

RAMADA

INVESTMENTS AND INDUSTRY

Report and Accounts

30 June 2017

(unaudited)



80 YEARS
Investing in industry

Report and Accounts - 1st Semester 2017

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

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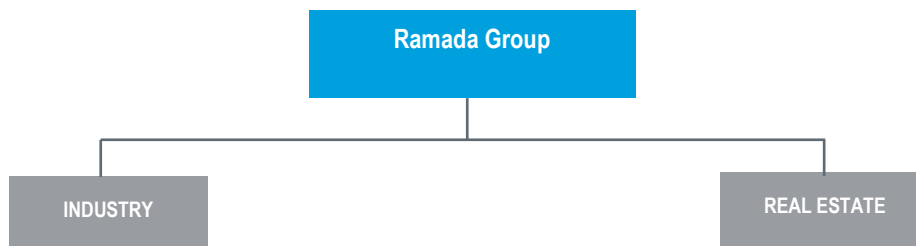
To the Shareholders

Pursuant to the legal requirements, the Board of Directors of F. Ramada Investimentos, S.G.P.S., S.A. ("Ramada Group" or "Group") hereby presents its Director's Report for the first semester of 2017.

INTRODUCTION

F. Ramada Investimentos S.G.P.S., S.A. is the parent company of a group of companies ("Ramada Group") that operate in two business areas:

- i) Industry, which includes the steel activity, the Storage Systems activity and the activity related to financial investments management (corresponding to non-controlling interests);
- ii) Real Estate, focused in the management of real estate assets.

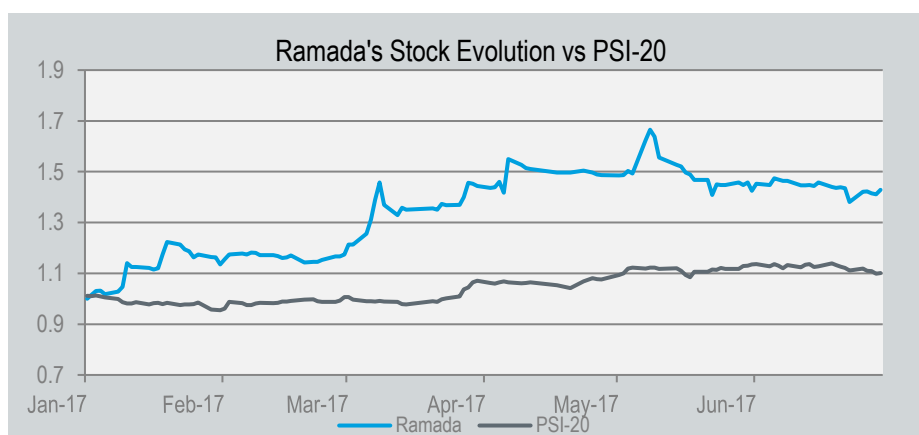


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STOCK EXCHANGE EVOLUTION

(Note: in order to enable a better comparison of the stock fluctuations, the PSI 20 index has been considered as being equal in value to the opening price of the shares.)

In the first half of 2017, the Portuguese stock market index (PSI-20) appreciated 10.12% in relation to the end of 2016. The Ramada Group's shares appreciated 42.84% over the same period, presenting a better performance than the reference index during all the semester.

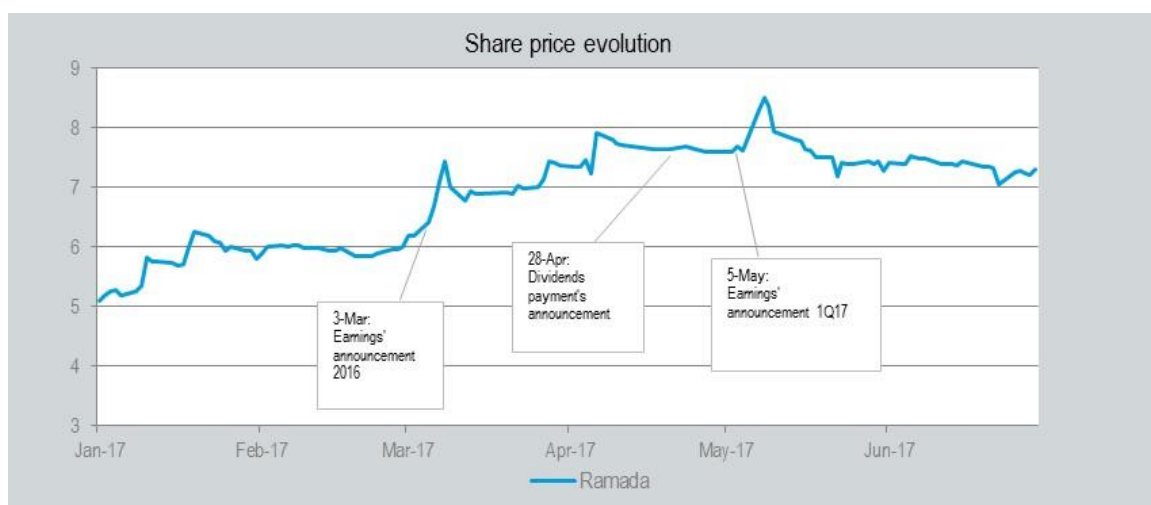


At the end of the first semester 2017, Ramada Group shares closed at 7.30 Euro per share, which represents a market capitalization of 187.2 million Euro.

