



RAMADA

INVESTMENTS AND INDUSTRY

Earnings' Announcement
1st Quarter 2017
(unaudited)



80 YEARS
Investing in industry

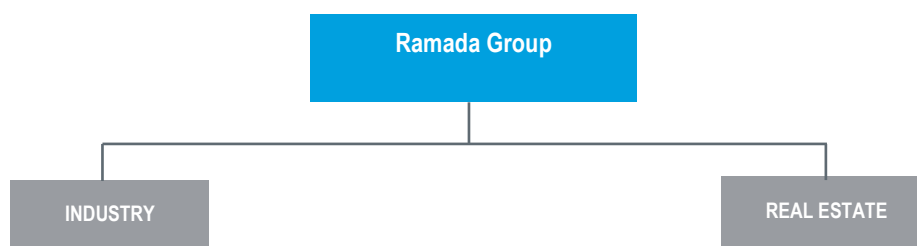
GROUP'S ACTIVITY

Ramada Investimentos S.G.P.S., S.A. is the parent company of a group of companies ("Ramada Group") which, together, operate in two business areas: i) Industry, which includes the steel activity, the Storage Systems activity (Storax – Engineered Storage Solutions) and the activity related to financial investments management (corresponding to non-controlling interests) and ii) Real Estate, focused in the management of real estate assets.

The steel activity, with a prominent position in the domestic market, is carried out by three companies: Ramada Aços, Universal Afir and Planfuro Global S.A. In 2016, the Group acquired the remaining stake in the joint venture Planfuro Global, SA, taking full control of its business by the end of the year. In the first quarter of 2017 Planfuro Global, SA was included in the consolidation of Group F. Ramada by the full consolidation method, although its impact on the Group's results has been reduced.

The activity of Storage Systems (Storax - Engineered Storage Solutions) is carried out by five companies: Ramada Storax (the largest manufacturer of storage systems in Portugal and where all manufacturing of the Group is concentrated), and by its subsidiaries in France, UK, Belgium and Spain.

The financial investment activity includes the investment in Base Holding S.G.P.S. an entity that heads a group of companies that operate in the health area, namely at the sector of complementary diagnosis and treatment facilities (MCDT's).



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.

Main indicators

	1Q 2017	1Q 2016	Var. %
Sales and services rendered	34 505	27 976	23.3%
Other income	124	253	-51.1%
Total income	34 629	28 229	22.7%
Cost of sales	(17 354)	(13 028)	33.2%
External supplies and services	(6 674)	(6 507)	2.6%
Payroll	(4 721)	(3 916)	20.6%
Other costs	(326)	(442)	-26.4%
Total costs (a)	(29 074)	(23 893)	21.7%
EBITDA (b)	5 555	4 336	28.1%
EBITDA Margin	16.0%	15.4%	
Amortisation and depreciation	(1 426)	(523)	172.8%
EBIT (c)	4 130	3 814	8.3%
EBIT Margin	11.9%	13.5%	
Gains/Losses in associated companies	496	495	
Financial costs	(365)	(516)	
Financial income	45	50	
Net profit before income tax	4 305	3 843	12.0%
Income tax	(1 114)	(1 055)	
Consolidated net profit	3 191	2 789	14.4%
Consolidated net profit attributable to shareholders of parent company	3 204	2 798	14.5%
Consolidated net profit attributable to non-controlling interests	-13	-10	

Amounts in thousands Euros

(a) Operating costs excluding amortization and depreciations, financial expenses and income tax

(b) EBITDA= Earnings before interests, income tax, depreciation and amortisation

(c) EBIT = Operating results

Total turnover of Ramada Group, during the first quarter of 2017, amounted to 34,629 thousand Euro, representing an increase of 22.7% compared to the total turnover of the homologous period in 2016.

Total costs, excluding amortization, financial expenses and taxes, amounted to 29,074 thousand Euro, representing an increase of 21.7% in relation to the same period in 2016.

EBITDA in the first quarter of 2017 reached 5,555 thousand Euro, representing an increase of 28.1% when compared to the homologous period. The EBITDA margin reached 16%, which compares to 15.4% obtained in the same period in 2016.

Group's operating results (EBIT) amounted to 4,130 thousand Euro, representing a positive variation of 8.3% comparing with 3,814 thousand Euro in the same period of 2016.

In the first quarter of 2017 the Group recorded gains related to the application of the equity method in associated companies in the amount of 496 thousand Euro, in the same level as 2016.

The negative financial costs amounted to 320 thousand Euro, representing an improvement of 31.3%, when compared with the same period in 2016.

Net profit in the first quarter of 2017, amounted to 3,191 thousand Euro, 14.4% higher than the net profit recorded in the same period in 2016.

INDUSTRY

	1Q 2017	1Q 2016	Var. %
Total Income	33 069	26 672	24.0%
Total Costs (a)	(28 797)	(23 625)	21.9%
EBITDA (b)	4 272	3 047	40.2%
EBITDA Margin	12.9%	11.4%	
EBIT (c)	2 946	2 592	13.7%
EBIT Margin	8.9%	9.7%	
Financial Results	(60)	(92)	-34.7%
Ganhos / Perdas imputados de associadas	496	495	0.1%
Net profit before income tax	3 382	2 995	12.9%

(amounts in thousands Euro)

(a) Operating costs excluding amortization and depreciations, financial expenses and income tax

(b) EBITDA= Earnings before interests, tax, depreciation and amortization

(c) EBIT = Earnings before interests and income tax

During the first quarter of 2017 the total income for the industry segment amounted to 33,069 thousand Euro, representing an increase of 24% compared to total income for the first three months of 2016.

