



RAMADA

INVESTIMENTOS E INDÚSTRIA

Earnings Announcement

3rd Quarter 2017

(unaudited)

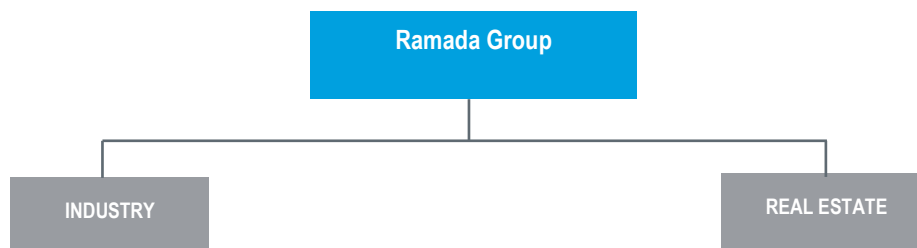
This document is a translation of a document originally issued in Portuguese, prepared using accounting policies consistent with the International Financial Reporting Standards and with accordance with the International Accounting Standard 34 – Interim Financial Reporting, some of which may not conform or be required by generally accepted accounting principles in other countries. In the event of discrepancies, the Portuguese language version prevails.

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..

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, United Kingdom, Belgium and Spain.



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.

PROFIT AND LOSS STATEMENT

	9M 2017	9M 2016	Var. %
Sales and services rendered	111,003	95,969	15.7%
Other income	842	812	3.7%
Total income	111,845	96,781	15.6%
Cost of sales	(58,197)	(50,827)	14.5%
External supplies and services	(21,368)	(17,730)	20.5%
Payroll	(13,691)	(11,272)	21.5%
Other costs	(733)	(1,037)	-29.3%
Total costs (a)	(93,988)	(80,865)	16.2%
EBITDA (b)	17,857	15,916	12.2%
EBITDA margin	16.0%	16.4%	
Amortization and depreciation	(3,979)	(3,593)	10.7%
EBIT (c)	13,879	12,323	12.6%
EBIT margin	12.4%	12.7%	
Results related with investments	42,249	1,768	
Financial costs	(1 501)	(1 610)	
Financial income	144	148	
Net profit before income tax	54,771	12,629	333.7%
Income tax	(3,390)	(3,418)	
Consolidated net profit	51,380	9,211	457.8%
Consolidated net profit attributable to shareholders of parent company	51,314	9,185	458.7%
Consolidated net profit attributable to non-controlling interests	66	27	

(amounts in thousands of Euros)

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

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

(c) EBIT = Operating results

Total income of Ramada Group, during the first nine months of 2017, amounted to 111,845 thousand Euro, representing an increase of 15.6% compared to the total income of the homologous period of 2016.

Total costs, excluding amortization, financial expenses and taxes, amounted to 93,988 thousand Euro, representing an increase of 16.2% in relation to the same period of 2016.

EBITDA in the first nine months of 2017 reached 17,857 thousand Euro, representing an increase of 12.2% when compared with the homologous period. EBITDA margin reached 16.0%, which compares to 16.4% obtained in the same period in 2016.

Group's operating results (EBIT) amounted to 13,879 thousand Euro, representing a positive variation of 12.6% comparing with 12,323 thousand Euro in the same period of 2016.

In the period ended September 30, 2017, the group accomplished the sale of the total participation held in Base group after the non-opposition decision by the Autoridade de Concorrência was known, as notified to the Securities Market Regulator (Comissão do Mercado de Valores Mobiliários) on September 19, 2017.

The income statement caption "Results related with investments" includes the capital gain generated with this transactions as well as the effect of the equity method for the period.

Net financial costs amounted to 1,357 thousand Euro, representing an improvement of 7.2%, when compared with the same period of 2016.

