



ABREU
ADVOGADOS

WE ADVOCATE SUSTAINABILITY

SUSTAINABLE GROWTH
2011-2012 SUSTAINABILITY REPORT

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SUSTAINABLE GROWTH

2011-2012 SUSTAINABILITY REPORT

Abreu Advogados is a signatory of the Global Compact
and member of BCSD Portugal



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MESSAGE FROM MIGUEL TEIXEIRA DE ABREU CHAIRMAN OF THE BOARD

At a time when Portugal is feeling the effects of an unprecedented crisis, Abreu Advogados remains faithful to the essential values originally defined by the firm, including the publication of biennial sustainability reports.

This is our third Sustainability Report and it bears mentioning that we are the only Portuguese law firm that publicly discloses its financial statements.

Because we believe in our skills and consider that any crisis unleashes a series of opportunities, Abreu Advogados has maintained a strong investment policy over the past two years, bolstering its ability to innovate in a highly competitive market.

I will discuss here four major initiatives that demonstrate this commitment.

On its 18th anniversary, Abreu Advogados released its *Livro de Estilo* (Stylebook) in 2011, a conceptual description of the values that inform our work.

In 2012, we established the *Instituto do Conhecimento da Abreu Advogados* (Abreu Advogados Knowledge Institute) and under a partnership with the publisher Almedina, we have published legal texts written by no less than 33 of the firm's lawyers – thereby introducing the marketplace to our research skills and sharing the cumulative knowledge of our lawyers.

In 2012 we also revolutionised our IT systems, introducing SAP and purchasing a law firm management system produced by Tata Legal System, thereby paving the way to respond effectively to our growing internationalisation policy.

Miguel Teixeira de Abreu
Chairman of the Board,
Abreu Advogados

Finally, because we are members of a community and do not merely practice law, we actively participated in the Fórum Estudante sobre Justiça e Direito (Student Forum on Justice and Law). In 2011 and 2012, 86 of the firm's lawyers discussed legal cases on a pro bono basis encompassing a wide range of subject matter and involving more than 1,300 high school students in more than 120 schools across Portugal.

In recognition of the innovative nature of Abreu Advogados and the quality of our lawyers, we received a number of honours, including the "European Legal Team of the Year 2011", awarded by British Legal Awards, while our firm was shortlisted for the "Innovation by a Portuguese Law Firm" prize, by the Financial Times Innovative Lawyers Award (2012).

It is common knowledge that any law firm that loses focus on the aspects that identify and distinguish its core mission is doomed to failure. Therefore, Abreu Advogados has espoused the firm's principles based on three values since its earliest days:

Human Values because, as Aristotle said: "Our character is the result of our conduct";

Technical Values, because as Brackenridge used to say, "One must thoroughly study a matter, if one wishes to speak briefly about it".

Organisational Values because, as Mark Twain mused: "The secret of getting ahead is getting started. The secret of getting started is breaking your complex overwhelming tasks into small manageable tasks, and then starting on the first one."

As a final note, we would like to thank our clients for the trust they have placed in us, our team members for their dedication, effort and commitment, and, finally, our suppliers for their contributions to our growth.

AB FROM MINHO TO TIMOR...

Abreu Advogados (AB) experienced growth in 2011 and 2012 both in Portugal and abroad. We created ABILS – Abreu International Legal Solutions – a brand reflecting the quality of our legal services in any jurisdiction.

We not only have a presence in Lisbon, Porto and Funchal, but also in Luanda, Maputo, Rio de Janeiro, São Paulo, Macau, Peking, Shanghai and Dili, and we will soon be opening an office in Praia (Cape Verde).

Thanks to partnerships and alliances with local law firms, AB is now everywhere our clients need us to be. Moreover, we have local ties that go well beyond legal services and also involve the sharing of knowledge through agreements with universities – Agostinho Neto University, in Angola, and Eduardo Mondlane University in both Mozambique and Dili (East Timor). Promoting the exchange of students, lawyers and interns in these different jurisdictions, we also integrate them into our offices through our hiring processes. Likewise, our Portuguese colleagues are offered the opportunity to pursue international careers by working in any country in the world.

We also continue fostering this dissemination of Portuguese-language legal knowledge through the Instituto AB do Conhecimento, APIOP (*Associação para a Defesa da Propriedade Intelectual nos Países de Língua Oficial Portuguesa* – Association for the Defence of Intellectual Property within Portuguese-Speaking Countries) and the previously established APIFD (*Associação Portuguesa dos Instrumentos Financeiros Derivados* – Portuguese Association of Derivative Financial Instruments).

That is a brand that is sustainable. The shared knowledge remains. AB is here to stay... from Minho to Timor.



Miguel Castro Pereira
Managing Partner, Abreu Advogados



OUR REPORT

1

WHO WE ARE
GOVERNANCE AND ETHICS
2011-2012 SUSTAINABILITY
2011/2012 SUSTAINABILITY ROADMAP

OUR REPORT

WHO WE ARE

ABREU & ASSOCIADOS, SOCIEDADE DE ADVOGADOS, R.L.
is an independent, limited liability Portuguese law firm.

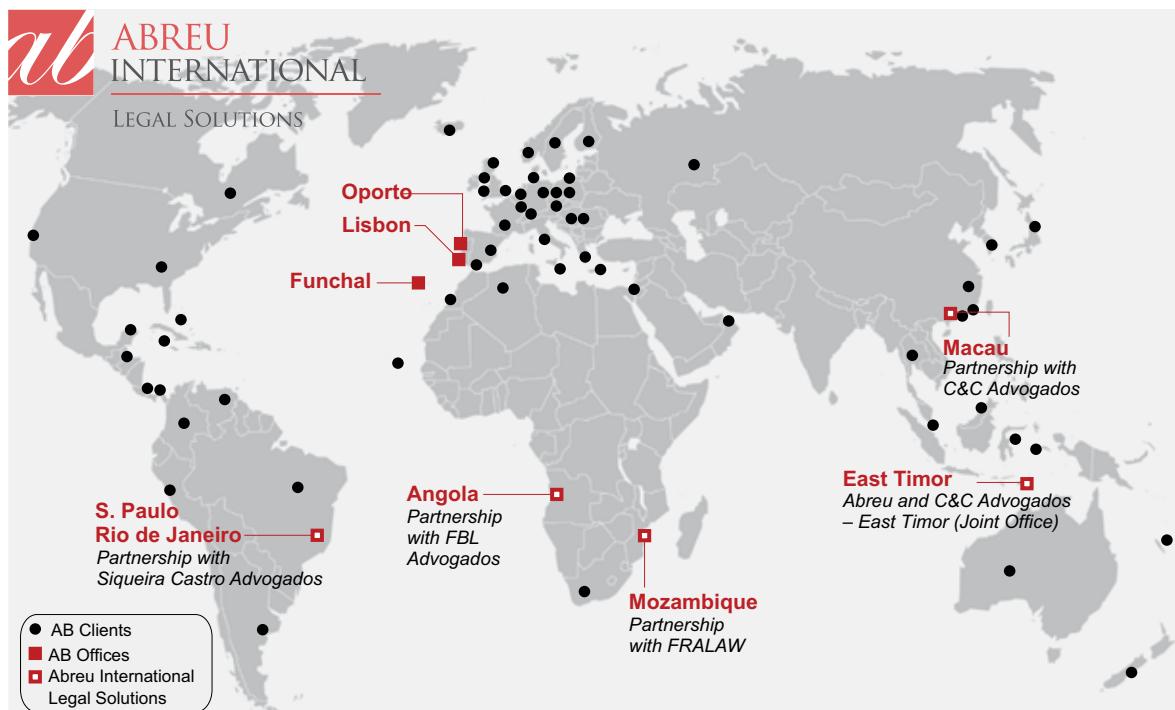
We are known both as ABREU
ADVOGADOS and more infor-
mally as AB.

Since we were founded in 1993, our law firm has served as an innovative model because of our full commitment to the excellence of legal services provided to our clients, along with the quality of professional management and organisation and the human quality reflected in our practice of law.

With 232 team members, 164 of whom are lawyers, Abreu Advogados has been nominated for seven straight years among the Best Companies to Work For In Portugal after being recognised in 2008 as the Best Portuguese Company To Work For.

Since September 2001, Abreu Advogados has maintained its Quality Management System certification under the Portuguese version of ISO 9001:2008. This certification has allowed us to adapt our activities to the principles of business management that have always guided our organisational model.

Across ten practice areas, five international desks and 47 work groups, we practice law every day at Abreu Advogados. Thanks to the quality of the services that we provide and the professional stature of our lawyers, supported by an approach oriented towards the responsible and ethical practice of law, our firm has received the most prestigious international specialisation awards.



Founded in 1993,
AB is one of the largest
law firms in Portugal



Vision, Mission and Values

Organisations are often faced with the issue of how they see their future. In the current economic and social environment, characterised by the uncertainty of the global – and, in particular, the national – recovery, it is important to reflect upon who we are, the principles that define us and the values that guide our conduct. At Abreu Advogados, we believe that the vision, mission and values that help us navigate our path are clear and demonstrate the firm's DNA.

Vision

Our vision of the law and the future of Abreu Advogados centres upon our shared interest in creating a stable and ethically sound institution that spans multiple generations. Relying upon our values-driven culture, we plan to continue growing sustainably and steadily without ever losing sight of the principles that guide us.

Mission

We believe that our mission is to provide legal services anchored by the values of excellence and customer satisfaction, in tandem with the responsible practice of law, as well as the values of high ethical standards. In turn, the services we provide are always characterised by precision and quality.