The Steel activity presented in the 1st quarter of 2017 a higher turnover than the same period of 2016, but slightly below the targets set for this year.

The Mold manufacturers sector is experiencing a period of some slowdown in the award of new projects. This period of global political uncertainty has affected the pace of growth in the automotive sector in recent years. However, news forecast a recovery of activity in the second half of this year.

Stock levels have been under tight control as prices for some steel grades have risen significantly.

Steel activity operates, essentially, in the domestic market, which represented 94% of its sales in the 1st quarter of 2017.

In the 1st quarter of 2017, storage systems activity (Storax - Engineered Storage Solutions) had an increase in turnover compared to the same period of 2016.

The external market remains the main growth driver of this activity, representing 91% of turnover in the 1st quarter of 2017 (87% in the 1st quarter of 2016).

The Group continues to make investments to modernize and increase its production capacity in order to improve the productivity and services provided to its customers.

Industry segment's EBITDA in the first quarter of 2017 amounted to 4,272 thousand Euro, which represents an increase of 40.2% when compared with 3,047 thousand Euro achieved in the same period in 2016.

Industry segment's EBITDA margin went from 11.4% in 2016 to 12.9% in 2017.

Industry segment's EBIT in first three months of 2017 was 3,382 thousand Euro, representing an increase of 12.9% compared to 2016.

REAL ESTATE

	1Q 2017	1Q 2016	Var. %
Total income	1 560	1 558	0.1%
Total costs (a)	(276)	(269)	2.9%
EBITDA (b)	1 283	1 289	-0.5%
EBIT (c)	1 184	1 222	-3.1%
Financial Results	(260)	(374)	-30.3%
Net profit before income tax	924	848	8.9%

(amounts in thousands Euro)

(a) Operating costs excluding amortization, financial expenses and income tax

(b) EBITDA= Earnings before interests, tax, depreciation and amortization

(c) EBIT = Earnings before interests and income tax

Total income for the Real Estate segment in the first quarter of 2017 was 1,560 thousand Euro, verifying the same value in 2016.

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

Real Estate segment EBITDA in the first quarter of 2017 amounted to 1,283 thousand Euro, representing a slightly decrease in relation to the same period in 2016.

The operational results (EBIT) amounted to 1,184 thousand Euro, representing a decrease of 3.1% compared with the same period in 2016.

The financial results of the Real Estate segment in the first quarter of 2017 were negative in 260 thousand Euro, which represents an improvement of 30.3% when comparing to 374 thousand Euro negative in homologous period.

The net profit before income tax in the first quarter of 2017 was 924 thousand Euro, representing an increase of 8.9% when compared with the same period in 2016.

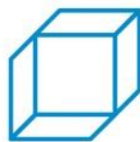
INVESTMENTS AND DEBT

F. Ramada Group investments in the first quarter of 2017 amounted to 543 thousand Euro.

The nominal net debt of the F. Ramada Group as of 31 March 2017 reached 64,880 thousand Euro. As of 31 December 2016 it was 72,973 thousand Euro.

Porto, 5 May 2017

The Board of Directors



Shaping industry

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F. RAMADA INVESTIMENTOS, SGPS, S.A.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF 31 MARCH 2017 AND 31 DECEMBER 2016

(Translation of financial statements originally issued in Portuguese - Note 16)

(Amounts expressed in Euro)

ASSETS	Notes	31.03.2017	31.12.2016
NON CURRENT ASSETS			
Investment properties	6	84 853 689	84 853 689
Tangible assets		10 741 730	11 825 073
Intangible assets		29 309	21 949
Goodwill		1 245 520	1 245 520
Investments in associates	4.2	17 318 044	16 812 392
Other investments	4.3	3 493 138	3 493 138
Deferred tax assets	7	3 675 428	3 673 642
Total non current assets		121 356 858	121 925 403
CURRENT ASSETS			
Inventories		33 116 130	21 498 481
Clients		47 894 968	49 931 173
State and other public entities		702 411	548 145
Other debtors		584 537	2 284 712
Other current assets		1 471 886	2 365 845
Cash and cash equivalents	8	19 743 207	17 220 214
Total current assets		103 513 139	93 848 570
Total assets		224 869 997	215 773 973