INDUSTRY

	9M 2017	9M 2016	Var. %
Total income	107,155	92,081	16.4%
Total costs (a)	(93,142)	(80,050)	16.4%
EBITDA (b)	14,012	12,031	16.5%
EBITDA margin	13.1%	13.1%	
EBIT (c)	10,316	8,630	19.5%
EBIT margin	9.6%	9.4%	
Financial results	(553)	(323)	71.4%
Results related with investments	42,249	1,768	2289.6%
Net profit before income tax	52,011	10,076	416.2%

(amounts in thousands of Euros)

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

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

(c) EBIT = Operating results

During the first nine months of 2017, the total income for the Industry segment amounted to 107,155 thousand Euro, representing an increase of 16.4% compared to total income for the same period of 2016.

In the first nine months of 2017, special steels' activity showed a significant increase compared to the homologous period.

Steel activity operates, essentially, in the domestic market, which in the first nine months of 2017 accounted for 94% of its sales. It is important to mention that the foreign market had a growth of 23.7% over the same period, with increases in sales to the United Kingdom, France, Germany and Brazil.

In the first nine months of 2017, storage systems activity (Storax - Engineered Storage Solutions) had a significant increase in turnover compared to the same period of 2016.

Sales to foreign markets represented 89% of total turnover. Europe remains the main destination of this activity, however, sales to the USA, South Africa, Algeria, Morocco and Tunisia already represent a significant part of total exports.

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 nine months of 2017 amounted to 14,012 thousand Euro, which represents an increase of 16.5% when compared with 12,031 thousand Euro achieved in the same period in 2016.

Industry segment's EBITDA margin achieved 13.1% in the first nine months of 2017 similar to the EBITDA margin in the same period of 2016.

Operating income (EBIT) in the amount of 10,316 thousand Euros, registered a growth of 19.5% compared to the 8,630 thousand Euros in 2016.

REAL ESTATE

	9M 2017	9M 2016	Var. %
Total income	4,691	4,700	-0.2%
Total costs (a)	(846)	(815)	3.7%
EBITDA (b)	3,845	3,885	-1.0%
EBIT (c)	3,563	3,692	-3.5%
Financial results	(804)	(1,139)	-29.4%
Net profit before income tax	2,759	2,554	8.1%

(amounts in thousand of Euros)

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

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

(c) EBIT = Operating results

Total income for the Real Estate segment in the first nine months of 2017 was 4,691 thousand Euro, representing a slight decrease when compared to the same period of 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's EBITDA in the first nine months of 2017 amounted to 3,845 thousand Euro, representing a decrease of 1% compared with the same period of 2016.

Operational results (EBIT) amounted to 3,563 thousand Euro, representing a decrease of 3.5% compared with the same period of 2016.

Financial results of the Real Estate segment in the first nine months of 2017 were negative in 804 thousand Euro, which represents an improvement of 29.4% when comparing to 1,139 thousand Euro negative in homologous period.

The net profit before income tax for the Real Estate segment in the first nine months of 2017 amounted to 2,759 thousand Euros, 8.1% more than in the same period of 2016.

OWN SHARES

On July 25, 2017, the Group sold the own shares it held allowing an improvement of 18 million Euros in consolidated total equity.

INVESTMENTS AND DEBT

Ramada Group investments in the first nine months of 2017 amounted to 3,507 thousand Euro.

The nominal net debt of the Ramada Group as of 30 September, 2017 reached 58,770 thousand Euro. As of 31 December, 2016 it was 72,973 thousand Euro.

The net debt evolution was positively affected by the cash-in obtained with the sale of own shares and penalized by the growth of working capital needs, situation the should be reversed in the last quarter of 2017.

Porto, November 3, 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 30 SEPTEMBER 2017 AND 31 DECEMBER 2016

(Translation of financial statements originally issued in Portuguese - Note 15)

(Amounts expressed in Euro)

ASSETS	Notes	30.09.2017	31.12.2016
NON CURRENT ASSETS			
Investment properties	5	84,853,689	84,853,689
Tangible assets		10,934,131	11,825,073
Intangible assets		40,135	21,949
Goodwill		1,245,520	1,245,520
Investments in associates	4.2	59,998	16,812,392
Other investments	4.3	-	3,493,138
Deferred tax assets	6	3,679,002	3,673,642
Total non current assets		100,812,475	121,925,403
CURRENT ASSETS			
Inventories		35,966,780	21,498,481
Clients		58,874,413	49,931,173
State and other public entities		1,350,048	548,145
Other debtors		64,460,567	2,284,712
Other current assets		621,724	2,365,845
Cash and cash equivalents	7	29,170,709	17,220,214
Total current assets		190,444,241	93,848,570
Total assets		291,256,716	215,773,973