Values

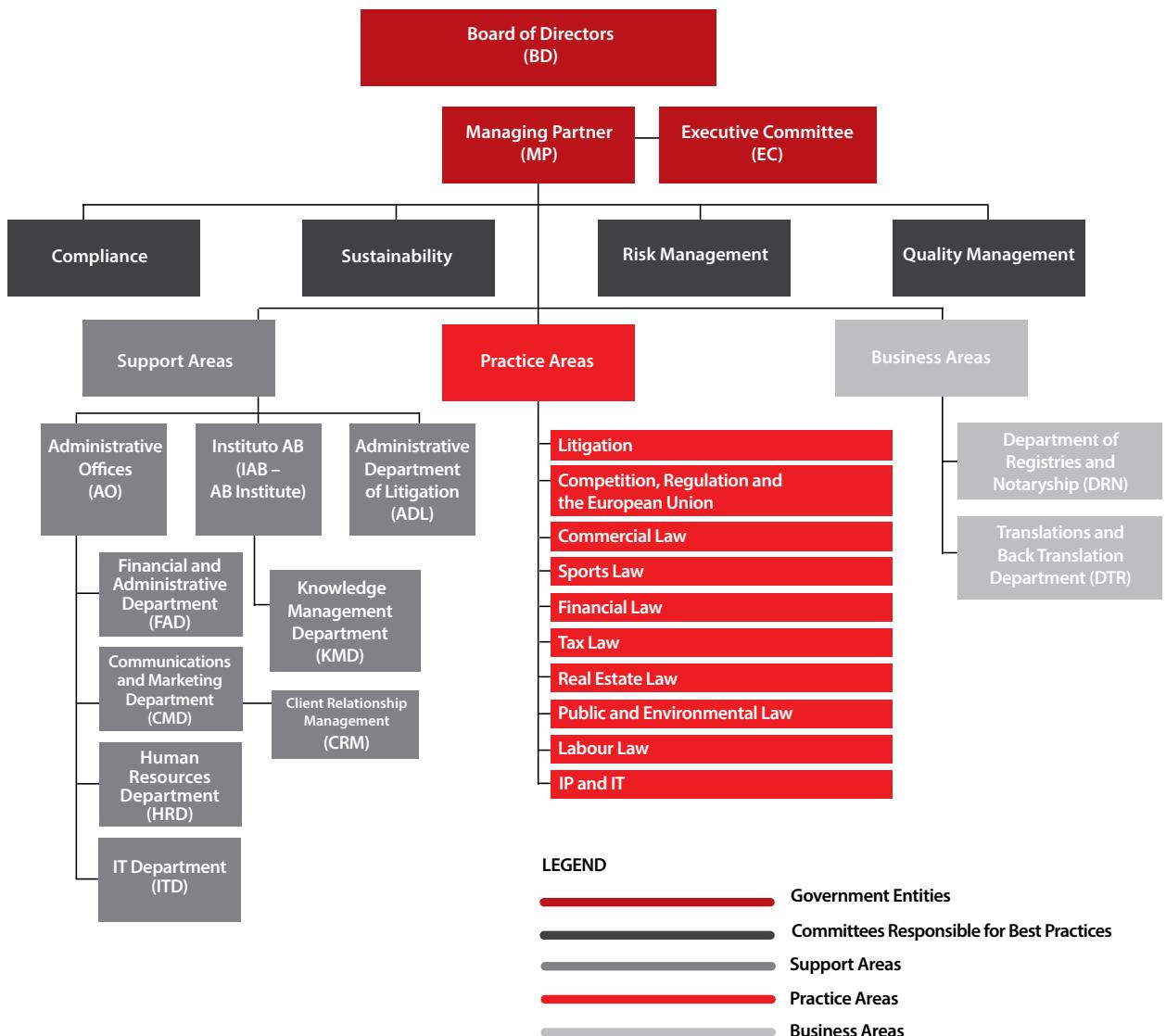
- **Excellence** – because justice and perfection go hand in hand, any imperfect legal aid, is, by extension, an injustice.
- **Quality** – because the true stature of an organisation and the services it provides must be evaluated and certified objectively by an independent party and according to the most rigorous standards.
- **Ethics** – because if what is fair is good, there is nothing good that is not well done and done in good faith.
- **Accuracy** – the antidote to indifference and all that is undifferentiated.
- **Solidarity** – because the name of each person is also the name by which the law firm is known.

GOVERNANCE AND ETHICS

Strategic Goals

- Act as a national leader in the practice of law through sustainability, innovation, diversification and scale.
- Boost levels of both profitability and satisfaction of partners, associates and other team members.
- Increase market share, particularly through internationalisation.
- Serve as a benchmark according to our organisational and management model.

Our Organisation Chart



Our Stylebook

Times of crisis represent the perfect opportunity to determine what sustains – and what does not sustain – a business organisation.

The Stylebook aims to ensure that everyone in our firm is working towards shared objectives in order to help our organisation to grow. This aspect is part of the firm's sustainability, because I do not believe that an organisation can depend on one, two or three people or even one particular generation of team members. The next generation must maintain at least the same level of quality as its predecessor.

Miguel Teixeira de Abreu
Chairman of the Board



In a highly competitive market, any failure in terms of quality, regardless of the parameters thereof, can compromise our firm's very survival. In order to survive in the future, Abreu Advogados must ensure that every team member understands the importance of creating the proper DNA for Abreu Advogados. And every team member must understand and apply this DNA with an unwavering commitment. With that end in mind, we created the "Stylebook" in 2011 as an encapsulation of our values, culture and operating model. Its objective is to invite each team member to adopt these concepts. Only then can we ensure that we're all striving towards the same goal: quality.

Our main policies

Sustainability Policy

We Advocate Sustainability. Economic viability is the first key to a business organisation's success. The profitability and productivity criteria must conform to those of sustainability. Therefore, we argue that a law firm must conduct its activities transparently, offering its clients a legal service that adheres to the highest standards of ethics and quality with respect to individuals, the environment and next generations.

The guiding concepts of the Sustainability Policy at Abreu Advogados are transparency, dialogue and innovation, which shape the way in which we interact with all stakeholders as well as the decisions that we implement in all areas of our activity. An organisation affirms its values according to the manner in which it operates. These are fundamental to the success of a sustainability project.

Risk Management Policy

Following the commitment assumed in our first Sustainability Report (2007-2008), we devised a Risk Management System that is currently being deployed and that is part of our Quality Management System.

Why a Risk Management Policy at Abreu Advogados? An organisation's economic sustainability is intrinsically tied to its ability to identify potential risks in its area of activity and the manner in which such risks may adversely affect the same organisation's business. The assets of a company include reputation, brand, trustworthiness, credibility and ability to interact and work in partnership with other stakeholders. Therefore, it is essential to maintain effective risk management in order to minimise and contain the effects of such risks in the medium to long term.

Internal corruption and money laundering policy

Corruption

In our activity, we view the prevention of corruption through both a legal and ethical lens:

- Acting according to legal and deontological rules, rejecting any requests from those who aim to expedite procedures and accelerate decision-making in exchange for compensation;
- Discouraging any practices of corruption and dispelling notions that these practices are the only possible course of action for obtaining positive responses to legitimate claims.

The fight against corruption is enshrined in various national and international laws and regulations to which Abreu Advogados rigorously adheres, including:

- **Bylaws of the Bar Association**, which determines standards of professional conduct;
- **Legal regime for the fight against money laundering from illegal sources and the financing of terrorism** (Law no. 25/2008, of 5 June), also applicable to lawyers;
- **Code of Ethics of European Lawyers** (Resolution no. 2511/2007 OA (2nd series), of 27 December, Bar Association; General Council);
- **UN Convention against Corruption**, adopted by the UN General Assembly under Resolution 58/4, of 31 October 2003;
- **OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions**, of 17 December 1997;
- **European Convention** on the fight against corruption involving European officials or officials of European Union Member States, of 26 May 1997, as well as Framework Decision no. 2003/568/JAI, of 22 July 2003, on combating corruption in the private sector.

Money laundering

In line with our commitment to creating an ethically exemplary institution, Abreu Advogados immediately refuses to engage in any potential transactions with clients, who, based upon available information, may be involved in transactions involving money laundering or the financing of terrorism, or any other related criminal activity.

If Abreu Advogados identifies the slightest indication of any existing client's involvement in situations pertaining to money laundering, the financing of terrorism or any related criminal activity, the firm will divulge such suspicion to all appropriate entities and authorities pursuant to applicable law.

Our Commitments

Among our most important commitments is the desire to create a solid, ethically exemplary institution that spans several generations. We want to continue to grow in a sustained and consolidated fashion, emphasising our values-driven culture without ever losing sight of the principles that guide us: Excellence, Quality, Ethics, Accuracy and Solidarity.

The four pillars of our responsibility and commitments to the firm are as follows:

- concerns about the training and well-being of our team members
- our long-standing contributions in providing legal services to charities
- commitment to the ten principles of the Global Compact and BCSD Portugal
- environmental concerns in the management of the law firm



The Ten Principles – United Nations Global Compact

Human rights

- **Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights;
- **Principle 2:** make sure that they are not complicit in human rights abuses.

Labour

- **Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- **Principle 4:** the elimination of all forms of forced and compulsory labour;
- **Principle 5:** the effective abolition of child labour;
- **Principle 6:** the elimination of discrimination in respect of employment and occupation.

Environment

- **Principle 7:** Businesses should support a precautionary approach to environmental challenges;
- **Principle 8:** undertake initiatives to promote greater environmental responsibility;
- **Principle 9:** encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

- **Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery.

2011-2012 SUSTAINABILITY

Stakeholders

Established in 2008, when we began to manage sustainability in a structured manner, the external sustainability group helps us to reflect upon and understand the perspective of stakeholders. This group is comprised of the following key stakeholders: Clients, Community, Team Members and Suppliers. Recognising its value, we aim to invest in communications with this group.

Internally, we have already made some progress in this regard. We maintain a group that meets regularly to discuss various projects underway and that decides upon future ventures. This group has grown due to increased awareness that sustainability is part of our daily lives, as well as our activities, plans and decisions.

Clients

Improved communication with clients was one of the most important aspects over the past two years. During a particularly difficult period marked by a profound economic crisis, we always aimed to be attentive to the needs of our clients and the sectors of the economy in which we are involved. Because our clients are at the forefront of our commitments, we undertook several privileged communication initiatives aimed at the interests and businesses of our clients, such as: Conferences, seminars, workshops and a renewed commitment to the distribution of newsletters on legal matters pertinent to the activities of our clients.

LOCATION	CONFERENCES	SEMINARS	OTHER
2011	<p>Lisbon</p> <ul style="list-style-type: none"> ■ Fiscal Arbitration ■ Tax Arbitration 		<p>WORKSHOP The New Angolan Private Investment Law</p> <p>DEBATE Investment Vehicles in Angola</p>
	Funchal Oporto	The “Family Protocol” and Succession Planning	
	Lisbon Oporto Castelo Branco		PortugalFoods Internationalisation Initiatives
	S. Paulo, Brazil		Investment Opportunities in Portugal
2012	<p>Lisbon</p> <p>The Future of Cities – Territorial Competitiveness and Financing</p>	<ul style="list-style-type: none"> ■ Review of Labour Laws – Changes of Greatest Impact ■ Review of Labour Laws ■ New York State Bar Association 	<p>IT MORNING The Liberalisation of .pt domains</p> <p>TRAINING The Intangibility of Share Capital</p>
	Oporto	Real Estate Leasing and Investment	<p>FORUM “International Tax Roundtable”</p>
	Lisbon Oporto		<p>MEETING How the stock exchange can help your company</p>

2011-2012 EVENTS	ORGANISATION
Investment Vehicles in Angola	AB partnership with the Portugal-Belgium-Luxembourg Chamber of Commerce
Fiscal Arbitration	AB Lisbon partnership with the American Chamber of Commerce in Portugal
The “Family Protocol” and Succession Planning (Association of Family Companies)	AB Lisbon partnership with Associação das Empresas Familiares
The New Angolan Private Investment Law	AB partnership with Associação das Empresas Familiares
Tax Arbitration	AB partnership with the American Chamber of Commerce in Portugal
Investment Opportunities in Portugal	AB partnership with FIESP
PortugalFoods Internationalisation Initiatives	AB partnership with PortugalFoods
How the stock exchange can help your company	AB partnership with NYSE Euronext Lisbon and Montepio Geral
The liberalisation of .pt Domains	AB
“International Tax Roundtable”	AB Oporto
The Intangibility of Share Capital	AB
Review of Labour Laws – Changes of Greatest Impact	AB
Review of Labour Laws	AB
“New York State Bar Association”	AB partnership with four other law firms
Real Estate Leasing and Investment	AB partnership with the magazine Confidencial Imobiliário
The Future of Cities – Territorial Competitiveness and Financing	AB partnership with Strategy XXI
The Future of Cities – Territorial Competitiveness and Financing	AB partnership with Strategy XXI

Annual Quality of Service Survey (IAQS)

In order to comply with requirement 8.2.1 of ISO 9001:2008

– Client satisfaction (monitoring of client perceptions) – we conduct an external evaluation based on:

- Annual Quality of Service Survey (IAQS)
- Complaints
- Praise from Clients and Partners/Counterparties

Based upon responses received in the IAQS, we concluded that the firm's clients are generally satisfied with our performance. We received an average of 4.8 on a scale of 1 to 5.

SAMPLE OF CLIENTS SURVEYED:

Scope

The initial sample totalled 327 clients, corresponding to 11.6% of the firm's active clients in 2012. Among such pool, some 210 were actually surveyed and 55 responses were received, a response rate of 26%.