EQUITY AND LIABILITIES	Notes	31.03.2017	31.12.2016
EQUITY			
Share capital	9	25 641 459	25 641 459
Own shares		(1 641 053)	(1 641 053)
Legal reserve		6 231 961	6 231 961
Currency translation reserves		(923 936)	(891 241)
Other reserves		48 598 058	34 737 106
Consolidated net profit for the year		3 203 957	13 860 952
Total equity attributable to equity holders of the parent company		81 110 446	77 939 184
Non-controlling interests		129 365	142 364
Total equity		81 239 811	78 081 548
LIABILITIES			
NON CURRENT LIABILITIES			
Bank loans	10	39 987 401	43 473 155
Other loans	10	5 000 000	5 000 000
State and other public entities		311 787	311 787
Provisions	12	2 794 617	2 883 080
Deferred tax liabilities	7	29 225	31 125
Total non current liabilities		48 123 030	51 699 147
CURRENT LIABILITIES			
Bank loans	10	4 257 608	3 985 753
Other loans	10	35 378 199	37 734 033
Suppliers		23 104 190	18 133 024
State and other public entities		5 625 749	4 543 447
Other creditors		2 968 521	5 948 256
Other current liabilities	11	24 172 889	15 648 765
Total current liabilities		95 507 156	85 993 278
Total liabilities		143 630 186	137 692 425
Total equity and liabilities		224 869 997	215 773 973

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements

The Chartered Accountant

The Board of Directors

F. RAMADA INVESTIMENTOS, SGPS, S.A.

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT AND LOSS BY NATURE

FOR THE THREE MONTHS PERIOD ENDED AS 31 MARCH 2017 AND 2016

(Translation of financial statements originally issued in Portuguese - Note 16)

(Amounts expressed in Euro)

	Notes	31.03.2017	31.03.2016
Sales and services rendered		34 505 141	27 976 045
Other income		123 887	253 451
Cost of sales		(17 353 641)	(13 027 732)
External supplies and services		(6 673 684)	(6 507 159)
Payroll expenses		(4 720 646)	(3 915 896)
Amortization and depreciation		(1 425 569)	(522 656)
Provisions and impairment losses	12	5 674	(244 582)
Other expenses		(331 238)	(197 784)
Share of results of associates	4.2	495 652	495 000
Financial expenses		(364 990)	(515 556)
Financial income		44 849	50 224
Profit before income tax		4 305 435	3 843 355
Income tax		(1 114 477)	(1 054 837)
Consolidated net profit		3 190 958	2 788 518
Attributable to:			
Parent company's shareholders		3 203 957	2 798 342
Non-controlling interests		(12 999)	(9 824)
Earnings per share			
Basic	13	0.14	0.12
Diluted	13	0.14	0.12

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements

The Chartered Accountant

The Board of Directors

F. RAMADA INVESTIMENTOS, SGPS, S.A.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE MONTHS PERIOD ENDED AS 31 MARCH 2017 AND 2016

(Translation of financial statements originally issued in Portuguese - Note 16)

(Amounts expressed in Euro)

	Notes	31.03.2017	31.03.2016
Net consolidated profit for the year		3 190 958	2 788 518
Other comprehensive income			
Items not reclassified to profit or loss:		-	-
Items that may be reclassified subsequently to profit or loss:			
Fair value of derivatives		-	(16 623)
Exchange differences arising on translation of foreign operations		(32 695)	(376 606)
Other comprehensive income for the year		<u>(32 695)</u>	<u>(393 229)</u>
Total comprehensive income for the year		<u>3 158 263</u>	<u>2 395 289</u>
Attributable to:			
Parent company's shareholders		3 171 262	2 405 113
Non-controlling interests		<u>(12 999)</u>	<u>(9 824)</u>

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The Chartered Accountant

The Board of Directors

F. RAMADA INVESTIMENTOS, SGPS, S.A.

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS PERIOD ENDED AS 31 MARCH 2017 AND 2016
(Translation of financial statements originally issued in Portuguese - Note 16)
(Amounts expressed in Euro)**

Notes	Attributable to the parent company's shareholders						Total	Non-controlling interests	Total Equity	
	Share capital	Own shares	Legal reserve	Currency translation reserves	Other reserves and retained earnings	Net profit				
Balance as of 1 January 2016	9	25 641 459	(1 641 053)	5 935 519	(126 619)	28 811 105	11 032 683	69 653 094	75 740	69 728 834
Total consolidated comprehensive income for the year		-	-	-	(376 606)	(16 623)	2 798 342	2 405 113	(9 824)	2 395 289
Changes in consolidation perimeter		-	-	-	-	-	-	-	-	-
Appropriation of the consolidated net profit for 2015:										
Transfer to legal reserve and other reserves		-	-	-	-	11 032 683	(11 032 683)	-	-	-
Dividends		-	-	-	-	-	-	-	-	-
Others		-	-	-	-	-	-	-	-	-
Balance as of 31 March 2016		25 641 459	(1 641 053)	5 935 519	(503 225)	39 827 165	2 798 342	72 058 207	65 916	72 124 123
Balance as of 1 January 2017	9	25 641 459	(1 641 053)	6 231 961	(891 241)	34 737 106	13 860 952	77 939 184	142 364	78 081 548
Total consolidated comprehensive income for the year		-	-	-	(32 695)	-	3 203 957	3 171 262	(12 999)	3 158 263
Appropriation of the consolidated net profit for 2016:										
Transfer to legal reserve and other reserves		-	-	-	-	13 860 952	(13 860 952)	-	-	-
Dividends		-	-	-	-	-	-	-	-	-
Derivative financial instruments		-	-	-	-	-	-	-	-	-
Balance as of 31 March 2017		25 641 459	(1 641 053)	6 231 961	(923 936)	48 598 058	3 203 957	81 110 446	129 365	81 239 811