EQUITY AND LIABILITIES	Notes	30.09.2017	31.12.2016
EQUITY			
Share capital	8	25,641,459	25,641,459
Own shares		-	(1,641,053)
Legal reserve		6,460,878	6,231,961
Currency translation reserves		(1,037,658)	(891,241)
Other reserves		58,292,379	34,737,106
Consolidated net profit for the period		51,314,031	13,860,952
Total equity attributable to equity holders of the parent company	8	140,671,089	77,939,184
Non-controlling interests		208,693	142,364
Total equity		140,879,782	78,081,548
LIABILITIES			
NON CURRENT LIABILITIES			
Bank loans	9	39,487,401	43,473,155
Other loans	9	4,000,000	5,000,000
State and other public entities		311,787	311,787
Provisions	11	2,817,586	2,883,080
Deferred tax liabilities	6	29,225	31,125
Total non current liabilities		46,645,999	51,699,147
CURRENT LIABILITIES			
Bank loans	9	3,986,753	3,985,753
Other loans	9	40,466,855	37,734,033
Suppliers		18,284,706	18,133,024
State and other public entities		7,225,752	4,543,447
Other creditors		3,207,508	5,948,256
Other current liabilities	10	30,559,361	15,648,765
Total current liabilities		103,730,935	85,993,278
Total liabilities		150,376,934	137,692,425
Total equity and liabilities		291,256,716	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 NINE MONTHS AND THREE MONTHS PERIODS ENDED AS 30 SEPTEMBER 2017 AND 2016**
(Translation of financial statements originally issued in Portuguese - Note 15)

(Amounts expressed in Euro)

	Notes	Nine months period ended as:		Three months period ended as:	
		30.09.2017	30.09.2016	30.09.2017	30.09.2016
Sales and services rendered		111,003,290	95,969,263	41,694,753	33,744,475
Other income		842,029	811,730	483,949	225,708
Cost of sales		(58,197,112)	(50,827,240)	(23,641,936)	(19,035,849)
External supplies and services		(21,367,550)	(17,729,651)	(7,505,784)	(5,849,756)
Payroll expenses		(13,690,575)	(11,271,835)	(4,168,197)	(3,400,067)
Amortisation and depreciation		(3,978,857)	(3,592,929)	(1,192,634)	(1,202,448)
Provisions and impairment losses	11	220,198	(455,283)	(338,266)	(100,569)
Other expenses		(952,805)	(581,231)	(273,435)	(205,138)
Income on expense relating to investments	4.2 and 4.3	42,248,672	1,768,057	41,257,368	883,057
Financial expenses		(1,500,907)	(1,609,688)	(735,634)	(489,424)
Financial income		144,181	148,272	53,466	49,178
	Profit before income tax	54,770,564	12,629,465	45,633,650	4,619,167
Income tax		(3,390,204)	(3,418,426)	(1,323,822)	(1,173,957)
	Consolidated net profit	51,380,360	9,211,039	44,309,828	3,445,210
Attributable to:					
Parent company's shareholders		51,314,031	9,184,511	44,253,026	3,435,030
Non-controlling interests		66,329	26,528	56,802	10,180
Earnings per share					
Basic	12	2.16	0.40	1.77	0.15
Diluted	12	2.16	0.40	1.77	0.15

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 NINE MONTHS AND THREE MONTHS PERIODS ENDED AS 30 SEPTEMBER 2017 AND 2016
 (Translation of financial statements originally issued in Portuguese - Note 15)

(Amounts expressed in Euro)

