

RAMADA

Earnings announcement
2016

(Unaudited)

(This is a translation of a document originally issued in Portuguese. In the event of discrepancies, the Portuguese language version prevails.)



80 Years

Investing in industry

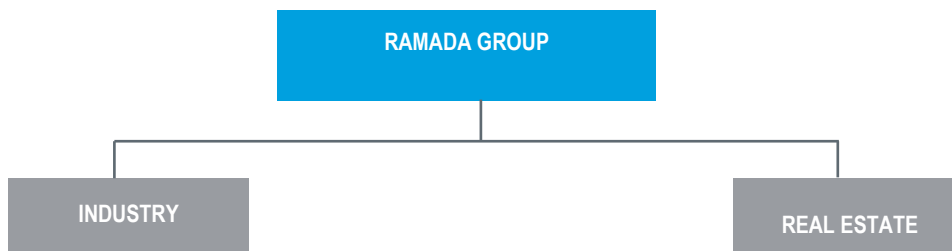
RAMADA GROUP – BUSINESS PROFILE

F. Ramada Investimentos is the parent company of a group of companies (“Ramada Group”) that operates in two segments: i) Industry, which includes the Steel activity, the Storage Systems activity, and the activity related to financial investments management in which the Group holds non-controlling interests; and ii) Real Estate, focused in the management of real estate assets.

The Steel activity, which mainly develops at the level of the sub segment of steels for moulds, with a prominent position in the domestic market, is carried out by three companies: Ramada Aços, Universal Afir and Planfuro Global.

The Storage Systems activity is carried out by five Companies: Ramada Storax (largest manufacturer of storage systems in Portugal and where all Group production is concentrated), Storax France, Storax United Kingdom, Storax Belgium and Storax Spain.

The Financial Investments management activity includes, essentially, the investment in Base Holding SGPS, S.A.. This entity is the parent company of a group of companies which operate in the healthcare sector, namely, complementary means of diagnosis and treatment.



The financial information presented below in relation to Ramada Group was prepared in accordance with the recognition and measurement criteria of the International Financial Reporting Standards (IFRS), as adopted by the European Union.

INCOME STATEMENT

	2016	2015	Var. %
Sales and services rendered	135,930	125,810	8.0%
Other income	1,415	747	89.4%
Total Income	137,345	126,557	8.5%
Cost of sales	(72,265)	(70,685)	2.2%
External supplies and services	(25,759)	(21,183)	21.6%
Payroll expenses	(16,628)	(15,018)	10.7%
Other costs	(1,368)	(1,801)	-24.0%
Total Costs (a)	(116,020)	(108,687)	6.7%
EBITDA (b)	21,325	17,870	19.3%
EBITDA margin	15.5%	14.1%	
Depreciation and amortization	(4,719)	(2,397)	96.9%
EBIT (c)	16,606	15,473	7.3%
EBIT margin	12.1%	12.2%	
Gains/Losses in associated companies	2,028	1,563	29.8%
Financial costs	(2,088)	(2,713)	-23.0%
Financial gains	205	154	33.5%
Net profit before income tax	16,752	14,477	15.7%
Income tax	(4,723)	(3,426)	37.9%
Deferred tax	1,899	7	
Consolidated net profit	13,928	11,058	26.0%
Consolidated net profit attributable to shareholders of Parent company	13,861	11,033	25.6%
Consolidated net profit attributable to non-controlling interests	67	25	

(Amounts in thousands Euros)

(a) Operating expenses excluding depreciation, financial expenses and income tax

(b) EBITDA= earnings before financial results, income tax, depreciation and amortization

(c) EBIT = earnings before financial results and income tax

The total turnover of Ramada Group amounted to 137,345 thousand Euros, representing an increase of 8.5% in comparison to 2015.

The total costs, excluding amortization, financial results and income tax, amounted to 116,020 thousand Euros, representing an increase of 6.7% in relation to 2015.

EBITDA in 2016 reached 21,325 thousand Euros, representing an increase of 19.3% when compared with 2015. In 2016, EBITDA margin reached 15.5%, which compares to 14.1% obtained in 2015.

Group operating results (EBIT) amounted to 16,606 thousand Euros, representing a positive variation of 7.3% comparing with 15,473 thousand Euros in 2015.

In 2016, Ramada Group recorded gains in associated companies in the amount of 2,028 thousand Euros, which compares to 1,563 thousand Euros recorded in 2015.

Negative financial results amounted to 1,883 thousand Euros, representing an improvement of 26.4%, when compared with 2015.

Ramada Group net profit reached 13,928 thousand Euros, being 26.0% above the amount recorded in 2015.

The deferred tax item includes the accounting impact associated with the recognition of the deferred tax asset, following the adoption of the fixed assets revaluation regime published by Decree Law Nr. 66/2016, of November 3.