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements

The Chartered Accountant

The Board of Directors

F. RAMADA INVESTIMENTOS, SGPS, S.A.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS PERIOD ENDED AS 31 MARCH 2017 AND 2016
(Translation of financial statements originally issued in Portuguese - Note 16)
(Amounts expressed in Euro)

Notes	31.03.2017	31.03.2016
Operating activities:		
Collections from customers	56 223 551	41 046 630
Payments to suppliers	(36 635 894)	(26 339 431)
Payments to personnel	(3 282 330)	(2 680 933)
Income tax paid/received	(146 525)	(121 736)
Other collections/payments relating to operating activities	(3 292 136)	(2 343 569)
<i>Cash flow from operating activities (1)</i>	<u>12 866 665</u>	<u>9 560 961</u>
Investment activities:		
Collections arising from:		
Dividends	-	-
Tangible assets	114 500	-
Other assets	-	9 225
Investment properties	991 276	-
Financial investments	282	-
Interests and similar income	31 026	116 453
Payments arising from:		
Financial investments	(60 207)	(2 583)
Intangible assets	(12 054)	-
Tangible assets	(5 003 121)	(2 434 161)
Other assets	-	-
Loans granted	-	-
<i>Cash flow from investment activities (2)</i>	<u>(5 075 382)</u>	<u>(2 436 744)</u>
Financing activities:		
Collections arising from:		
Capital increases and of other shares capital's instruments	-	-
Loans obtained	1 610 140	-
Payments arising from:		
Lease contracts	-	-
Interests and similar costs	(811 686)	(718 577)
Other financing operations	-	(28 163)
Dividends	-	-
Loans obtained	(5 226 476)	(4 089 798)
<i>Cash flow from financing activities (3)</i>	<u>(4 428 022)</u>	<u>(4 836 538)</u>
Cash and cash equivalents at the beginning of the year	8	10 037 127
Effect of exchange rate changes		(23 956)
Variation of cash and cash equivalents: (1)+(2)+(3)		4 500 344
Cash and cash equivalents at the end of the period	8	14 513 515

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements

The Chartered Accountant

The Board of Directors

**NOTES TO THE CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS AS OF 31 MARCH 2017**
(TRANSLATION OF NOTES ORIGINALLY ISSUED IN PORTUGUESE – NOTE 16)
(Amounts expressed in Euro)

1. INTRODUCTORY NOTE

F. Ramada Investimentos, SGPS, S.A. ("F. Ramada" or "Company") is a Company incorporated in 1 June 2008, with its head-office located at Rua do General Norton de Matos, 68, r/c - Porto, Portugal and its shares listed in the Euronext Lisbon. Its main activity is the management of investments.

F. Ramada was created as a result of the reorganization process of Altri, SGPS, S.A. through the demerger of the business areas of steel and storage systems, namely the participation held in F. Ramada – Aços e Indústrias, S.A., which represented the voting rights of the mentioned company. The restructuring involved a simple demerger operation, as predicted in item 1.a), article 118, of the Portuguese Companies Act ("Código das Sociedades Comerciais").

Following this process, the assets corresponding to the shareholdings of the business units of steel and storage systems, including all the resources (such as human resources, assets and liabilities) related to that business unit were transferred from Altri, SGPS, S.A. to F. Ramada.

Currently, F. Ramada is the parent company of a group of companies listed in Note 4 (designated as F. Ramada Group), and through these financial holdings structure, focuses its operations in (i) steel trade, (ii) storage systems sales, sector in which the Group already presents a significant international presence, and (iii) real estate.

As of March 31, 2017 and December 31, 2016, the Group developed its activity in Portugal, France, United Kingdom, Belgium and Spain.

The consolidated financial statements of F. Ramada Group are presented in Euro (rounded to units), which is the currency used by the Group in its operations and, therefore, is considered to be its functional currency. The operations of the foreign companies whose functional currency is different from Euro are included in the consolidated financial statements in accordance with the policy set out in Note 2.

2. MAIN ACCOUNTING POLICIES AND BASIS OF PRESENTATION

The consolidated financial statements as of 31 March 2017 were prepared in accordance with the accounting policies defined by the International Financial Reporting Standards and in accordance with IAS 34 – Interim Financial Reporting, and include the statement of financial position, the income statement, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows, as well as selected notes to the financial statements.

The accounting policies adopted in the preparation of the consolidated financial statements of F. Ramada are consistent with the accounting policies used in the preparation of the financial statements presented for the year ended as of 31 December 2016.

3. CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF ERRORS

During the reporting period, there were no changes in the accounting policies and no material mistakes related with previous periods were identified.