	Notes	Nine months period ended as:		Three months period ended as:	
		30.09.2017	30.09.2016	30.09.2017	30.09.2016
Net consolidated profit for the period		51,380,360	9,211,039	44,309,828	3,445,210
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss:					
Fair value of derivatives		-	(50,996)	-	(14,535)
Exchange differences arising on translation of foreign operations		(146,417)	(762,024)	(12,914)	(182,492)
Other comprehensive income for the period		<u>(146,417)</u>	<u>(813,020)</u>	<u>(12,914)</u>	<u>(197,027)</u>
Total comprehensive income for the period		<u>51,233,943</u>	<u>8,398,019</u>	<u>44,296,914</u>	<u>3,248,183</u>
Attributable to:					
Parent company's shareholders		51,167,614	8,371,491	44,240,112	3,238,003
Non-controlling interests		<u>66,329</u>	<u>26,528</u>	<u>56,802</u>	<u>10,180</u>

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 FINANCIAL STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS PERIOD ENDED AS 30 SEPTEMBER 2017 AND 2016
(Translation of financial statements originally issued in Portuguese - Note 15)
(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	Net profit				
Balance as of 1 January 2016	8	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 period		-	-	-	(762,024)	(50,996)	9,184,511	8,371,491	26,528	8,398,019
Appropriation of the consolidated net profit for 2015:										
Transfer to legal reserve and other reserves		-	-	439,989	-	10,592,694	(11,032,683)	-	-	-
Dividends		-	-	-	-	(4,846,236)	-	(4,846,236)	-	(4,846,236)
Balance as of 30 September 2016		25,641,459	(1,641,053)	6,375,508	(888,643)	34,506,567	9,184,511	73,178,349	102,268	73,280,617
Balance as of 1 January 2017	8	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 period		-	-	-	(146,417)	-	51,314,031	51,167,614	66,329	51,233,943
Appropriation of the consolidated net profit for 2016:										
Transfer to legal reserve and other reserves		-	-	228,917	-	13,632,035	(13,860,952)	-	-	-
Dividends		-	-	-	-	(6,461,648)	-	(6,461,648)	-	(6,461,648)
Disposal of Own Shares	8	-	1,641,053	-	-	16,384,886	-	18,025,939	-	18,025,939
Balance as of 30 September 2017		25,641,459	-	6,460,878	(1,037,658)	58,292,379	51,314,031	140,671,089	208,693	140,879,782

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 NINE MONTHS AND THREE MONTHS PERIODS ENDED AS 30 SEPTEMBER 2017 AND 2016
(Translation of financial statements originally issued in Portuguese - Note 15)
(Amounts expressed in Euro)

	Notes	Nine months period ended as:				Three months period ended as:	
		30.09.2017	30.09.2016	30.09.2017	30.09.2016	30.09.2017	30.09.2016
Operating activities:							
Collections from customers		152,107,894	114,832,900	47,893,533	41,119,958		
Payments to suppliers		(119,613,600)	(85,942,305)	(46,800,275)	(32,988,695)		
Payments to personnel		(9,670,038)	(7,894,182)	20,996,413	(2,107,844)	5,482,198	
Income tax paid/received		(1,717,404)	(2,534,709)	(1,048,940)	(1,660,399)		
Other collections/payments relating to operating activities		(9,095,832)	(7,670,210)	(10,204,919)	(3,016,350)	(4,676,749)	
<i>Cash flow from operating activities (1)</i>		<u>12,011,120</u>	<u>10,791,494</u>	<u>(6,233,470)</u>	<u>805,449</u>		
Investment activities:							
Collections arising from:							
Dividends		-	493,110	-	493,057		
Tangible assets		292,811	49,619	30,415	-		
Other assets		-	1,877	-	-		
Investment properties		-	-	-	-		
Investment grants		991,276	-	-	-		
Financial investments		282	-	-	-		
Interests and similar income		126,633	1,411,002	47,408	77,823	44,319	537,376
Payments arising from:							
Financial investments		(600,634)	(2,020,130)	(122,622)	(873,761)		
Intangible assets		(27,465)	(3,936)	(11,248)	16,100		
Tangible assets		(8,235,664)	(7,668,432)	(1,783,102)	(1,861,845)		
Loans granted		-	-	-	-		
<i>Cash flow from investment activities (2)</i>		<u>(8,863,763)</u>	<u>(9,692,498)</u>	<u>(1,916,972)</u>	<u>(2,719,506)</u>		
Financing activities:							
Collections arising from:							
Capital increases and of other shares capital's instruments	8	18,025,939	-	18,025,939	-		
Loans obtained		5,646,193	4,950,000	886,662	18,912,601	2,905,850	2,905,850
Payments arising from:							
Interests and similar costs		(1,813,682)	(1,808,428)	(561,275)	(660,792)		
Other financing operations		-	(85,602)	-	(28,931)		
Dividends	8	(6,461,648)	(4,846,066)	(226)	-		
Loans obtained		(6,882,838)	(7,767,839)	(648,667)	(1,210,168)	(282,086)	(971,809)
<i>Cash flow from financing activities (3)</i>		<u>8,513,964</u>	<u>(9,557,935)</u>	<u>17,702,433</u>	<u>1,934,041</u>		
Cash and cash equivalents at the beginning of the year	7	10,037,127	15,863,614	13,382,952	7,188,646		
Effect of exchange rate changes		(106,616)	(448,851)	(9,932)	(108,303)		
Variation of cash and cash equivalents: (1)+(2)+(3)		13,072,323	(7,777,060)	9,629,814	557,360		
Cash and cash equivalents at the end of the period	7	23,002,834	7,637,703	23,002,834	7,637,703		