Composition

- Customers who filed complaints in 2012, which were recorded by the Quality Committee
- The most important 150 clients for the year (at 31 December 2012)
- 20 new clients in 2012 with more than 10,000€ in turnover
- 140 clients chosen by partners (five clients chosen by each one of the 28 partners)
- 12 clients shared by offices/partnerships

210
Clients Surveyed

55
Responses

26%
Response Rate

The survey's contents maintained parameters tied to the area of sustainability, which was recorded for the first time in 2010, in addition to previously existing parameters. Among the 55 responses received, only three clients did not view the firm's Sustainability Policy as a positive value.

Complaints

We received five complaints in 2012, with such number identical to the number of complaints recorded in 2011. Based on an analysis of the complaints received, four were considered “invalid” because it was determined that the firm was not responsible for the clients’ dissatisfaction. All complaints were addressed.

Praise from Clients and Partners/Counterparties

As a supplement to the client satisfaction survey, a record of praise received from clients in 2012 was also maintained. Some 71% or 118 of 167 lawyers received individual praise. The number of cases of positive feedback received in 2012 increased slightly as compared to the previous year (174 in 2011).

TEAM MEMBERS

Abreu Advogados considers the management of team members expectations and satisfaction to be a priority. Over the firm’s 20-year history, Abreu Advogados has followed a policy in which its work team is viewed as an asset in which to invest over the long term. Over this two-year span, a set of initiatives was introduced that included the following:

- Development of New Performance Management Model;
- Development of Intranet Team Member Portal;
- *AB Card*, which offers discounts in several services and stores;
- Systematisation of legal support for team members under a *pro bono* structure;
- Payment of variable compensation to team members in support areas.

Team Members Satisfaction Survey

This survey reflects the continuity with the commitment assumed in the first 2007-2008 Sustainability Report, the main objective of which is to improve the Human Resources Management Policies in conjunction with the strategy of Abreu Advogados.

Because team members satisfaction is critical to ensuring that our firm remains successfully competitive, it is crucial for us to conduct a periodic, in-depth evaluation of the various factors that contribute to greater satisfaction in the workplace in terms of informing senior management of the main areas of involvement related to team members satisfaction and retention. Therefore, this survey is an important tool for the management of human capital, enabling the identification – based upon team members perceptions – of critical areas where initiatives need to be defined and implemented to promote improvement of the workplace, as well as the creation of conditions for ensuring that team members identify more readily with and are more committed to the firm.

More specifically, the survey results allow us to:

- Identify critical issues raised by team members;
- Leverage the positive items raised by team members;
- Define initiatives for effectively improving satisfaction and the workplace itself;
- Optimise internal communication between team members;
- Carry out initiatives that contribute to team members growth and development;
- Increase productivity and quality of service at the firm;
- Justify the firm's strategic decision-making;
- Reinforce a culture in which everyone feels as if he or she is a crucial part of the firm.

Satisfaction Survey – Results

The overall average was 3.12 (on a scale of 1 to 4).

Though slightly above the satisfaction rating for 2011 (3.08), we do not believe that the 2012 results reflect an improvement in the level of satisfaction given that the number of respondents fell by nearly one-half. In order to ensure the ongoing maintenance of monitoring and consistency of data alike, we focused our analysis on the seven best/worst parameters evaluated, with the purpose of identifying and focusing on the items considered to be least satisfactory and redoubling our commitment to improving items for which respondents expressed the highest degree of satisfaction.

Satisfaction Survey			
	2012	2011	2010
Response rate	43%	70%	48%
Global satisfaction index*	3.12	3.08	3.18

* (scale from 1 to 4)



Highest Level of Satisfaction

One of the parameters appearing yet again among the top seven items evaluated was Abreu Advogados providing “Moments of Gathering”. Our view is that these items are very important to team members. As such, we should maintain an unwavering commitment to them, including during periods of greater budgetary constraints.

Although it is not among the seven best, another category has improved rather markedly this year: “Reconciliation of Career and Personal Life”. In that vein, we have concluded that team members acknowledge that the firm is concerned about and appreciates the balance between these two areas in their lives.



Lowest Level of Satisfaction

The parameters with the lower levels of satisfaction underwent adjustment measures in 2011 and 2012, reflecting eight of the thirteen parameters. Though this result still does not reflect levels that we deem to be satisfactory, we are also aware that these parameters generally are rated lower in most organisations. Our commitment to ensuring the proper conditions to enable our team members to perform their respective duties is demonstrated by our performance management model, training policy and benefits package, which foster a better balance between career and personal life.

Suppliers

Suppliers are part of our value chain and perform an important role in fulfilling the firm's objectives vis-à-vis sustainable development.

In the previous report, we committed to consolidating surveys administered to suppliers, particularly through a qualification survey concerning their sustainability policies. However, as a result of the cost reduction and acquisitions rescaling project, there was a need to change some key suppliers, so we decided that it would not be appropriate to achieve this goal during the past two years. Nonetheless, we intend to resume this commitment in the future.

Status Report on Assumed Commitments

Two commitments we undertook generated particularly promising results: the offsetting of CO2 emissions produced by Abreu Advogados and the introduction of Risk Management Policies in the Quality Management System.

In 2012, Abreu Advogados was the first entity in the Portuguese legal field to become carbon neutral. This was the result of the firm's adoption of the e)mission neutral certification (in 2010), a measure under which Abreu Advogados committed to reducing its carbon emissions (through more efficient use of energy and resources) and offsetting all inevitable emissions starting in 2012. Abreu Advogados pledged to reduce CO2 emissions by 10% in the coming years.

In 2012, ABREU ADVOGADOS was the first entity in the Portuguese legal sector to become carbon neutral.

Measures within the Environmental Sustainability Policy have transformed the firm into a pioneer in climate responsibility within the legal sector.

In 2011, we introduced “Exposure to Risk” as a new indicator within our Quality Management System. Such indicator is now subject to audit with regular measurement and internal disclosure. The aim is to oversee the monitoring of initiatives identified as necessary in the realm of Risk Management.

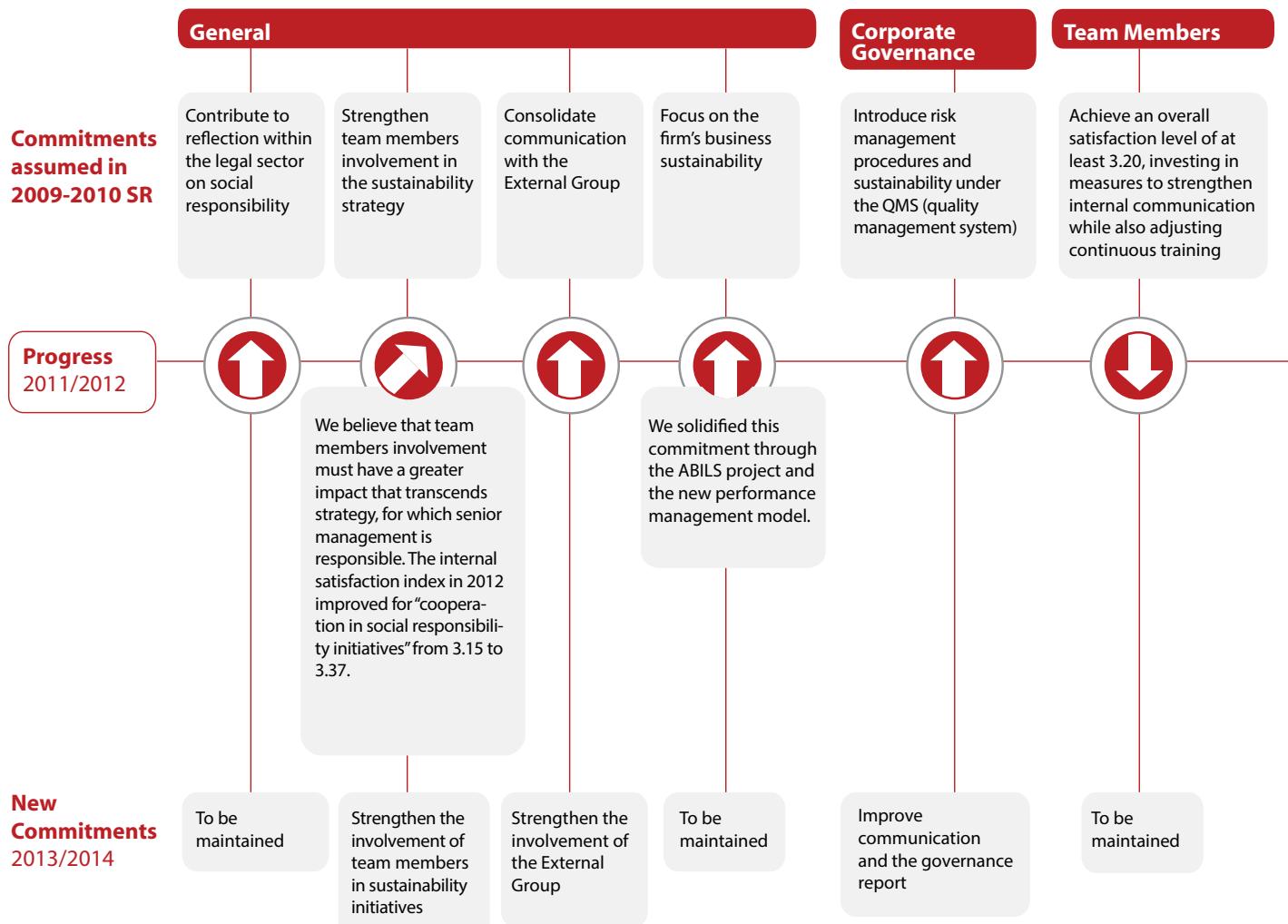
Twenty-two risks were identified and 20 initiatives were defined in order to mitigate, avoid, control, accept or transfer the identified risks. Ten of these initiatives were implemented between 2011 and 2012, with the “Exposure to Risk” index falling from 26% to 17.8% in 2012.