**NOTES TO THE CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS AS OF 31 MARCH 2017**
(TRANSLATION OF NOTES ORIGINALLY ISSUED IN PORTUGUESE – NOTE 16)
(Amounts expressed in Euro)

4. SUBSIDIARY COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS, INVESTMENTS IN ASSOCIATES AND OTHERS INVESTMENTS

4.1 Companies included in the consolidated financial statements

The companies included in the consolidated financial statements by the full consolidation method, its headquarters, percentage of participation held and main activity as of March 31, 2017, and December 31, 2016, are as follows:

Designation	Headquarters	Percentage of participation held		Activity
		31.03.2017	31.12.2016	
Parent company:				
F. Ramada Investimentos, SGPS, S.A.	Porto	-	-	Holding
F. Ramada Group:				
Ramada Aços, S.A.	Ovar	100%	100%	Steel comercialization
Universal Afir, S.A.	Ovar	100%	100%	Steel comercialization
Planfuro Global, S.A.	Leiria	100%	100%	Manufacture of metal molds
Ramada Storax, S.A.	Ovar	100%	100%	Production and comercialization of storage systems
F. Ramada II, Imobiliária, S.A.	Ovar	100%	100%	Real estate
Storax, S.A.	France	100%	100%	Comercialization of storage systems
Storax, Ltd.	United Kingdom	100%	100%	Comercialization of storage systems
Storax Benelux, S.A.	Belgium	100%	100%	Comercialization of storage systems
Storax España S.L.	Spain	60%	60%	Comercialization of storage systems

All the above companies were included in the consolidated financial statements of F. Ramada Group in accordance with the full consolidation method.

4.2 Investment in associates and joint venture

As of March 31, 2017, the caption “Investments in associates and joint ventures” includes, essentially, the shares of Base Holding SGPS, S.A. owned by F. Ramada Investimentos, SGPS, S.A.. This entity has its head office in Oporto and heads a group of companies which operate in the healthcare sector, namely, complementary means of diagnosis and treatment.

The use of the equity method in the year ended as March 31, 2017 was made based on preliminary and not audited consolidated financial statements of the above companies. The effect on the net profit of the year was recorded on the caption “Share of results of associates and joint ventures” by the amount of 495,652 Euro (2,028,057 Euro in December 31, 2016). As of March 31, 2017 the investment in the mentioned associate amounted to 17,258,046 Euros (16,762,394 Euros in December 31, 2016). The Board of Directors believes that there will not be relevant and material differences between the financial statements used to apply the equity method and the final and consolidated financial statements.

The relation between the shareholders of Base Holding, SGPS, SA is governed by a shareholder agreement which contains tag along and drag along clauses, the latter exercisable from July 2017. Thus, from that date on, any shareholder wishing to transmit to a third party the totality of his Base Holding’s shares may, if he wishes, oblige the remaining shareholders to sell all their Base Holding’s shares under similar conditions and together with his shares.

This caption also includes the investment in Expeliarmus - Consultoria, S.A. (created in 2015 and held by 49%) by an amount equal to 59,998 Euro (49,998 Euros in December 31, 2016).

The assessment on the existence, or not, of impairment on the investments in associates and joint ventures are based, among others, in financial KPI’s, operating performance and the return to the shareholders, namely, its capacity to distribute dividends.

4.3 Other investments

As of March 31, 2017 and December 31, 2016, the caption “Other investments” and respective impairment losses can be detailed as follows:

**NOTES TO THE CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS AS OF 31 MARCH 2017**
(TRANSLATION OF NOTES ORIGINALLY ISSUED IN PORTUGUESE – NOTE 16)
(Amounts expressed in Euro)

	<u>31.03.2017</u>	<u>31.12.2016</u>
Investments	7,713,531	7,713,531
Impairment losses (note 12)	(4,220,393)	(4,220,393)
	<u>3,493,138</u>	<u>3,493,138</u>

As of March 31, 2017 it did not occur any changes in the caption “Other investments”. The caption includes an investment on Base M – Investimentos e Serviços, S.A., CEV – Consumo em Verde, Biotecnologia das Plantas, S.A. and Sociedade Converde Unipessoal, Lda.. The loans granted to these companies are also included in this caption.

As of March 31, 2017 and December 31, 2016 these investments correspond to investments in non-public companies in which the Group has no significant influence. Their acquisition cost corresponds to a reliable approximation to their fair value, adjusted by the impairment losses.

The assessment on the existence, or not, of impairment on the investments in associates and joint ventures are based, among others, in financial KPI's, operating performance and the return to the shareholders, namely, its capacity to distribute dividends.

5. CHANGES IN THE CONSOLIDATION PERIMETER

During the three months' period ended as of 31 March 2017 there were no changes in the Group's consolidation perimeter.

6. INVESTMENT PROPERTIES

Investment properties held by F. Ramada Group relate to lands rented to third parties (Altri Group) under operational lease, through contracts signed in 2007 and 2008 with an average duration of 20 years, and with the possibility of an additional period of 6 years if certain events occur. Investment properties are measured at acquisition cost. The movement occurred in this caption during the three months' period ended as of 31 March 2017 and the year ended 31 December 2016 is as follows:

	<u>31.03.2017</u>	<u>31.12.2016</u>
Opening balance (gross)	<u>85,953,689</u>	<u>85,963,976</u>
Acquisitions	-	68,040
Disposals	-	(78,327)
Closing balance (gross)	<u>85,953,689</u>	<u>85,953,689</u>
Impairment losses (note 12)	(1,100,000)	(1,100,000)
Closing balance (net)	<u>84,853,689</u>	<u>84,853,689</u>

The leased land generated, during the three months' period ended as of March 31, 2017, income amounting, to approximately, 1,545,750 Euro (approximately 6,311,140 Euro in the year 2016).