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 30 SEPTEMBER 2017**
(TRANSLATION OF NOTES ORIGINALLY ISSUED IN PORTUGUESE – NOTE 15)
(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 this 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 September 30, 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.

2. MAIN ACCOUNTING POLICIES AND BASIS OF PREPARATION

The consolidated financial statements as of 30 September 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 ERROR

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 30 SEPTEMBER 2017**
(TRANSLATION OF NOTES ORIGINALLY ISSUED IN PORTUGUESE – NOTE 15)
(Amounts expressed in Euro)

4. SUBSIDIARY COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS, INVESTMENTS IN ASSOCIATES AND OTHER 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 September 30, 2017, and December 31, 2016, are as follows:

Designation	Headquarters	Percentage of participation held		Activity
		30.09.2017	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
Planfuro Global, S.A.	Leiria	100%	100%	Manufacture of metal molds
Universal Afir, S.A.	Ovar	100%	100%	Steel comercialization
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

4.2 Investments in associates

As of September 30, 2017, the caption “Investments in associates” includes the participation in Expeliarmus-Consultoria, S.A. (created in 2015 and owned by 49%) by an amount equal to 59,998 Euro (49,998 Euro in December 31, 2016).

The assessment of whether or not there is impairment in investments in associates takes into account, among other things, the financial indicators of the Companies, their operating results and their profitability for the shareholder, especially taking into account the capacity to distribute dividends.

As of December 31, 2016, the caption “Invesments in associates” also included the shares held in Base Holding, 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.

On July 19, 2017, an agreement was entered into between F. Ramada - Investimentos, SGPS, SA, jointly with the other shareholders, and Laboratorio Médico - Doctor Carlos da Silva Torres, SA for the sale of all its shares held in Base Holding, SGPS, S.A.. The transaction took place on September 19, 2017 after the decision was taken not to oppose the transaction by the Autoridade da Concorrência as notified to the Comissão do Mercado de Valores Mobiliários.

The impact of this transaction in the consolidated statement profit and loss as of 30 September 2017 amounted to 42,248,672 Euro.

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4.3 Other investments

As of September 30, 2017 and December 31, 2016, the caption “Other investments” and respective impairment losses can be detailed as follows:

	30.09.2017	31.12.2016
Investments	3,733,458	7,713,531
Impairment losses (note 11)	(3,733,458)	(4,220,393)
	-	3,493,138

The sale of Base Holding, SGPS, S.A. also included the sale of Base M - Investimentos e Serviços, S.A. as well as the credits held on this participated company previously recorded under “Other investments”.

As of September 30, 2017, the caption includes participations that do not give rise to a significant influence on the capital of the companies, CEV - Consumo em Verde, Biotecnologia das Plantas, S.A., and Sociedade Converde Unipessoal, Lda.. This item also includes the loans granted to these entities.

As of September 30, 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 costs.