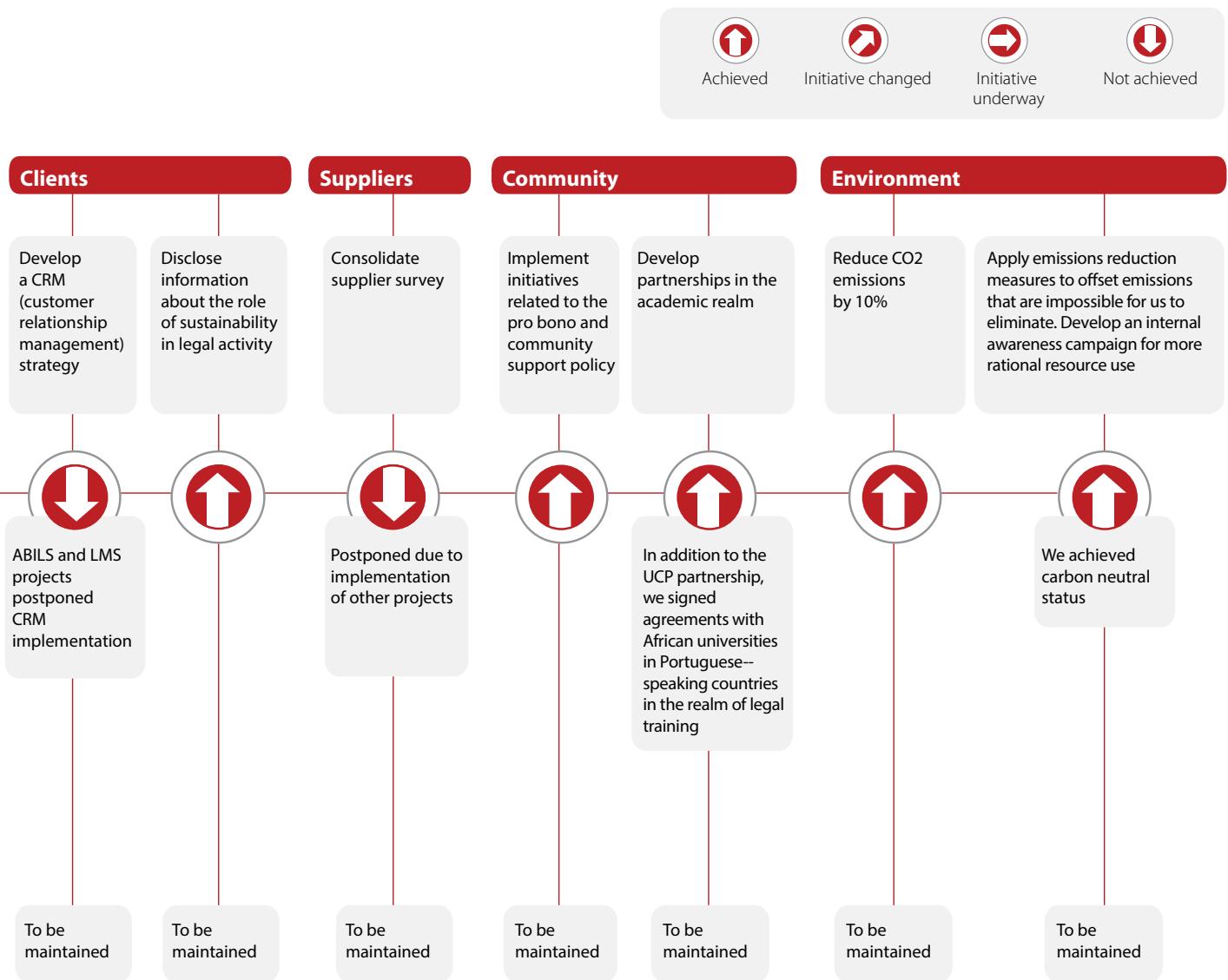
The introduction of a new intranet for more frequent and improved internal communications regarding the organisation stood out as one of the most noteworthy measures that we undertook. We use this platform to announce many types of useful information, e.g., decisions by the Board of Directors, the firm's management structure, activities underway, mobility, birthdays and the birth of our team members' children. The intranet's aim is to reduce and eliminate losses of information and business, errors due to the disregard of responsibilities, as well as difficulties integrating new team members, assimilating rules and increasing internal satisfaction. We would also like to recognise the release of the “A(l)titude AB” Stylebook, a very important vehicle for instilling our values and a sense of the common good. This initiative is aimed at reducing inconsistencies and difficulties surrounding detection and decisions concerning improper practices and conduct and establishing safeguards against any negative impact on AB's image.

Sustainability Roadmap (SR)

We presented a status report on the commitments assumed in our second Sustainability Report, which we endeavoured to achieve over the past two years. Some of these goals were subject to adaptations because new circumstances or new opportunities appeared along this path.

Many of the commitments represent fundamental pillars of continuous improvement, and, as a result, they remain on this list, along with new goals for improvement.





2

SUSTAINABILITY INITIATIVES

ABREU INTERNATIONAL LEGAL SOLUTIONS – ABILS

CLIENTS

KNOWLEDGE

RECOGNITION

AB FOR US PROJECTS

AB FOR ALL PROJECTS



Given that internationalisation is now a way of life at our firm, Abreu Advogados will continue to make commitments in Portuguese-speaking regions and countries. In the near future, the firm plans to broaden its presence in countries such as Cape Verde and São Tomé and Príncipe. This constitutes a permanent shift in attention towards new markets, which enables diversification of activity-related risk as emerging markets become increasingly attractive to international investors. Such commitment is essential to the firm's future viability.

Miguel Castro Pereira
Managing Partner

SUSTAINABILITY INITIATIVES

ABREU INTERNATIONAL LEGAL SOLUTIONS – ABILS

The dialogue that we have established with clients over our 20-year history has not only enabled us to improve the levels of service offered by our firm, but also to identify opportunities for diversification of the services we offer.

The internationalisation programme that we implemented in the last two years, officially known under the umbrella brand “Abreu International Legal Solutions” (ABILS), arose precisely because of the need for Abreu Advogados to provide Portuguese-language services to its clients.

The ABILS brand combines partnerships with prestigious law firms based in Angola (FBL), Brazil (Siqueira Castro Advogados), Mozambique (Ferreira Rocha Advogados), China-Macau (C&C Advogados) and East Timor (joint office with C&C Advogados), providing such firms’ clients with local service for matters related to Portuguese law that matches the quality provided by Abreu Advogados in Portugal.

Each local partner of Abreu Advogados, while maintaining its own identity and autonomy, adheres to the same values and standards of quality practised by the firm. Abreu Advogados is transcending physical barriers with this project, ensuring that clients with interests in other countries can count on the same level of services they expect when working with our firm – services marked by excellence, offering them legal solutions tailored to each client’s particular needs.

Abreu Advogados has five international desks in Angola, Brazil, China (Macau), Mozambique and East Timor. Each desk is typically led by two partners who ensure effective coordination and communication with the local partners.

PORTUGAL | ANGOLA

Abreu Advogados and FBL Advogados (Partnership)

Angolan law does not allow foreign lawyers to practice law in Angola. Abreu Advogados entered into a partnership in 2007 with one of Angola's largest law firms (FBL Advogados) in order to meet the needs of our clients in such country and as part of our growth policy. Since then, Abreu Advogados and FBL Advogados have been cooperating actively in the rendering of legal services to various national and international clients with interests in Angola in the areas of energy, the environment, infrastructures, natural resources, finance and capital markets.



PORTUGAL | MOZAMBIQUE

Abreu Advogados and Ferreira Rocha Advogados (Partnership)

In order to meet the needs of our clients with interests in Mozambique and pursuant to our growth policy, Abreu Advogados entered into a partnership in 2010 with one of Mozambique's most prestigious law firms, Fralaw. This partnership was strengthened in 2012 as one of Fralaw partners became a partner at Abreu Advogados.

Fralaw.

FERREIRA ROCHA
ADVOGADOS

PORTUGAL | CHINA

Abreu Advogados and C&C Advogados – Macau (Partnership)

In 2012, Abreu Advogados entered into a cooperation and partnership agreement with one of the most prestigious law firms in Macau – C&C Advogados. Because Macanese law allows Portuguese lawyers to practice law in the Macau Special Administrative Region, through prior registration with the local bar association, this partnership aims to ensure that legal services are jointly rendered (to national and international clients) in Portugal and Macau, as well as in other markets of common interest, such as the Chinese mainland, Angola, Brazil, Mozambique, Cape Verde and East Timor.



PORTUGAL | BRAZIL

Abreu Advogados and Siqueira Castro Advogados (Partnership)

In 2012, Abreu Advogados entered into a partnership with Brazil's largest law firm, Siqueira Castro Advogados. This partnership will support both firms' clients in Angola and Mozambique in different areas of law. The common language and cultural affinities between the two countries render the partnership's advantages particularly relevant.

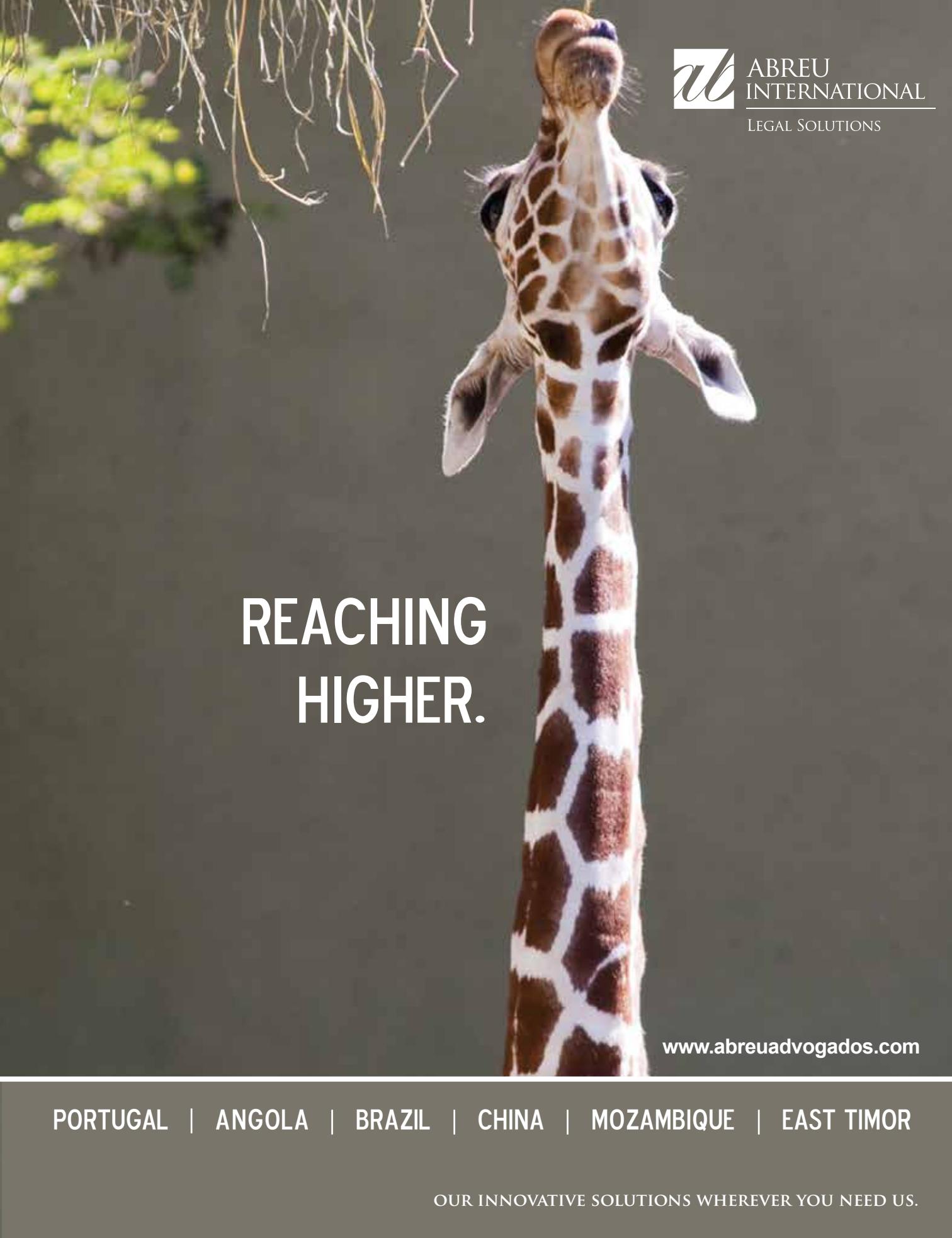


PORTUGAL | EAST TIMOR

Abreu Advogados and C&C Advogados – East Timor (Joint Office)

In April 2012, Abreu Advogados opened a law firm in partnership with C&C Advogados in East Timor. In partnership with C&C Advogados, Abreu Advogados currently has a team of lawyers based in Dili that is responsible for providing legal services to national and international clients with interests in East Timor, particularly in the areas of energy and natural resources.





REACHING
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PORtUGAL | ANGOLA | BRAZIL | CHINA | MOZAMBIQUE | EAST TIMOR

OUR INNOVATIVE SOLUTIONS WHEREVER YOU NEED US.