The minimum future receipts for leases of forest land amount, to approximately, 6.4 million Euros in each of the following 5 years. After this period and until the end of the contracts, the minimum future receipts total, approximately, 43 million Euros. The rents provided for in each lease are updated at the end of each 2-years' period, starting from the beginning of the civil year immediately following the signature of the contract, based on the consumer price index.

Given the land characteristics (land leased to third parties for forestry activity), frequent market transactions comparable for this type of assets do not occur. Accordingly, the Board of Directors considers that it is not possible to reliably estimate the fair value of the land, and, as such, it is recorded at acquisition cost. However, it is the Board of

**NOTES TO THE CONDENSED CONSOLIDATED
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Directors believe that, given the amount of rents collected annually, the market value of these assets will not be significantly different from its book value.

Part of the land (amounting to, approximately, 74 million Euros) is given as collateral for certain borrowings.

7. DEFERRED INCOME TAXES

In accordance with current legislation, the tax returns are subject to review and correction by the tax authorities over a period of four years (five years for Social Security), except when tax losses have occurred, tax benefits have been granted, or inspections, complaints or disputes are on-going. In these cases, depending on the circumstances, the above referred period deadlines can be extended or suspended. Therefore, the tax returns of F. Ramada and its subsidiaries for the years 2013 to 2016 may still be subject to review.

The Board of Directors of F. Ramada believes that any potential corrections arising from reviews/inspections of these tax returns by the tax authorities will not have a significant effect on the consolidated financial statements as of March 31, 2017.

The movement occurred in deferred tax assets and liabilities in the three months' periods ended as of March 31, 2017 and 2016, was as follows:

	31.03.2017	
	Deferred tax assets	Deferred tax liabilities
Balance as of January 1, 2017	3,673,642	31,125
Effects on income statement		
Others	1,786	1,900
Balance as of March 31, 2017	3,675,428	29,225
	31.03.2016	
	Deferred tax assets	Deferred tax liabilities
Balance as of January 1, 2016	1,728,886	35,081
Effects on income statement		
Others	36,726	-
Balance as of March 31, 2016	1,765,612	35,081

8. CASH AND CASH EQUIVALENTS

As of March 31, 2017 and December 31, 2016 the caption "Cash and cash equivalents" included in the consolidated statement of financial position can be detailed as follows:

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	31.03.2017	31.12.2016
Cash	20,337	14,730
Bank deposits	19,722,870	17,205,484
	19,743,207	17,220,214
Bank overdrafts (note 10)	(5,229,692)	(7,183,087)
Cash and equivalents	14,513,515	10,037,127

9. SHARE CAPITAL

As of March 31, 2017, F. Ramada's fully subscribed and paid up capital consisted of 25,641,459 shares with a nominal value of 1 Euro each. As of the same date, F. Ramada Investimentos, SGPS, S.A. held 2,564,145 own shares, corresponding to 9.999996% of the share capital of the Company, acquired by 1,641,053 Euros.

On April 26, 2017, the Board of Directors unanimously resolved to distribute gross dividends of 0.28 Euros per share.

10. BANK LOANS AND OTHER LOANS

As of March 31, 2017 and December 31, 2016, the captions "Bank loans" and "Other loans" can be detailed as follows:

	31.03.2017		31.12.2016	
	Current	Non current	Current	Non current
	4,257,608	39,987,401	3,985,753	43,473,155
Bank loans	4,257,608	39,987,401	3,985,753	43,473,155
Commercial paper	22,000,000	5,000,000	22,250,000	5,000,000
Other bank loans	7,051,005	-	6,650,005	-
Bank overdrafts	5,229,692	-	7,183,087	-
Factoring	1,097,502	-	1,650,941	-
Other loans	35,378,199	5,000,000	37,734,033	5,000,000
	39,635,807	44,987,401	41,719,786	48,473,155

It is the Board of Directors understanding that the loans' book value does not differ significantly from its fair value.

10.1 Bank Loans:

The nominal amount of bank loans as of March 31, 2017, will be reimbursed as follows:

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31.03.2017			31.12.2016		
Reimbursement year	Amount	Estimated interests	Reimbursement year	Amount	Estimated interests
Current			Current		
2017	500,000	197,000	2017	41,719,786	757,000
2018	39,135,807	513,000	2017	41,719,786	757,000
	<u>39,635,807</u>	<u>710,000</u>		<u>41,719,786</u>	<u>757,000</u>
Non current			Non current		
2018	2,500,000	237,000	2018	5,985,755	687,000
2019	6,000,000	603,000	2019	6,000,000	603,000
2020	5,000,000	517,000	2020	5,000,000	517,000
2021	4,000,000	449,000	2021	4,000,000	449,000
2022	4,000,000	388,000	2022	4,000,000	388,000
2023	4,000,000	326,000	2023	4,000,000	326,000
2024	3,987,401	265,000	2024	3,987,400	265,000
2025	3,500,000	210,000	2025	3,500,000	210,000
2026	3,500,000	156,000	2026	3,500,000	156,000
2027	3,500,000	101,000	2027	3,500,000	101,000
2028	5,000,000	19,000	2028	5,000,000	19,000
	<u>44,987,401</u>	<u>3,271,000</u>		<u>48,473,155</u>	<u>3,721,000</u>
	<u>84,623,208</u>	<u>3,981,000</u>		<u>90,192,941</u>	<u>4,478,000</u>