The assessment of whether or not there is impairment in investments in associates takes into account, among other things, the financial indicators of the Companies, their operating results and their profitability for the shareholder, especially taking into account the capacity to distribute dividends.

5. 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 nine-month period ended as of September 30, 2017 and the year ended 31 December 2016 is as follows:

	30.09.2017	31.12.2016
Opening balance (gross)	85,953,689	85,963,976
Aquisitions	-	68,040
Disposals	-	(78,327)
Closing balance (gross)	85,953,689	85,953,689
Impairment losses (note 11)	(1,100,000)	(1,100,000)
Closing balance (net)	84,853,689	84,853,689

The leased land generated, during the nine-month period ended as of September 30, 2017, income amounting, to approximately, 4,637,250 Euro (approximately 6,311,140 Euro in 31 December 2016).

The minimum future receipts for leases of forest land amount, to approximately, 6.4 million Euro in each of the following 5 years. After this period and until the end of the contracts, the minimum future receipts total, approximately 40 million Euro. The rents provided for each lease are updated at the end of each 2-year 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

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reliably estimate the fair value of the land, and, as such, it is recorded at acquisition cost. However, it is the Board of Directors belief 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 Euro) is given as collateral for certain borrowings.

6. 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 since 2013 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 September 30, 2017.

The movement occurred in deferred tax assets and liabilities in the nine-month period ended as of September 30, 2017 and 2016, was as follows:

	30.09.2017	
	Deferred tax assets	Deferred tax liabilities
Balance as of January 1, 2017	3,673,642	31,125
Effects on income statement		
Others	5,360	(1,900)
Balance as of September 30, 2017	<u>3,679,002</u>	<u>29,225</u>

	30.09.2016	
	Deferred tax assets	Deferred tax liabilities
Balance as of January 1, 2016	1,778,714	35,081
Effects on income statement		
Others	(11,355)	-
Balance as of September 30, 2016	<u>1,767,359</u>	<u>35,081</u>

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7. CASH AND CASH EQUIVALENTS

As of September 30, 2017 and December 31, 2016 the caption “Cash and cash equivalents” included in the consolidated statement of financial position can be detailed as follows:

	30.09.2017	31.12.2016
Cash	37,676	14,730
Bank deposits	29,133,033	17,205,484
	29,170,709	17,220,214
Bank overdrafts (note 9)	(6,167,875)	(7,183,087)
Cash and equivalents	23,002,834	10,037,127

8. SHARE CAPITAL

As of September 30, 2017, F. Ramada’s fully subscribed and paid up capital consisted of 25,641,459 shares with a nominal value of 1 Euro each.

On April 26, 2017, the Shareholders’ General Meeting unanimously approved the distribution of gross dividends of 0.28 Euro per share.

In the period ended September 30, 2017, the group sold its own shares, corresponding to 9.99% of the share capital (2,564,145 own shares with a nominal unit value of 1 Euro acquired for the total amount of 1,641,053 Euro. The sale was made on July 25, 2017, as announced to the Comissão do Mercado de Valores Mobiliários. The total amount of the transaction was to Euro 18,025,939 corresponding to the unit price of 7.03 Euro per share.

9. BANK LOANS AND OTHER LOANS

As of September 30, 2017 and December 31, 2016, the captions “Bank loans” and “Other loans” can be detailed as follows:

	30.09.2017		31.12.2016	
	Current	Non current	Current	Non current
	3,986,753	39,487,401	3,985,753	43,473,155
Bank loans	3,986,753	39,487,401	3,985,753	43,473,155
Commercial paper	25,000,000	4,000,000	22,250,000	5,000,000
Other bank loans	8,050,000	-	6,650,005	-
Bank overdrafts	6,167,875	-	7,183,087	-
Factoring	1,248,980	-	1,650,941	-
Other loans	40,466,855	4,000,000	37,734,033	5,000,000
	44,453,608	43,487,401	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.