KNOWLEDGE

In order to achieve the quality and scale that allow the firm to enhance its technical, organisational and human credibility, Abreu Advogados believes that it cannot rely merely on its capacity to grow organically. The firm also needs to ensure that such growth occurs within a context of development, acquisition and management of knowledge generated by and necessary for the practice of law. These functions represent valuable tools for:

- the development and promotion of the firm's lawyers and Of counsel, as well as all of those who participate in initiatives derived from the firm's activities;
- the scaled maximisation of the firm's technical products and content;
- the execution and implementation of partnerships with leading external institutions (universities, foundations, business associations, top companies, student associations, publishers, etc.);
- involvement with clients (mainly institutional);
- interaction with the firm's internationalisation goals;
- the promotion of professional authority in the practices and methods of Abreu Advogados.

For years, I have envisioned a large firm with a specialised training centre that also serves as a springboard for the promotion of expertise and the dissemination of legal publications with strong ties to the practice of law.

Ricardo Costa

Of counsel to Abreu Advogados
and Head of Scientific and Editorial Coordination at *Instituto do Conhecimento AB*

For such purposes, Abreu Advogados established *Instituto do Conhecimento AB* (AB Institute of Knowledge), one of the most important components of our sustainable growth policy. This project's main strategic pillar is aimed at reconciling scale and quality, thereby enabling the enhancement of technical, organisational and human credibility – values that the law firm has always embodied.

Instituto AB represents one of most important facets of the current strategy at Abreu Advogados, through which the firm maintains its credentials in today's globalised world, imparting the values of credibility, reliability, trust and excellence – precisely the values shared by those who strive to be among the best.

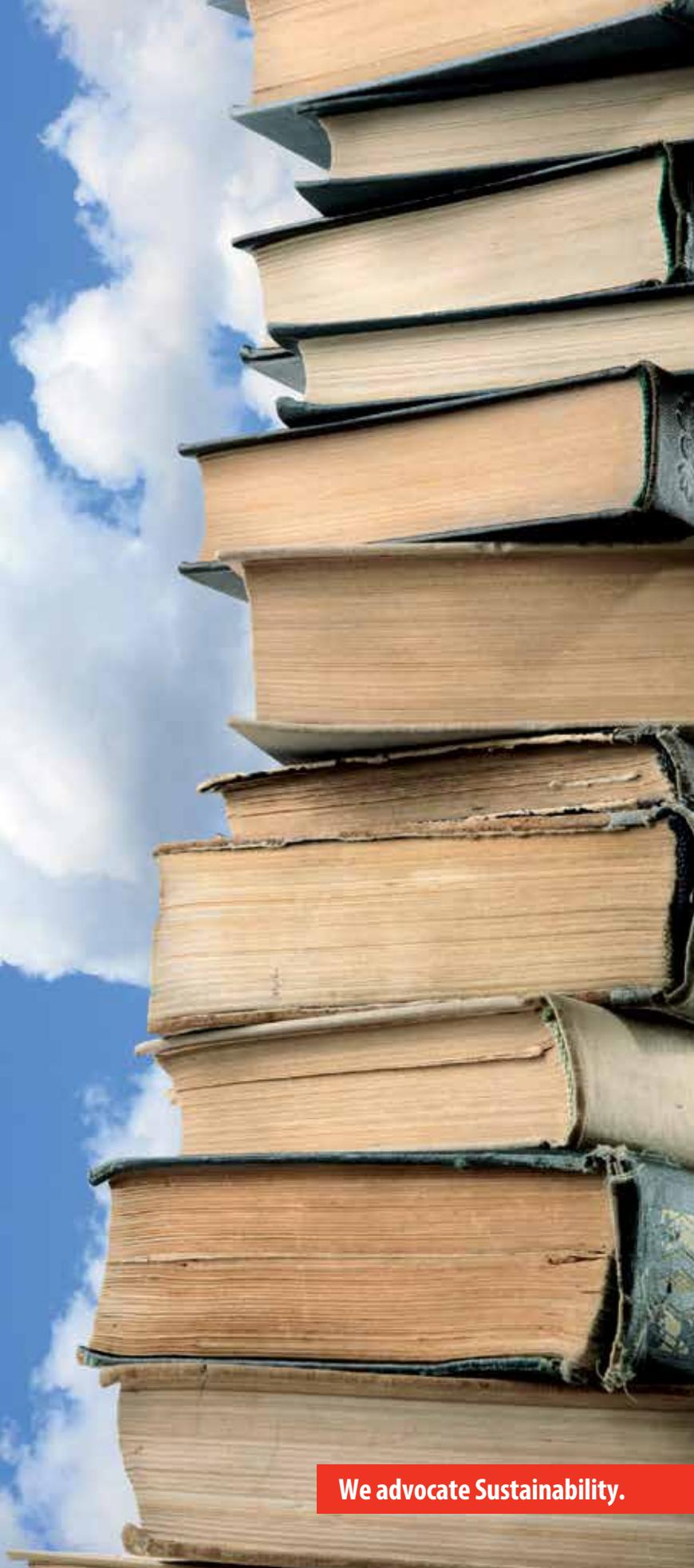


ABREU
ADVOGADOS

INSTITUTO DO CONHECIMENTO AB

*"To know is not to prove, nor to explain.
It is to accede to vision."*

Antoine de Saint-Exupéry



We advocate Sustainability.

List of primary transactions in 2011-2012

CLIENT	BRIEF DESCRIPTION
AMIL	Abreu Advogados provided legal counsel to AMIL Participações S.A. ("AMIL") in all phases of the privatisation process involving the healthcare group HPP-Hospitais Privados S.A., an entity held by Caixa Geral de Depósitos, the Portuguese state-owned bank. As the operator of nine hospitals and healthcare facilities, HPP-Hospitals Privados S.A. is one of Portugal's leading service providers in the healthcare sector. During the transaction, AMIL was acquired by the UnitedHealth Group, the largest healthcare provider in the United States, which also has operations in Portugal.
APIFD	During the first half of 2010, Abreu Advogados spearheaded a process that led to the creation of a local association for derivatives – "Associação Portuguesa de Instrumentos Financeiros de Derivados (APIFD)" or the Portuguese Association of Derivative Financial Instruments. The Association's mission is to maintain copyrights pertaining to the Framework Agreement and to promote (i) knowledge of market participants (including end users), (ii) transparent market practices and (iii) compliance with rules of conduct. The establishment of the Association provides a space for all derivatives market participants, in addition to banks and end users – not only more sophisticated companies, but also small – and medium-sized enterprises that participate in the market and often fail to understand this type of transaction's true legal and economic impact.
Brithol Michcoma Moçambique	Legal assistance in matters pertaining to the company's operations in Mozambique, including the preparation of draft contracts to produce security documents, e.g., identification documents and driving licenses, visa stickers, bank checks and third-party stock certificates in Africa.
Cardif Lux Vie	The firm advised Cardif Lux International S.A. in regard to the marketing of investment funds related to fund units – preparation of documentation required by Portuguese law and assistance with tax matters related to this type of products.
CEPSA	Abreu Advogados has provided legal support to CEPSA on tax matters involving customs duties/consumption taxes and corporate income tax (abbreviated in Portuguese as "IRC") related to its activity in Portugal. Advice rendered to CEPSA – Portuguesa Petróleos, S.A. on matters related to highly complex technical matters. (For reasons of confidentiality, we are unable to provide a complete description).
Corinthia Hotels & Resorts	Abreu Advogados advised the Corinthia Group on the securing of tourism utility status and corresponding tax credits. Moreover, the firm has advised the Group on various tax and real estate issues.
Flughafen Zürich AG	Abreu Advogados represented Flughafen Zürich AG in the first phase of the privatisation process administered by ANA – Aeroportos de Portugal, S.A., and the firm also represented the Zürich Airport Consortium, comprised of CCR S.A., Global Infrastructure Management, LLC, Flughafen Zürich AG and BTG Pactual Portugal Concessions Ltd., during the due diligence process in the second phase.
Portuguese Carbon Fund	The firm advised the Portuguese Carbon Fund on negotiations surrounding emissions allowance trading – purchase of assigned volumes between the Portuguese State and the Republic of Latvia, Hungary and the Czech Republic. We also advised the Portuguese Carbon Fund on its stake in the Luso Carbon Fund and the Asia Pacific Carbon Fund.
Global Maritime	Legal assistance provided to Global Maritime in the formation of an Angolan company, including the investment plan and negotiations with Chevron.
Iberdrola Generación	The firm advised Iberdrola Generación S.A.U. on its most important projects in Portugal over the past eight years, particularly the combined-cycle power plant in Figueira da Foz, the four large dams on the Tâmega River for production of 1,200 MW, and on regulatory issues related to wind farms in Portugal.
City of Oporto	Oporto's local government was advised on the restructuring of an innovative model to optimise real estate assets owned by such entity through creation of a special real estate fund dedicated to the refurbishment of degraded buildings and subsequent re-introduction of such properties to the high-end real estate market under a special tax regime. The "Bairro do Aleixo" project calls for the full conversion of a troubled Porto neighbourhood into a modern and luxurious residential neighbourhood through a joint venture with private investors without reliance upon funds from the local government (in conjunction with the transfer of land to the special real estate fund). We advised local officials on legal, regulatory and tax matters.
Sony	The firm advised Sony Corporation on a process to acquire the 50% stake in Sony Ericsson Mobile Communications AB ("Sony Ericsson") held by Telefonaktiebolaget LM Ericsson's ("Ericsson").
Staples	Abreu Advogados has represented Staples Portugal – the major office supplies retailer with a presence in Portugal that includes a production network and commercial system – on tax matters related to IRC. In 2012, Abreu Advogados advised the multinational on a regular basis concerning matters of competition as well as Community law and regulations with respect to distribution and licensing contracts, investigations by the Competition Authority and ongoing proceedings.
Transocean / Deepwater	The firm advised TRANSOCEAN/DEEPWATER on a special labour regime for an oil and gas project and that entity's start of operations in Mozambique.
Universal Africa Lines (UAL) Group	The firm advised the UAL Group and related companies on the sale of an interest in the company Oceânica de Navegação Lda., as well as on the formation of a joint venture to provide transport services to Cabinda Gulf Oil Company (CABGOC).

Practice Areas / International Desks: APCRUE – Competition, Regulation and the European Union, APC – Litigation, APDC – Commercial Law, APDD – Sports Law, APDF – Tax Law, APDFIN – Financial Law, APDI – Real Estate Law

CLIENTS

In an increasingly global and complex environment, we strive to ensure that our clients receive the highest level of excellence in services and innovative solutions that address their particular issues, while also respond to the needs of their businesses. Our client portfolio includes some of the largest Portuguese companies and multinational firms operating in Portugal.

RECOGNITION



European Legal Team of the Year – 2011

We highlight the recognition of innovation at Abreu Advogados, with the firm receiving the “European Legal Team of the Year” award in 2011 as part of the British Legal Awards. Abreu Advogados was the first Portuguese law firm to receive this distinction. Abreu Advogados is also the only national firm to be shortlisted for three consecutive years for these awards.

Financial Times Innovative Lawyers Awards – 2012 (shortlisted)

“International Strategy – A targeted network of Portuguese speaking firms in Brazil and Angola”

Innovation by a Portuguese Law Firm – 2011*

(RSG Consulting and Iberian Lawyer magazine)

*Recognition of the firm's results in the 2009 and 2010 edition of the Financial Times Innovative Lawyers Report.



Tax Law Firm of the Year in Portugal – 2011

Corporate INTL Magazine recognised Abreu Advogados as “Tax Law Firm of the Year in Portugal”, one of the “Global Awards” categories that the magazine awards annually.



Best Companies To Work For In Portugal – 2012

For the fourth straight year, the magazine *Exame* and the executive search firm Hedrick & Struggles recognised Abreu Advogados as one of the “Best Companies To Work For In Portugal”. In 2008, the firm was named the “Best Portuguese Company To Work For In Portugal”. In 2011 and 2012, *Exame* and Accenture recognised the firm again as one of the “Best Companies To Work For In Portugal”.