As of March 31, 2017, and December 31, 2016, the credit facilities used by the Group and the corresponding maximum amounts allowed were as follows:

Nature	March 31, 2017		December 31, 2016	
	Authorized amount	Used amount	Authorized amount	Used amount
Other bank loans	<u>21,200,000</u>	<u>7,051,005</u>	<u>21,200,000</u>	<u>6,650,005</u>
Bank overdrafts	<u>15,000,000</u>	<u>5,229,692</u>	<u>15,000,000</u>	<u>7,183,087</u>
Commercial paper program				
12/2017	5,000,000	4,750,000	5,000,000	5,000,000
07/2018	1,750,000	1,750,000	1,750,000	1,750,000
08/2019	5,000,000	5,000,000	5,000,000	5,000,000
07/2019	7,500,000	4,000,000	7,500,000	4,000,000
07/2020	3,000,000	2,500,000	3,000,000	2,500,000
06/2020	5,000,000	5,000,000	5,000,000	5,000,000
07/2020	4,000,000	4,000,000	4,000,000	4,000,000
11/2020	3,000,000	-	3,000,000	-
	<u>34,250,000</u>	<u>27,000,000</u>	<u>34,250,000</u>	<u>27,250,000</u>

During the three months' period ended as of March 31, 2017, these loans bear interest at normal market rates depending on the nature and term of the credit obtained.

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During the three months' period ended as of March 31, 2017, and the year ended as of December 31, 2016, the Group did not enter any loan default.

Additionally, as of March 31, 2017, there are no covenants associated with the loans obtained.

11. OTHER CURRENT LIABILITIES

As of March 31, 2017, and December 31, 2016, the caption "Other current liabilities" can be detailed as follows:

	31.03.2017	31.12.2016
Accrued expenses		
Accrued payroll	4,757,338	4,450,848
Interests payable	329,701	779,491
Other	2,794,157	2,101,239
Deferred income	16,291,692	8,317,187
	24,172,889	15,648,765

The caption "Deferred income" mainly includes anticipated invoicing regarding storage systems sales.

12. PROVISIONS AND IMPAIRMENT LOSSES

The movements that occurred in provisions and impairment losses for the three months' period ended as of March 31, 2017, can be detailed as follows:

	Provisions	Impairment losses in current assets	Impairment losses in investments <small>(note 4.3)</small>	Impairment losses in inventory	Impairment losses in investments properties <small>(note 6)</small>	Total
Opening balance 01.01.2017	2 883 080	14 256 157	4 220 393	1 428 048	1 100 000	23 887 678
Exchange rate variation	(74)	(347)	-	(783)	-	(1 204)
Increases	11 611	80 974	-	1 741	-	94 326
Reversals	(100 000)	-	-	-	-	(100 000)
Utilizations	-	-	-	-	-	-
Closing balance 31.03.2017	2 794 617	14 336 784	4 220 393	1 429 006	1 100 000	23 880 800

The increases and reversals recorded in provisions and impairment losses for the three months' period ended as of 31 March 2017 were recorded in the profit and loss statement caption "Provisions and impairment losses".

The amount recorded in the caption "Provisions" as of March 31, 2017 relates to the Board of Directors best estimate to cover possible losses arising from works carried out in the area of storage solutions. In this regard, and in view of the increasing complexity of the projects in question, their size, and the fact that a large part of them relate to external markets, the Board of Directors decide to reinforce the provisions in the year ended December 31, 2016.

The Board of Directors believes that, based on the opinion of their legal advisors, as of March 31, 2017 there are no assets or liabilities associated with probable or possible tax contingencies that should be reported in the financial statements as of 31 March 2017.

13. EARNINGS PER SHARE

Earnings per share for the three months' period ended as of 31 March 2017 and 2016 were determined taking into consideration the following amounts:

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	31.03.2017	31.03.2016
Net profit considered for the computation of basic and diluted earnings per share	3,203,957	2,788,517
Number of shares	25,641,459	25,641,459
Number of own shares	2,564,145	2,564,145
Weighted average number of shares used to compute the basic and diluted earnings per share	23,077,314	23,077,314
Earnings per share		
Basic	0.14	0.12
Diluted	0.14	0.12

There are no situations in the Group that might represent a reduction on earnings per share, arising from stock options, warrants, convertible bonds or other rights embedded in ordinary shares.

14. RELATED PARTIES

The main balances with related parties as of March 31, 2017 and 2016 are relate to Altri Group and may be detailed as follows:

	Rents	
	31.03.2017	31.03.2016
Altri Group	1,545,750	1,545,750
	1,545,750	1,545,750

Apart from the companies included in the consolidation (Note 4), the companies considered to be related parties as of March 31, 2017, are the following:

- Actium Capital, SGPS, S.A.
- Caderno Azul, SGPS, S.A.
- Livrefluxo, SGPS, S.A.
- Promendo, SGPS, S.A.
- 1 Thing Investments SGPS, S.A.
- Base Holding SGPS, S.A.
- Expeliarmus-Consultoria, SA
- Socitrel — Sociedade Industrial de Trefilaria, S.A.
- AdCom Media Anúncios e Publicidade, S.A.
- Alteria, SGPS, S.A.
- Altri Florestal, S.A.
- Altri Abastecimento de Madeira, S.A.
- Altri Sales, S.A.
- Altri, Participaciones Y Trading, S.L.
- Altri, SGPS, S.A.