In the 1st half of 2017, Ramada Group shares were traded at a maximum price of 8.51 Euro per share and a minimum price of 5.11 Euro per share.

Ramada Group share price evolution

The main events that marked the evolution of Ramada Group share price during the first semester of 2017 can be described as follows:



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- In the announcement of the Group's performance for the financial year 2016, released on 3 March 2017, Ramada's consolidated net profit was of 13.9 million Euro, which represents an increase of 26% over the previous year. On its turn, total revenues amounted to 137.3 million Euro and consolidated EBITDA amounted approximately to 21.3 million Euro. On that date the shares closed at 6.20 Euros per share;
- In the announcement made on 28 April, Ramada Investimentos informed the market that dividends of 2016, corresponding to 0.28 Euro per share, would be paid from 15 May onwards;
- On 5 May 2017, in the announcement concerning the presentation of the financial statements for the first quarter of 2017, Ramada Group presented a net profit of 3.2 million Euro, consolidated EBITDA amounted to 5.6 million Euro, while total turnover amounted to 34.6 million Euro.

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GROUP'S ACTIVITY

F. 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);
- ii) Real Estate, focused in the management of real estate assets.

The Steel activity, which develops mainly on the sub segment of steel destined to molds, with a prominent position in the domestic market, is carried out by three companies: Ramada Aços, Universal Afir and Planfuro Global. In 2016 the Group acquired the remaining participation on the joint venture Planfuro Global, taking full control of its activity from the end of 2016 onwards. In the first semester of 2017, Planfuro Global was included in the consolidation perimeter of F. Ramada Group by the full consolidation method, although the impact of its activity in the Group's results is 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, which support the entire international distribution network.

Storax is specialized in the design, manufacturing, installation and after-sales service storage solutions, and a global leader in high-density storage solutions.

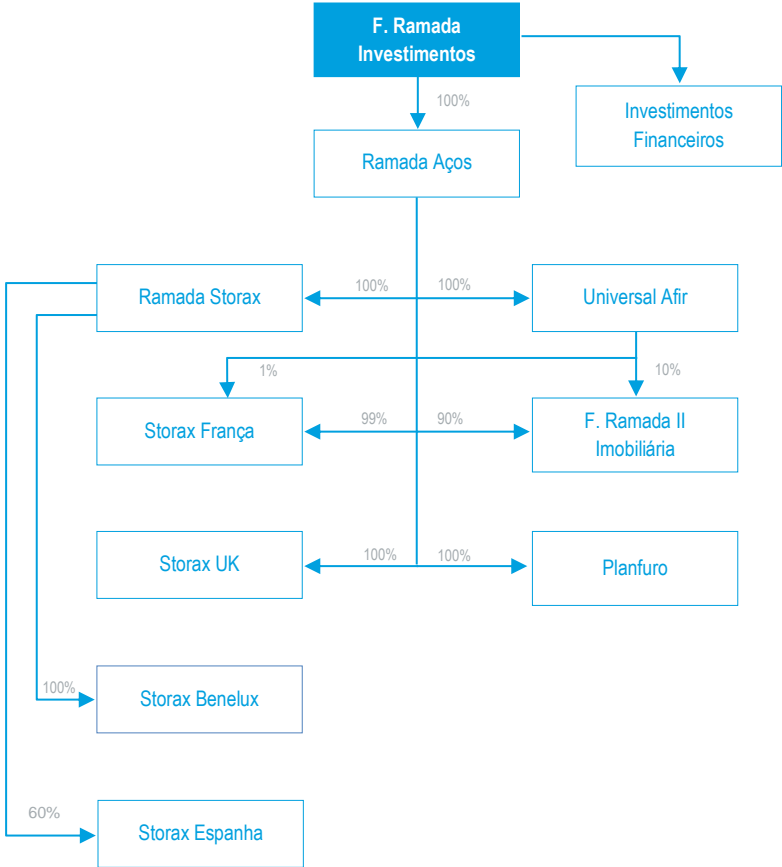
The financial investment activity includes several minority participations of which we highlight the investments in Base Holding S.G.P.S. and CEV – Consumo em Verde SA / Converde S.A..

Base Holding S.G.P.S. is the parent company of a group of companies, which operates in the area of complementary diagnostics, mainly, clinical analysis, imaging and cardiology.

The activity of CEV – Consumo em Verde SA / Converde SA consists in the development and patent register focused on BLAD protein. The BLAD is a fungicide obtained from the extraction of the protein from Lupinus Albus (sweet lupines).

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The structure of Ramada Group, as of 30 June 2017, can be presented as follows:



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In the first half of 2017, Steel activity was influenced by the lack of definition that the molds sector is experiencing, mainly due to its dependence on the automotive sector which finds itself in a period of transition and adaptation to a new reality, where the abandonment of diesel and the emergence of electric vehicles are generating new challenges.