AB FOR US PROJECTS

ABforYou Card

Card offering discounts on several services for all team members at Abreu Advogados;

Novas Oportunidades Programme

Programme developed at Abreu Advogados with the support of a Training Centre that enabled team members with less than a secondary school education to gain access to opportunities for academic and professional growth. Eleven team members took advantage of this programme, ten of whom completed their secondary education and one of whom completed the ninth year of education;

At Abreu Advogados, we understand that any good professional is only developed through motivation and well-being, which assumes that he or she has adequate time and space to tend to his or her personal life. Though today's marketplace is highly competitive and the practice of law is particularly intense, we believe that it is our duty to come up with solutions and measures within the firm that are aimed at fostering a greater balance between the personal life and careers of our team members.

Ana Paula Lopes
Head of Human Resources

ABFlexi

This programme allows for a reduction of minimum time of service and number of hours worked in order to facilitate a better balance between the careers and personal lives of our lawyers, while also preserving respective collaboration against the backdrop of efficient management of our resources.

Abreu Advogados covered payment for its team members of the special income tax announced by the government

In 2011, Abreu Advogados succeeded in replacing the special surcharge on personal income tax ("IRS" as abbreviated in Portuguese) applicable to its team members (dependent workers and service providers) following the government's imposition of such measure. This decision also took place in recognition of the positive economic and financial performance of its team members.

Following the government's measure in 2011 concerning the tax-exempt amount of the meal subsidy, Abreu Advogados continued paying the meal subsidy amount offered during the previous year.

AB HUB

In order to respond to internationalisation and growth challenges, we initiated the AB HUB project in 2012, taking the first step with purchase of SAP/LMS software from Tata Consultancy Services. Though SAP/LMS only went into production in early 2013, the AB HUB project took place through most of 2012, with a significant investment made throughout the organisation in context of the cross-functional nature of the changes that this project encompasses;

New Performance Management Model

In 2012, we implemented the New Performance Management Model, aimed at strengthening policies corresponding to the attraction, motivation and retention of talent through the review of compensation models, career planning and development, in tandem with the firm's strategy and culture. This model's adoption has the following objectives:

- consolidate the transparency and fairness of the performance assessment process for all team members;
- enhance the continuous monitoring of performance as the core for development of expertise and motivation of team members;
- communicate performance expectations even more clearly;
- hold team members responsible for their individual contributions to the firm's overall success;
- increase the level of satisfaction among all parties involved in the management and deployment of the process by ensuring that they focus on activities with the highest added value.



Introduced in 2012, "MyDay AB" has been a free day offered to all team members in support areas.

MyDay AB

Because our firm's success relies upon everyone, because our lawyers can only perform their jobs well if they receive support from the entire organisation, because each of you is essential to our firm, we would like to extend a word of thanks for your contributions and efforts, for giving the best of yourselves in order to ensure that our firm maintains the highest level of service both internally and externally for our clients.

We are having a good year in terms of the firm's economic and financial performance, and we believe that we will be able to finish the year on the same trajectory.

The close of each year and preparations for the forthcoming year require additional contributions from everyone, so we ask that you continue providing this level of effort in order for us to finish the year on a high note. And as a token of our commitment to all of you, we decided to give you an early gift to enjoy in 2012 – MyDay; this will be your day. You can use it to address personal matters – to go to the beach, to sleep in, to do nothing... whatever you'd like to do. MyDay should not be confused with Dia AB (AB Day) or Dia AB da Escola (AB School Day) ... this is a new benefit for you to enjoy in 2012!

As usual, the selection of these days must be carried out in coordination with the colleagues in your respective department.

We hope that you enjoy and take advantage of your MyDay in 2012.

Ana Paula Lopes
Head of Human Resources

AB FOR ALL PROJECTS

“Como Funciona Isto?” (How does this work?)

Conducted in 2011, the programme, targeted to senior secondary school students at certain schools in Lisbon and Funchal, helps students make professional choices, while affording them the opportunity to personally experience a law firm and related aspects, ranging from the content of work performed by lawyers to all administrative support departments;

Faça-se justiça (Let justice be done)

Initiative of the magazine Fórum Estudante, aimed at building interest among secondary school students concerning subject of justice and law. With a team of 60 lawyers and 59 schools throughout the country, Abreu Advogados participated in this project in 2011 under the mission of helping to prepare for a simulated trial, with students analysing a specific case and arguing on the side of the defence or the prosecution. In 2012, 26 lawyers participated in 62 schools. Approximately 1,300 students participate each year. Each case relied upon the support of an Abreu Advogados “lawyer-tutor”, who was responsible for advising the professor and students during the preparation phase and on the day of the simulated trial itself.

Cases centred on the following subjects:

- Auto accident
- Bullying/violence at school
- Contracts
- Graffiti at school
- Nationality
- Social networks and personal data
- Noise
- Dating violence





Manuel Sá Martins
Associate Lawyer

"Though I have not been assigned a school in this project, I was able to participate directly in AB's contributions to the four educational institutions that took part in the initiative, based upon the opportunity granted to me by the respective "lawyer-tutors".

Therefore, I can vouch for this legal literacy programme's social utility, which is a true bellwether of our Sustainability Policy's social facet.

If the commitment described in the Sustainability Report corresponding to "Creation of an awareness-building initiative targeting youth concerning justice and citizenship" was a goal, I would say that it was fully met.

Also, the levels of internal participation in terms of participating lawyers were definitely satisfactory. In our Oporto offices in particular, our lawyers interacted directly with the participants, which was personally enriching both for students and AB professionals because of the camaraderie and exchange of ideas and experiences generated by the project.

As a suggestion for improvement, I would simply say that the (external) communication policy for this initiative stands to improve, to the extent that I do not believe that the programme's usefulness and scale, as well as the involvement of Abreu Advogados, have received the international media attention they deserve.

For example, I believe that it has become clear to date that "Faça-se Justiça" was less effective in terms of news media coverage than the "Tribunal Porta Aberta" or "Open-Door Court" programme (similar initiative sponsored by ASJP [Associação Sindical dos Juízes Portugueses – Association of Portuguese Judges] during the same period of time).

After all, and recalling an oft-cited maxim related to corporate sustainability "You Can't Just Build Green. You Have To Sell It Too!".

Manuel Sá Martins
Associate

Rock in Law

As in 2009 and 2010, Abreu Advogados sponsored this event, which was aimed at raising funds for social causes through the participation of several law firms and respective musical acts. Proceeds from Rock in Law 2011 were dedicated to construction of the new "Casa dos Rapazes" and the remodelling of facilities at Associação Portuguesa para as Perturbações do Desenvolvimento e Autismo (Portuguese Association for Developmental Disorders and Autism);

Free Legal Consultation Day

Abreu Advogados legally advises many Associação CAIS users under an agreement signed with this institution. Twenty-six lawyers are involved in this project.

Internal Presentation of our 2nd Sustainability Report – “We Advocate Sustainability: 18 years of growth and innovation”

The 2009-2010 Sustainability Report was presented simultaneously to three law firms in conjunction with the Stylebook, in an internal event commemorating AB's eighteenth anniversary. In the style of a TV news broadcast, a humorous video recounted the key events that occurred during the first 18 years of Abreu Advogados.

Participation by our lawyers as speakers at various conferences/workshops within the scope of sustainability:

- “Water Framework Directive: the opportunity of an imperative”
- “V Congresso do Empreendedorismo Social”
(5th Congress of Social Entrepreneurship)
- “Public and Private Social Responsibility”
- “Economy of the Sea – Sustainability, Innovation and Recovery”

1,602 Hours of *pro bono* work: This time includes work for the following institutions:

- BCSD
- CAIS
- Fundação Alter Real
- IES – Instituto de Empreendedorismo Social
(Social Entrepreneurship Institute)
- Microcredit
- Parish of Fernão Ferro
- Passo a Passo (Step by Step)
- PortugalFoods

Meetings with Internal and External Sustainability Group

The Internal Sustainability Group has 15 members representing various areas and departments within Abreu Advogados. In particular, Paulo Teixeira Pinto contributes strategic support to this group.

The External Group has six members: Pedro Mendonça (organisational behaviour consultant and lecturer at ISEL); Luis Rochartre (Secretary General of BCSD Portugal); António Carmona Rodrigues (Consultant at DHV, SA); Luis Barreto Xavier (Director of Católica Global School of Law – UCP); Henrique Pinto (Executive Director of Associação CAIS) and Nuno Aguas (XTR). Four Internal Group and two External Group meetings were conducted in 2011 and 2012.



Institutional cooperation and collaboration protocol between the Lisbon School of Law, Abreu Advogados and Ferreira Rocha e Associados

With the aim of strengthening the interests and affinities of the entities involved, as well of contributing to the legal training of Mozambican law students, while supporting professional relationships in the Portuguese-speaking world in a structured manner and encouraging legal research and rewarding achievement and merit, we introduced a three-week internship programme in July 2012 at our Lisbon offices for law students from Universidade Eduardo Mondlane in Maputo.

Work Experience

The growing interest and curiosity among students in pursuing a career as lawyers and in learning about the true nature of work at a major law firm led Abreu Advogados in 2012 to launch “Work Experiences” (WE) for (1st, 2nd and 3rd year) law students and/or senior secondary school students (12th year), according to the following primary goals:

- promoting legal literacy and the involvement of AB / awareness of the “AB brand” among law students and in the academic world in general;
- provide first contact with practice of the legal profession and with AB values & culture;
- provide AB with an opportunity to identify new talent.

“Work Experiences” may last one, two or three weeks, during which students will have the opportunity to experience the daily operations of a major international law firm for the first time, while also receiving a general overview of the activities carried out by different support areas.

AB Goes Green – Carbon Neutral Certified by e) mission

The firm was the first entity in the Portuguese legal sector to achieve carbon-neutral status, becoming e)mission neutral certified in 2010.

Stylebook

The Abreu Advogados Stylebook was released in 2011 on the 18th anniversary of AB.

Sustainability Awareness Initiatives

Launched in 2010, the sustainability awareness programme was concluded the following year with four initiatives involving a total of 94 participants.

Team Members Deontology Training

Four training initiatives were conducted in 2011 and 2012 involving a total of 20 team members as part of the compliance commitment corresponding to the 2007-2008 Sustainability Report.

I would like to thank AB for this initiative, which I think is very important at the personal level. It's always a good idea to step back and think of ourselves as human beings, and in my opinion this training time represented a significant step in that direction. Thank you.

Ana Leal

This training course is extremely important because it fosters social and civic awareness. We should always be committed to our training. I think that whenever we can be better human beings, we make the world a better place, even if that world is confined to business, residential or other circumstances. Too bad that it was so short because I love to engage in discussions about these awareness issues.