INDUSTRY

	2016	2015	Var. %
Total Income	130,817	120,088	8.9%
Total Costs (a)	(114,755)	(107,220)	7.0%
EBITDA (b)	16,062	12,868	24.8%
EBITDA margin	12.3%	10.7%	
EBIT (c)	11,665	10,737	8.6%
EBIT margin	8.9%	8.9%	
Financial results	(445)	(853)	-46.6%
Gains / Losses in associated companies	2,028	1,563	29.8%
Net profit before income tax	13,238	11,447	15.6%

(Amounts in thousands Euros)

(a) Operating expenses excluding depreciation, financial expenses and income tax

(b) EBITDA = earnings before financial results, income tax, depreciation and amortization

(c) EBIT = earnings before financial results and income tax

In 2016 total turnover of the industry segment reached 130,817 thousand Euros, corresponding to an improvement of 8.9% in comparison with 2015.

EBITDA of the industry segment in 2016 reached 16,062 thousand Euros, representing an increase of 24.8% when compared to 12,868 thousand Euros in 2015.

EBITDA margin of the Industry segment increased from 10.7% in 2015 to 12.3% in 2016.

Steel activity

The Steel activity recorded a turnover growth compared to 2015, exceeding the estimates for this year.

This growth was driven by increased sales to the mould industry and in the construction of machinery and equipment's sector. The automotive sector continues to invigorate a whole set of subsectors, its suppliers of parts and components, being highlighted the good performance of the manufacturers of moulds and tools throughout the year.

The new mould machining activity approached the occupancy rates projected for this phase of the investment. A large engineering team is involved to put on the ground the best practices in the world in this sector of activity.

Some saw blades were installed to increase the cutting capacity and guarantee a 95% service level. Two new heat treatment furnaces have been installed to handle parts up to 4500 kg. There are very few units in Europe with such capacity. In 2017 the Group will continue to increase its production capacity with the aim of improving the delivery deadlines demanded by the market.

The Steel business operates essentially in the domestic market which in 2016 accounted for 95% of its sales.

Storage Solutions Activity

The Storage Solutions Activity (*Storax - Engineered Storage Solutions*) also had a turnover growth when compared with 2015.

The foreign market continues to be the main driver of this activity, which in 2016 accounted for 84% of turnover. Europe remains the main market, representing 86% of the exports. In 2016, sales outside Europe increased significantly, with sales to the United States, South Africa, Morocco, Tunisia, Egypt and Algeria, Malaysia, Taiwan and Uruguay.

Financial Investments Activity

On December 31, 2016 and 2015, the investment held in Base Holding SGPS, SA capital is the most significant investment.

The accounting of the equity method for the year ended December 31, 2016 had an impact of 2,028 thousand Euros in the net profit (1,563 thousand Euros on December 31, 2015).

The main financial indicators of this associated company at 31 December 2016 (provisional indicators based on unaudited accounts) and 2015 are as follows:

	2016 ¹	2015
Services rendered	77	70
EBITDA	17	15
Net financial debt	32	27

(Amounts in million Euros)

¹Provisional indicators based on unaudited accounts.

REAL ESTATE

	2016	2015	Var. %
Total income	6,529	6,469	0.9%
Total costs (a)	(1,265)	(1,467)	-13.7%
EBITDA (b)	5,263	5,002	5.2%
EBIT (c)	4,941	4,736	4.3%
Financial results	(1,428)	(1,707)	-16.4%
Net profit before income tax	3,514	3,029	16.0%

(Amounts in thousands Euros)

(a) Operating expenses excluding depreciation, financial expenses and income tax

(b) EBITDA = earnings before financial results, income tax, depreciation and amortization

(c) EBIT = earnings before financial results and income tax

In 2016 total turnover of the Real Estate segment amounted to 6,529 thousand Euros, representing an increase of 0.9% in relation to the prior year.

The rents obtained with the long-term renting of the forest land represent more than 95% of the total income of the Real Estate segment.

In 2016 Real Estate segment EBITDA reached 5,263 thousand Euros, representing a slight increase of 5.2% in relation to 2015.

Real Estate segment EBIT amounted to 4,941 thousand Euros, representing an improvement of 4.3% in relation to 2015.

Financial results of the Real Estate segment, in 2016, amounted to negative 1,428 thousand Euros, representing an improvement of 16.4% when compared with negative 1,707 thousand Euros reached in 2015.

INVESTMENTS AND DEBT

Ramada investments in fixed assets in 2016 amounted to approximately 9 million Euros.

The nominal net debt of Ramada Group as of December 31, 2016, reached 72,973 thousand Euros (66,341 thousand Euros as of December 31, 2015).

For the 2016 financial year, the Board of Directors will propose to the Shareholders' General Meeting the distribution of a dividend amounting to 0.28 Euro per share.

Oporto, March 3, 2017

The Board of Directors



Shaping industry

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