor of all investors, institutional and private, domestic and foreign.

This representative ensures the provision of all relevant information regarding key events, facts considered relevant, disclosure of quarterly results and response to any requests of information by investors or general public on public financial information. It is also in charge of all matters regarding the relationship with the CMVM, to ensure the fulfilment of obligations to the supervisor of capital markets and other financial authorities. It is also his responsibility to develop and maintain the Investor Relations web page of the company.

Under the terms and for the purposes of no. 2 of Article 226 of the CVM, the current representative of FC Porto – Futebol, SAD for market relations is Dr. Angelino Cândido Sousa Ferreira, a member of the Board.

For the effects of the exercise of their duties, the address, telephone and fax numbers and e-mail address of the representative for market relations are:

Address: Estádio do Dragão, Via FC Porto, Entrada Poente, piso 3,
4350-451 Porto
Telephone: 22 5070500
Fax: 22 5506931
E-Mail: angelino.ferreira@fcporto.pt

FC Porto - Futebol, SAD has an Internet site (www.fcporto.pt) with a wide range of information on the Group. The aim is to enable interested parties to obtain comprehensive knowledge about the Group, its business areas, information of institutional and financial nature. On the page dedicated to Investor Relations, you can see the results of periodic disclosures, accountability documents, information on general shareholders meetings, including notifications and supporting documentation, and information on institutions, including the Statutes and the identification of the Governing Bodies. You can also look up the qualifying holdings, all the inside information and other press releases issued by the Company, and the minutes of the General Meetings since 2009.

The Company, taking into consideration the recommendations of CMVM, is preparing its website to present an English version, and a significant part of the information subject to the recommendation of CMVM is already translated.

Services to shareholders and investors

All public information on the FCP-SAD is available on the premises of the Company and may be requested through the following contacts:

FC Porto – Futebol, SAD

Estádio do Dragão, Via FC Porto, Entrada Poente, piso 3,

4350-451 Porto

Telephone : 22.5070500

Fax : 22.5070550

E-mail: geral@fcporto.pt

Information on the actions of FCP-SAD

The current capital of FCP-SAD is represented by 15,000,000 ordinary shares, nominal and book-entry, with a nominal value of 5 euros each. As of the 30th of June 2011, the market capitalization was around 11.1 million euros.

Bloomberg Ticker: FCP PL

Reuters Ticker: FCPP.LS

D. Shares held by members of the Board of Directors and Advisory Council

Board of Directors

Jorge Nuno de Lima Pinto da Costa

Had 184.481 shares as of the 30th of June 2012. By then, further 21.519 shares were acquired, making a total of 206.000 shares as of the 30th of June 2013. According to n. 7 of article 14 of the Regulation of CMVM 5/2008, we disclose the operations carried out between 1st of July 2011 and the 30th of June 2012:

Hour	Market Date	Operation	Amount	Price	Amount (in Euros)	Balance
15:30	08-08-2012	Buy	500	0,3600	180,00	184.981
15:30	07-12-2012	Buy	2.564	0,1900	487,16	187.545
15:30	07-12-2012	Buy	100	0,1900	19,00	187.645
15:30	10-12-2012	Buy	10	0,1900	1,90	187.655
15:30	10-12-2012	Buy	300	0,1900	57,00	187.955
10:46	11-12-2012	Buy	100	0,1900	19,00	188.055
15:30	12-12-2012	Buy	150	0,1900	28,50	188.205
15:30	12-12-2012	Buy	20	0,1900	3,80	188.225
10:30	13-12-2012	Buy	20	0,1900	3,80	188.245
15:30	13-12-2012	Buy	10	0,1900	1,90	188.255
10:30	17-12-2012	Buy	400	0,1900	76,00	188.655
15:30	17-12-2012	Buy	20	0,1900	3,80	188.675
15:30	17-12-2012	Buy	1.000	0,1900	190,00	189.675
15:30	18-12-2012	Buy	2	0,1900	0,38	189.677
10:30	09-01-2013	Buy	10	0,2100	2,10	189.687
10:30	09-01-2013	Buy	25	0,2100	5,25	189.712
15:30	09-01-2013	Buy	2.200	0,2200	484,00	191.912
15:30	09-01-2013	Buy	53	0,2200	11,66	191.965
10:30	11-01-2013	Buy	999	0,2400	239,76	192.964
10:30	11-01-2013	Buy	1.518	0,2400	364,32	194.482
10:30	01-02-2013	Buy	70	0,2700	18,90	194.552
10:30	01-02-2013	Buy	930	0,2700	251,10	195.482
15:30	01-02-2013	Buy	1.000	0,2800	280,00	196.482
15:30	01-02-2013	Buy	3.518	0,2800	985,04	200.000
15:30	06-02-2013	Buy	2.000	0,2800	560,00	202.000
15:30	06-02-2013	Buy	1.040	0,2800	291,20	203.040
15:30	06-02-2013	Buy	1.802	0,2800	504,56	204.842
15:30	06-02-2013	Buy	158	0,2800	44,24	205.000
10:30	16-04-2013	Buy	100	0,2900	29,00	205.100
10:30	16-04-2013	Buy	895	0,2900	259,55	205.995
10:30	16-04-2013	Buy	5	0,2900	1,45	206.000

Futebol Clube do Porto, of which he is Chairman of the Board, held, on the 30th of June 2013, 6.000.000 shares.

Angelino Cândido Sousa Ferreira

No shares held. Futebol Clube do Porto, of which he is Vice-Chairman of the Board, held, on the 30th of June 2013, 6.000.000 shares.

Adelino Sá e Melo Caldeira

No shares held. Futebol Clube do Porto, of which he is Vice-Chairman of the Board, held, on the 30th of June 2013, 6.000.000 shares.

Reinaldo da Costa Teles Pinheiro

Had 9,850 shares as of the 30th of June 2012. Has not acquired or alienated any share since, and, as of the 30th of June 2013, had the same number of shares, 9,850. Futebol Clube do Porto, of which he is Vice-Chairman of the Board, held, on the 30th of June 2012, 6,000,000 shares.

Rui Ferreira Vieira de Sá

No shares held.

Audit Committee

José Paulo Sá Fernandes Nunes de Almeida

Had 100 shares as of the 30th of June 2012. Has not acquired or alienated any share since, and, as of the 30th of June 2013, had the same number of shares, 100.

Armando Luís Vieira de Magalhães

No shares held.

Filipe Carlos Ferreira Avides Moreira

Had 10 shares as of the 30th of June 2012. Has not acquired or alienated any share since, and, as of the 30th of June 2013, had the same number of shares, 10.

José Manuel Taveira dos Santos (Substitute)

No shares held.

Statutory Auditors

Deloitte & Associados, SROC S.A. represented by António Manuel Martins Amaral

No shares held.