Ana Paula Paiva



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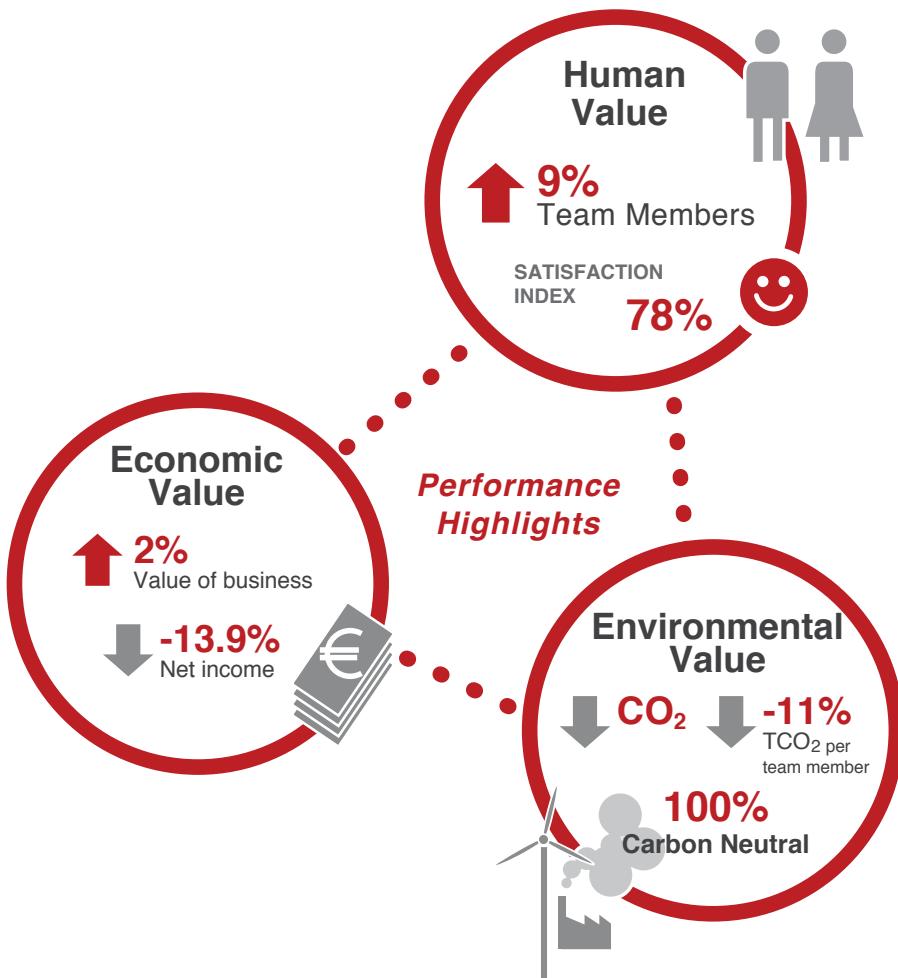
ADDED VALUE
ECONOMIC VALUE
HUMAN VALUE
ENVIRONMENT



ADDED VALUE

Because we all firmly believe that transparency is beneficial to all stakeholders in the legal profession and though we continue to be the only Portuguese law firm to be doing so, we publicly released our financial records yet again this year.

PERFORMANCE HIGHLIGHTS



ECONOMIC VALUE

Financial Statements

Entity: (AB) – ABREU & ASSOCIADOS – SOCIEDADE DE ADVOGADOS, RL

INCOME STATEMENT BY TYPE				
CATEGORIES	NOTES	Monetary unit: 31/12/2012	31/12/2011	Euro CHANGE
Sales and services	6	€16,520,320	€16,168,586	2.18%
External supplies and services	8	€(9,630,883)	€(9,164,524)	5.09%
Personnel expenditure	9	€(1,757,731)	€(1,616,206)	8.76%
Impairment of debts receivable (losses/reversals)	12	€(288,517)	€(234,738)	22.91%
Provisions (increases/reductions)	13	€–	€151,299	100.00%
Other income and profit	7	€80,193	€42,733	87.66%
Other expenses and losses	10	€(274,839)	€(198,825)	38.23%
Income before depreciation, financial expenses and taxes		€4,648,543	€5,148,325	-9.71%
Expenses/reversals of depreciation and amortisation	11	€(360,088)	€(326,358)	10.34%
Operating income (prior to financing expenses and taxes)		€4,288,455	€4,821,968	-11.06%
Interest and similar income obtained	14	€2,008	€2,138	100.00%
Interest and similar expenses incurred	14	€(280,242)	€(173,960)	61.10%
Pre-tax profit		€4,010,221	€4,650,146	-13.76%
Income tax for the period	15	€(67,823)	€(73,258)	-7.42%
Profit during the period	16	€3,942,398	€4,576,888	-13.86%



Volume of sales and services

As a fiscally transparent firm, Abreu Advogados holds its partners accountable for the results obtained during the year, with a portion of those results reflected under “External supplies and services” above.

In 2012, the Portuguese economy was hit by its deepest recession since 1975. As a result, the main goal of companies is to bolster their competitiveness in order to enable them to increase exports sustainably.

In the face of the already palpable national market contraction in 2011, our volume of sales and services topped 16 million euros during the same year thanks to our internationalisation efforts. Even with the contraction of the national economy in 2012, our turnover grew by 2.18% compared to the previous year. It is crucial that we continue to develop our international presence – currently in Angola, Mozambique, Macau, East Timor and Brazil – as a vehicle for sustainable growth.

Investments

Despite internal and external market uncertainty and although we had adopted cost reduction initiatives, we expect to reap short- and medium-term returns on the investments we made in 2011 and 2012.

The following investments are noteworthy: internationalisation, the new computing platform, the cost reduction project, the new performance management model and the creation of *Instituto do Conhecimento AB*.

Supported by the “Abreu International Legal Solutions” brand, the objective of internationalisation is to ensure that our clients around the world enjoy the same level of service that Abreu Advogados offers in Lisbon, Oporto and Funchal.

In 2012, we also innovated in the realm of IT with the introduction of the system provided by SAP and Tata Legal Systems (LMS), taking a fundamental step in responding to the current challenges corresponding to internationalisation and growth.

In 2012, we initiated a cost reduction project that yielded a 30% reduction in expense items subject to assessment under this project.

A significant investment was also made in 2012 to create *Instituto do Conhecimento AB* as a preferred vehicle for internal and external training and the publication of legal works written by the firm’s lawyers.

Financial results

In Portugal, the firm was not immune from the recession, market liquidity problems and swelling public deficits. As a result of these external factors, 2012 marked a setback in terms of results. It has become immediately necessary, as demonstrated in the business world at large, to strengthen internal measures to reduce costs and boost productivity and profitability in order to enable us to overcome this adverse economic environment.

HUMAN VALUE

Since its founding in 1993, the philosophy of Abreu Advogados has been based on three major pillars that define us and set us apart: the construction of a strong team spirit, permanent training and balance between career and family, as reflected by the three Qs – Human Quality, Technical Quality and Organisational Quality – that guide the firm's conduct.

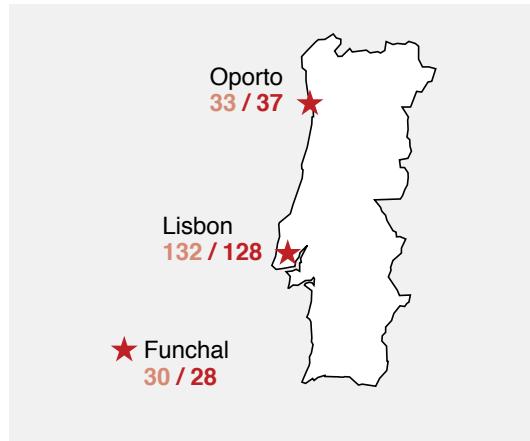
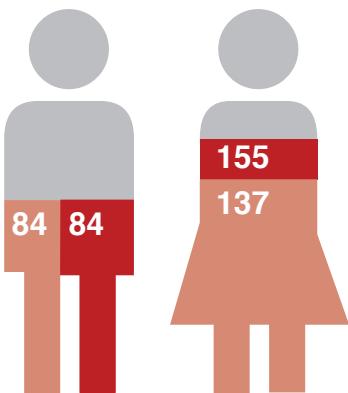
Actively participating in the search for creative, effective solutions, Abreu Advogados is proud to have a team that combines a high level of professionalism with a shrewd understanding of the enterprises of our clients and the challenges before us.

We encourage our team members to express themselves freely about matters entrusted to them and about our firm's affairs, also emphasising the importance of the ability for teamwork, managing their time well and sharing knowledge.

Because of this range of other factors, the magazine *Exame* and Heidrick & Struggles recognised Abreu Advogados as the Best Portuguese Company and the Best Law Firm to Work For in 2008, the inaugural year of a study entitled "Best Companies To Work For". The firm has been ranked in this study every year since then.

Colaboradores

2011 | 2012



2011 2012

By Gender

	2011	2012
Full Time	219	238
Part Time	2	1
Male	84	84
Female	137	155

AB Team Members

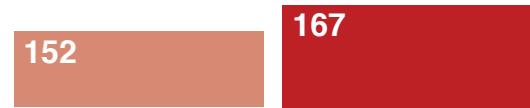
	2011	2012
Collections Litigation	26	46
Partners (Lawyers)		28
Associates (Lawyers)	69	76
Solicitors	7	7
Interns	36	36
Of counsel	14	20
Administrative Staff	69	72
Team Members	247	285

AB Administrative Staff

	2011	2012
With permanent employment contract	57	61
With fixed-term employment contract	9	10
With service provider contract	3	1
TOTAL	69	72

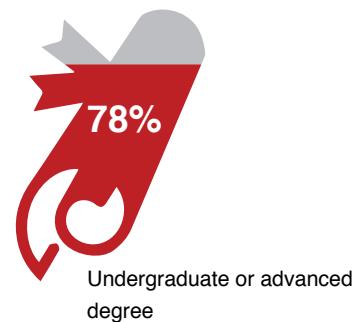
Key characteristics of our team members:

- **78%** have undergraduate or higher education
- **65%** are women
- **70%** are self-employed
- **99,6%** work full time
- **40** hours of training, on average, by lawyers in 2011 and 2012
- **60%** are between 30 and 50 years of age
- **85%** of the administrative staff has a permanent work contract



LAWYERS
Rendering of services

	2011	2012		
Team Members Qualification	Absolute value	%	Absolute value	%
Less than a basic education	0	0%	0	0%
1st cycle of basic education	1	0%	1	0%
2nd cycle of basic education	0	0%	0	0%
3rd cycle of basic education	6	3%	6	3%
Secondary education	40	18%	40	17%
Polytechnic higher education	4	2%	5	2%
Higher level university education	72	33%	77	32%
Postgraduate, masters and doctorate	98	44%	110	46%
Training type by hours	2011	2012		
Team Members Integration	860	780		
Specific by Practice Area	6,304	3,107		
Common to all Lawyers	467	1,240		
Internal for Administrative Staff	499	1524		
Occupational accidents/leave	2011	2012		
No. of occupational accidents with leave	1	2		
No. of occupational accidents during work-related travel	0	0		
No. of accidents in the workplace and travelling to/from work	1	2		
No. of occupational diseases	0	0		
No. of days of leave due to occupational accidents	0	0		
Number of days of leave from occupational accidents occurring during work-related travel	0	0		
No. of days of leave due to occupational accidents in the workplace and in travelling to/from work	120	94		
Absenteeism rate	0,76%	0,44%		



Category	2012		2011	
	no. of hours of training	average no. by person	no. of hours of training	average no. by person
Lawyers	4947	29,6	7631	50,2
Administrative staff	1704	23,7	499	7,2

We are seeking professionals who firmly identify with our values and culture, who always strive for excellence and accuracy in their work, as well as those with strong negotiating power who are committed to meeting and exceeding the client's expectations.

In this light, we have developed a Human Resources Management Policy based on five pillars:



Maternity support is one of the key elements of our well-being policy. Law firms with self-employed female lawyers are not entitled to maternity leave under the Social Security system, which led the firm to adopt a maternity support programme in 2002 that granted five months of maternity leave before or after birth as well as a payment of 50% to 100% of base compensation (fees) during that span, in addition to a reduction of weekly work hours from 40 to 30 in the first month following the five-month leave, with adjusted pay corresponding to 75% of fees.

- Career Plan and Coaching;
- Training Programme;
- Performance Management and Assessment System;
- Culture of fostering team spirit;
- Policy to promote balance between career and family life.