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9.1 Bank loans

The nominal amount of bank loans as of September 30, 2017, will be reimbursed as follows:

30.09.2017			31.12.2016		
Reimbursement year	Amount	Estimated interests	Reimbursement year	Amount	Estimated interests
Current			Current		
2017	-	-	2017	41,719,786	757,000
30.09.2018	44,453,608	618,000		41,719,786	757,000
	<u>44,453,608</u>	<u>618,000</u>			
Non current			Non current		
Between 1 and 2 years	6,000,000	530,000	2018	5,985,755	687,000
Between 2 and 3 years	6,000,000	478,000	2019	6,000,000	603,000
Between 3 and 4 years	4,000,000	411,000	2020	5,000,000	517,000
Between 4 and 5 years	4,000,000	356,000	2021	4,000,000	449,000
Between 5 and 6 years	4,000,000	291,000	2022	4,000,000	388,000
Between 6 and 7 years	3,987,401	235,000	2023	4,000,000	326,000
Between 7 and 8 years	3,500,000	184,000	2024	3,987,400	265,000
Between 8 and 9 years	3,500,000	135,000	2025	3,500,000	210,000
Between 9 and 10 years	3,500,000	86,000	2026	3,500,000	156,000
Between 10 and 11 years	5,000,000	28,000	2027	3,500,000	101,000
Between 11 and 12 years	-	-	2028	5,000,000	19,000
	<u>43,487,401</u>	<u>2,734,000</u>		<u>48,473,155</u>	<u>3,721,000</u>
	<u>87,941,009</u>	<u>3,352,000</u>		<u>90,192,941</u>	<u>4,478,000</u>

As of September 30, 2017, and December 31, 2016, the credit facilities used by the Group and the corresponding maximum amounts allowed were as follows:

	September 30, 2017		December 31, 2016	
	Authorized amount	Used amount	Authorized amount	Used amount
Other bank loans	21,200,000	8,050,000	21,200,000	6,650,005
Bank overdrafts	15,000,000	6,167,875	15,000,000	7,183,087
Commercial paper program				
12/2017	5,000,000	4,250,000	5,000,000	5,000,000
07/2018	1,750,000	1,250,000	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	3,000,000	-
	<u>34,250,000</u>	<u>29,000,000</u>	<u>34,250,000</u>	<u>27,250,000</u>

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During the nine-month period ended as of September 30, 2017, these loans bear interest at normal market rates depending on the nature and term of the credit obtained.

During the nine-month period ended as of September 30, 2017, and the year ended as of December 31, 2016, the Group did not enter into any loan default.

Additionally, as of September 30, 2017, there are no covenants associated with the loans obtained.

10. OTHER CURRENT LIABILITIES

As of September 30, 2017, and December 31, 2016, the caption “Other current liabilities” can be detailed as follows:

	30.09.2017	31.12.2016
Accrued expenses		
Accrued payroll	4,797,717	4,450,848
Interests payable	517,240	779,491
Other	3,858,350	2,101,239
Deferred income	21,386,054	8,317,187
	30,559,361	15,648,765

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

11. PROVISIONS AND IMPAIRMENT LOSSES

The movements that occurred in provisions and impairment losses for the nine-month period ended as of September 30, 2017, can be detailed as follows:

	Provisions	Impairment losses in current assets	Impairment losses in investments (note 4.3)	Impairment losses in inventory	Impairment losses in investments properties (note 5)	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	(328)	(1,545)	-	2,634	-	760
Increases	34,834	226,746	266,240	5,157	-	532,977
Reversals	-	-	(753,175)	-	-	(753,175)
Utilizations	(100,000)	(1,731,344)	-	(133)	-	(1,831,477)
Closing balance 30.09.2017	2,817,586	12,750,014	3,733,458	1,435,706	1,100,000	21,836,763

The increases and reversals recorded in provisions and impairment losses for the nine-month period ended as of September 30, 2017, were recorded in the profit and loss statement caption “Provisions and impairment losses”.

The amount recorded in the caption “Provisions” as of September 30, 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 constructions 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 September 30, 2017 there are no assets or liabilities associated with probable or possible tax contingencies that should be reported in the financial statements as of 30 September, 2017.

