



**Report of the Board of Directors to the General Shareholders Meeting
under the provisions of number 5 of article 460. of the Portuguese Companies Code**

JUSTIFICATION BEHIND THE PROPOSAL

According to number 5 of article 460 of the Portuguese Companies Code, the Board of Directors of Sociedade Comercial Orey Antunes S.A. ("**Company**") submits a written report to the General Shareholders Meeting to justify its proposal to revoke the shareholders' pre-emption rights in relation to the proposed share capital increase.

The increase of the Company's share capital is made through cash contributions in the maximum global nominal amount of € 20,000,000.00 (twenty million euros), through the issuance of a maximum of 20,000,000.00 (twenty million) new shares, of which 8,000,000.00 (eight million) shall be ordinary shares and 12,000,000.00 (twelve million) shall be category B shares, in result of the public offer to be held for this effect. The Board of Directors proposes to revoke the pre-emption rights in the subscription of category B shares.

The Board of Directors believes that the mentioned revocation of the pre-emption rights is based on social reasons that appear to be justified. Indeed, the aforementioned revocation is appropriate for the Company since it shall enable, in particular, the entry of new funds in the Company, as well as shall allow the improvement of the financial systems management.

Furthermore, the revocation of the pre-emption rights shall also allow the extension of the Company's shareholder base, providing the robustness and independence to the Company, particularly as it represents reinforcement in any future financing needs.

MEANS OF ALLOCATION OF THE NEW SHARES

The increase of the Company's share capital shall be made in two tranches, defining for each of such tranches the amount of capital to subscribe, the correspondent shares and the persons who participate in those subscription.



Thus, it is proposed:

1. To increase the Company's share capital, by means of new considerations in cash, by a nominal maximum amount of € 20,000,000.00 (twenty million euros), through the issuance of a maximum of 20,000,000.00 (twenty million) new shares, of which:
 - a) 8,000,000.00 (eight million) shall be ordinary shares, with the nominal value per share of € 1,00 (one euro), to be subscribed by the current shareholders; and
 - b) 12,000,000.00 (twelve million) shall be category B shares, in result of the public offer to be held for this effect, to be subscribed by new shareholders.

The shares will be fully paid upon subscription of all shares that may effectively integrate the issue of shares under the Company's increase of share capital, and there is, therefore, no deferred release.

ISSUING CONDITIONS

According with the proposal to be presented to the Company's shareholders under the notice convening the General Shareholders Meeting to be held on April 8, 2013, the Board of Directors proposes to accommodate the terms or define the final and specific conditions of the capital increase and the admission to trading of the new shares to be issued on the regulated market *Eurolist by Euronext Lisbon*, managed by *Euronext Lisbon - Sociedade Gestora de Mercados Regulamentados, S.A.*, in particular concerning: (i) the launch date of the public offer directed exclusively to the shareholders in the case of ordinary shares and to any entities in the case of category B shares, (ii) the conditions of the public offer, including the possible existence of a minimum lot for acquisition, (iii) the subscription period, the actual amount of the premium of the new ordinary shares and category B shares to be issued and the respective criteria, as well as the appointment any of the members of the Board of Directors to, by himself, issue the statement referred to in number 2 of Article 88 of the Portuguese Companies Code.

CRITERIA USED TO DEFINE THE SUBSCRIPTION PRICE

The subscription price of the new category B shares shall be defined according to the prevailing market conditions at the time of issuance and cannot be less than [75%] of the weighted average

Sociedade Comercial Orey Antunes, S. A.

Edifício Amoreiras Square - Rua Carlos Alberto da Mota Pinto, nº17 6ºA 1070-313 Lisboa, Portugal

Tel: +(351) 213 407 000 Fax: +(351) 213 473 937 email: info@orey.com

www.orey.com



closing trading of the shares on *Eurolist by Euronext Lisbon* managed by *Euronext Lisbon - Sociedade Manager Regulated Markets S.A.* in [20] sessions prior to the resolution to increase the Company's share capital.

Lisbon, March 15, 2013

The Board of Directors,