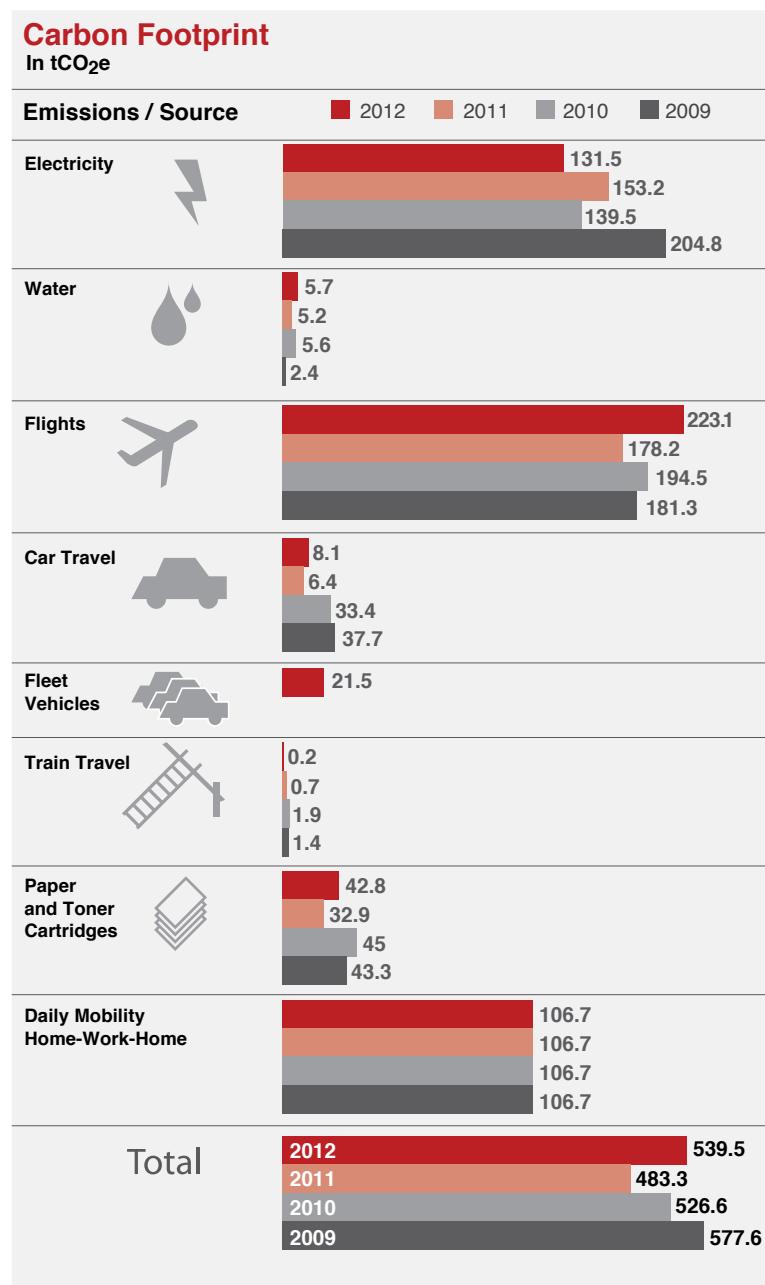
Benefits:

- Birthday day off
- *Dia AB Escola* (AB School Day)
- Supportive care for illness of lawyers
- Maternity plan for female lawyers
- *ABforYou* Card
- "Coffee Points" for water, coffee and tea
- Dining area

ENVIRONMENT

The protection and promotion of environmental stewardship are part of our culture at Abreu Advogados, where we rely upon experience within our Public and Environmental Law practice. Such area is responsible, among other relevant projects, for providing legal advice to the Portuguese Carbon Fund. This chapter presents a graphical comparison of data between 2009 and 2012 for some of the indicators that have been determined.

The graph below illustrates the trend corresponding to the carbon footprint between 2009 and 2012:



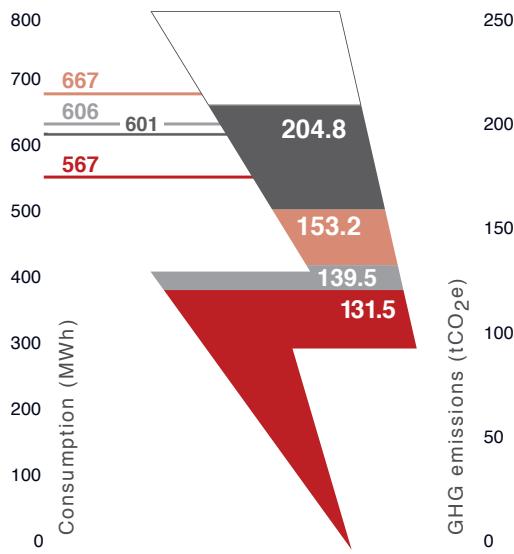
The carbon footprint in 2012 was 539.5 tons of CO₂ equivalent, which is the highest value among the past three years. However, we achieved a reduction of approximately 6.6% in emissions compared to 2009.



■ 2012 ■ 2011 ■ 2010 ■ 2009

Electricity

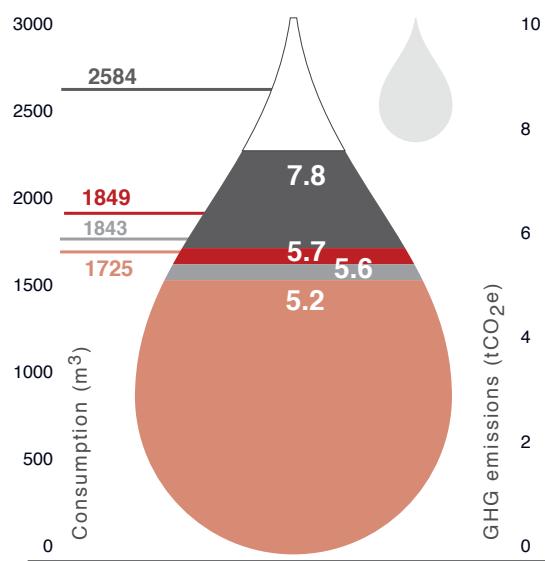
Consumption vs. GHG emissions



■ 2012 ■ 2011 ■ 2010 ■ 2009

Water

Consumption vs. GHG emissions

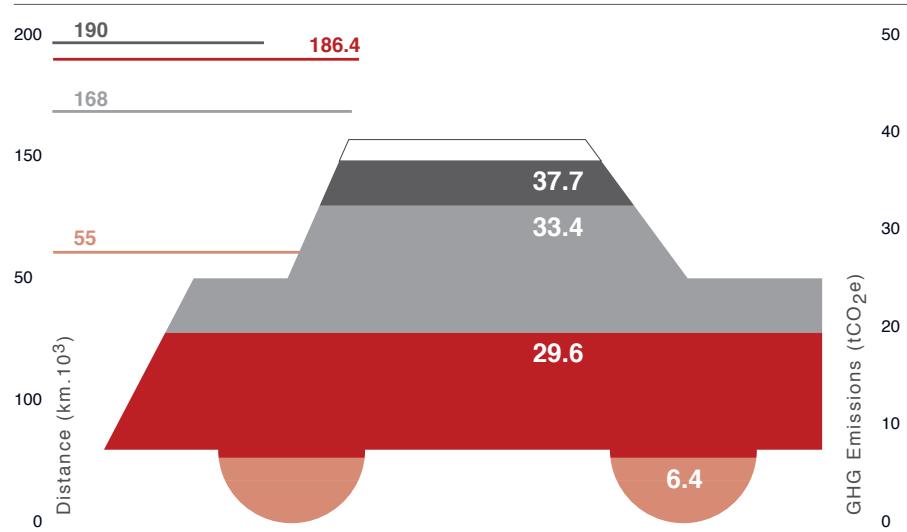


Trends in offset items through purchase of carbon credits:

■ 2012 ■ 2011 ■ 2010 ■ 2009

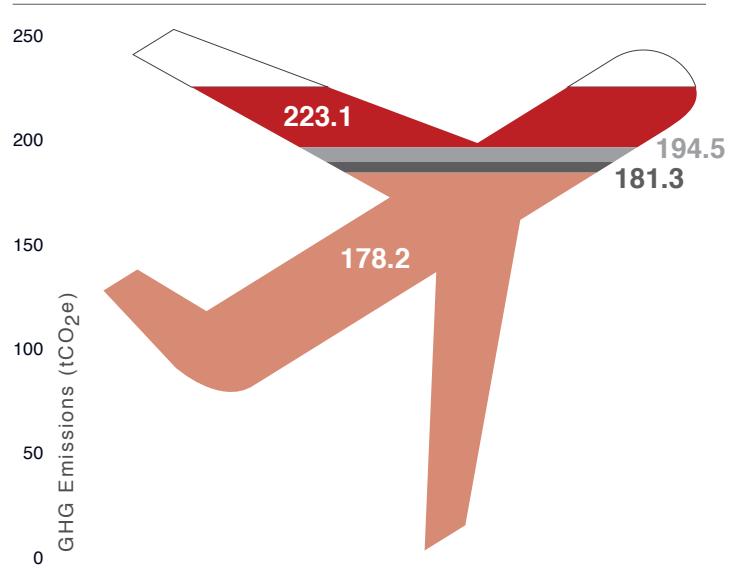
Car Travel

km vs. GHG emissions



Air Travel

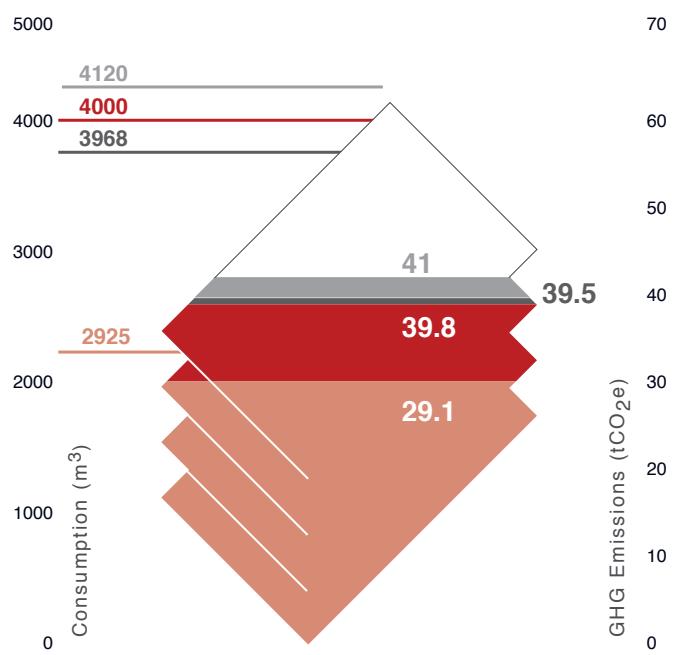
GHG Emissions



■ 2012 ■ 2011 ■ 2010 ■ 2009

Paper

Consumption vs. GHG emissions



With the exception of emissions from daily team members mobility, totalling 106.7 tCO₂e, CO₂ emissions offsetting covers the entire footprint, which was calculated as a total of 539.5 tons of CO₂ in 2012. Thus, the final volume offset is 432.8 tCO₂e. Unavoidable emissions were neutralised through the purchase of carbon credits recognised and verified by independent entities through investment in developing countries, contributing to a less carbon-intensive economy that also encourages the adoption of environmentally sustainable technologies (such as energy efficiency, renewable energy and clean technology). The following projects were part of this offset scheme: the construction of a mini-hydroelectric plant in Honduras, a composting project in South Africa and the use of renewable biomass (for ovens) for Brazilian ceramics.

CREDITS

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