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- Base M - Investimentos e Serviços S.A.
- Caima Energia – Empresa de Gestão e Exploração de Energia, S.A.
- Caima Indústria de Celulose, S.A.
- Captaraiz Unipessoal, Lda.
- Celtejo – Empresa de Celulose do Tejo, S.A.
- Celulose da Beira Industrial (Celbi), S.A.
- Cofihold, SGPS, S.A.
- Cofina Media, S.A.
- Cofina, SGPS, S.A.
- Destak Brasil – Empreendimentos e Participações, S.A.
- Destak Brasil Editora S.A.
- Elege Valor, SGPS, S.A.
- Grafedisport – Impressão e Artes Gráficas, S.A.
- Inflora – Sociedade de Investimentos Florestais, S.A.
- Mercados Globais – Publicação de Conteúdos, Lda.
- Pedro Frutícola, Sociedade Frutícola, S.A.
- Préstimo – Prestígio Imobiliário, S.A.
- Sociedade Imobiliária Porto Seguro – Investimentos Imobiliários, S.A.
- Valor Autêntico, SGPS, S.A.
- VASP – Sociedade de Transportes e Distribuições, Lda.
- Viveiros do Furadouro Unipessoal, Lda.

15. SEGMENT INFORMATION

In accordance with the origin and nature of the income generated by the Group, the main segments identified are as follows:

- Industry – includes the commercialization of steel and storage systems, as well as support services (being the latest a residual activity);
- Real estate – includes the assets and activities related to the Group's real estate development.

This segments were identified considering the business units which develop activities whose income and cost may be distinguished, and for which it is produced separate financial information and its operating results are reviewed and taken decisions by the management.

The segregation of activities by segments as of March 31, 2017 and 2016 is made up as follows:

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	March 31, 2017			
	Industry	Real Estate	Intra-group eliminations	Total
Total assets	143 056 856	90 290 904	(8 477 763)	224 869 997
Total liabilities	85 030 922	67 077 030	(8 477 763)	143 630 189
Operating investments (a)	543 172	-	-	543 172
Profit from foreign market customers	33 069 230	1 559 798	-	34 629 028
Profit from operations with other segments	10 956	342 999	(353 955)	-
Cash-flow from operating activities (b)	3 940 094	1 615 399	-	5 555 493
Amortizations	(1 325 975)	(99 594)	-	(1 425 569)
Earnings before interest and taxes (c)	2 614 119	1 515 805	-	4 129 924
Financial profits	81 835	-	(36 986)	44 849
Financial costs	(141 781)	(260 195)	36 986	(364 990)
Share of results of joint ventures and associated companies	495 652	-	-	495 652
Earnings before taxes	3 049 825	1 255 610	-	4 305 435
Income taxes	(769 184)	(345 293)	-	(1 114 477)
Net profit	2 280 641	910 317	-	3 190 958

(a) - Investments in non-current assets, except financial instruments, deferred tax assets and financial investments

(b) - Operating results + amortizations

(c) - Earnings before interest and taxes excluding Group operations

	March 31, 2016			
	Industry	Real Estate	Intra-group eliminations	Total
Total assets	114 339 989	90 604 542	(7 884 676)	197 059 855
Total liabilities	61 568 133	71 252 275	(7 884 676)	124 935 732
Operating investments (a)	162 511	178 905	-	341 416
Profit from foreign market customers	26 671 592	1 557 904	-	28 229 496
Profit from operations with other segments	10 956	341 163	(352 119)	-
Cash-flow from operating activities (b)	3 046 962	1 289 381	-	4 336 343
Amortizations	(454 814)	(67 842)	-	(522 656)
Earnings before interest and taxes (c)	2 592 148	1 221 539	-	3 813 687
Financial profits	113 177	-	(62 953)	50 224
Financial costs	(204 965)	(373 544)	62 953	(515 556)
Share of results of joint ventures and associated companies	495 000	-	-	495 000
Earnings before taxes	2 995 360	847 995	-	3 843 355
Income taxes	(714 331)	(340 506)	-	(1 054 837)
Net profit	2 281 029	507 489	-	2 788 518

(a) - Investments in non-current assets, except financial instruments, deferred tax assets and financial investments

(b) - Operating results + amortizations

(c) - Earnings before interest and taxes excluding Group operations

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16. FINANCIAL STATEMENTS TRANSLATION

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

17. FINANCIAL STATEMENTS APPROVAL

The financial statements were approved by the Board of Directors and authorized for issuance in May 5, 2017.

The Chartered Accountant

The Board of Directors

João Manuel Matos Borges de Oliveira – Chairman

Paulo Jorge dos Santos Fernandes

Domingos José Vieira de Matos

Pedro Miguel Matos Borges de Oliveira

Ana Rebelo de Carvalho Menéres de Mendonça