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12. EARNINGS PER SHARE

Earnings per share for the nine-month period ended as of September 30, 2017, and 2016 were determined taking into consideration the following amounts:

	Nine months period ended as:		Three months period ended as:	
	30.09.2017	30.09.2016	30.09.2017	30.09.2016
Net profit considered for the computation of basic and diluted earnings per share	51,314,031	9,184,511	44,253,026	3,435,030
Weighted average number of shares used to compute the basic and diluted earnings per share	23,706,610	23,077,314	24,944,680	23,077,314
Earnings per share				
Basic	2.16	0.40	1.77	0.15
Diluted	2.16	0.40	1.77	0.15

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.

13. RELATED PARTIES

The main balances with related parties as of September 30, 2017 and 2016 are related to Altri Group and may be detailed as follows:

	Rents	
	30.09.2017	30.09.2016
Altri Group	4,637,250	4,637,250
	4,637,250	4,637,250

Apart from the companies included in the consolidation (Note 4), the companies considered to be related parties as of September 30, 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.
- Socitrel — Sociedade Industrial de Trefilaria, S.A.
- AdCom Media Anúncios e Publicidade, S.A.
- Alteria, SGPS, S.A.
- Altri Florestal, S.A.
- Altri Sales, S.A.
- Altri, Participaciones Y Trading, S.L.
- Altri, SGPS, S.A.

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- Altri, Abastecimento de Madeira, 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, SGPS, 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.

14. 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.

These 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, its operating results are reviewed and taken decisions by the management.

The segregation of activities by segments as of September 30, 2017 and 2016 is made up as follows:

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	September 30, 2017			
	Industry	Real Estate	Intra-group eliminations	Total
Total assets	205,932,317	93,060,599	(7,736,200)	291,256,716
Total liabilities	97,364,714	60,748,420	(7,736,200)	150,376,934
Operating investments (a)	3,445,852	60,778	-	3,506,630
Profit from foreign market customers	107,154,702	4,690,617	-	111,845,319
Profit from operations with other segments	31,042	1,028,997	(1,060,039)	-
Cash-flow from operating activities (b)	13,014,442	4,843,033	-	17,857,475
Amortizations	(3,696,674)	(282,183)	-	(3,978,857)
Earnings before interest and taxes (c)	9,317,768	4,560,850	-	13,878,618
Financial profits	255,556	817	(112,192)	144,181
Financial costs	(920,814)	(692,285)	112,192	(1,500,907)
Income on expense relating to investments	42,248,672	-	-	42,248,672
Earnings before taxes	50,901,182	3,869,382	-	54,770,564
Income taxes	(2,358,989)	(1,031,215)	-	(3,390,204)
Net profit	48,542,193	2,838,167	-	51,380,360

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

(b) - Operating results + amortizations

(c) - Earnings before interest, taxes and Income on expense relating to investments excluding Group operations

	September 30, 2016			
	Industry	Real Estate	Intra-group eliminations	Total
Total assets	122,835,210	92,812,694	(7,516,421)	208,131,483
Total liabilities	70,507,788	71,859,501	(7,516,421)	134,850,868
Operating investments (a)	4,370,614	192,170	-	4,562,784
Profit from foreign market customers	92,081,126	4,699,867	-	96,780,993
Profit from operations with other segments	31,042	1,023,489	(1,054,531)	-
Cash-flow from operating activities (b)	11,038,733	4,877,020	-	15,915,753
Amortizations	(3,400,710)	(192,219)	-	(3,592,929)
Earnings before interest and taxes (c)	7,638,023	4,684,801	-	12,322,824
Financial profits	324,223	-	(175,761)	148,462
Financial costs	(646,696)	(1,138,753)	175,761	(1,609,688)
Income on expense relating to investments	1,768,057	-	-	1,768,057
Earnings before taxes	9,083,607	3,546,048	-	12,629,655
Income taxes	(2,445,376)	(973,050)	-	(3,418,426)
Net profit	6,638,231	2,572,998	-	9,211,229

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

(b) - Operating results + amortizations

(c) - Earnings before interest, taxes and Income on expense relating to investments excluding Group operations

15. **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.

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16. FINANCIAL STATEMENTS APPROVAL

The financial statements were approved by the Board of Directors and authorized for issuance in November 3, 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