The sector of general mechanics, construction of equipment and maintenance goods has shown some recovery compared to the same period.

In the first months of the year, some price rises were recorded on the most basic materials, not expected to occur in the second half of the year.

The complementary services of machining, oxyfuel and heat treatment showed a significant increase compared to the homologous period. Our integrated offer of added value products and services, with high quality, competitive prices and simplified logistics, has been recognized by the market.

Steel activity operates, essentially, in the domestic market, which represented 95% of its sales in the first half of 2017. However, it is important to mention that the external market grew by 9% over the same period last year, with the United Kingdom as the country with the highest growth.

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

The external market represents the highest turnover of this activity. In the first half of 2017, exports accounted for 89% of turnover. Europe is the main export destination, with sales growth in Spain, France and the Netherlands highlighting.

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.

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FINANCIAL REVIEW

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

	1H 2017	1H 2016	Var. %
Sales and services rendered	69,309	62,225	11.4%
Other income	358	586	-38.9%
Total income	69,667	62,811	10.9%
Cost of sales	(34,555)	(31,791)	8.7%
External supplies and services	(13,862)	(11,880)	16.7%
Payroll	(9,522)	(7,872)	21.0%
Other costs	(121)	(731)	-83.5%
Total costs (a)	(58,060)	(52,274)	11.1%
EBITDA (b)	11,606	10,537	10.1%
EBITDA margin	16.7%	16.8%	
Amortization and depreciation	(2,786)	(2,390)	16.6%
EBIT (c)	8,820	8,146	8.3%
EBIT margin	12.7%	13.0%	
Gains / losses in associated companies	991	885	
Financial costs	(765)	(1,120)	
Financial income	91	99	
Net profit before income tax	9,137	8,010	14.1%
Income tax	(2,066)	(2,244)	
Consolidated net profit	7,071	5,766	22.6%
Consolidated net profit attributable to shareholders of parent company	7,061	5,749	22.8%
Consolidated net profit attributable to non-controlling interests	10	16	

(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

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Total income of Ramada Group, during the first half of 2017, amounted to 69,667 thousand Euro, representing an increase of 10.9% compared to the total income of the homologous period of 2016.

Total costs, excluding amortization, financial expenses and taxes, amounted to 58,060 thousand Euro, representing an increase of 11.1% in relation to the same period of 2016.

EBITDA, in the first half of 2017, reached 11,606 thousand Euro, representing an increase of 10.1% when compared to the homologous period of 2016. The EBITDA margin, in the first semester of 2017, reached 16.7%, which compares to 16.8% obtained in the same period of 2016.

Group's operating results (EBIT) amounted to 8,820 thousand Euro, representing a growth of 8.3% comparing with 8,146 thousand Euro in the same period of 2016.

In the first half of 2017, the Group recorded gains related to the application of the equity method in associated companies in the amount of 991 thousand Euro, compared to the 885 thousand Euro recorded in 2016.

The negative financial costs amounted to 674 thousand Euro, representing an improvement of 33.9%, when compared with the same period of 2016.

Net profit in the first half of 2017, amounted to 7,071 thousand Euro, 22.6% higher than the net profit recorded in the same period of 2016.

INDUSTRY

	1H 2017	1H 2016	Var. %
Total income	66,561	59,681	11.5%
Total costs (a)	(57,494)	(51,697)	11.2%
EBITDA (b)	9,067	7,984	13.6%
EBITDA margin	13.6%	13.4%	
EBIT (c)	6,480	5,729	13.1%
EBIT margin	9.7%	9.6%	
Financial results	(132)	(266)	-50.2%
Gains / losses in associated companies	991	885	12.0%
Net profit before income tax	7,339	6,348	15.6%

(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

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During the first half of 2017, the total income for the Industry segment amounted to 66,561 thousand Euro, representing an increase of 11.5% compared to total income for the first half of 2016.

Industry segment's EBITDA in the first half of 2017 amounted to 9,067 thousand Euro, which represents an increase of 13.6% when compared with 7,984 thousand Euro achieved in the same period of 2016.

Industry segment's EBITDA margin went from 13.4% in the first half of 2016 to 13.6% in the same period of 2017.

Operating results (EBIT) in the first semester of 2017 reached 6,480 thousand Euro, presenting an increase of 13,1% compared to 5,729 thousand Euro of 2016.

Industry segment's EBIT margin increased from 9.6% in the first semester of 2016 to 9.7% in the first semester of 2017.

Negative financial results in 132 thousand Euro, presented an improvement of 50.2% compared with the negative 266 thousand Euro in last year.

Industry segment's net profit before income tax reached to 7,339 thousand Euro, higher in 15.6% when compared to the amount recorded in the same period of 2016.

REAL ESTATE

	1H 2017	1H 2016	Var. %
Total income	3,106	3,130	-0.8%
Total costs (a)	(566)	(577)	-1.9%
EBITDA (b)	2,540	2,553	-0.5%
EBIT (c)	2,340	2,417	-3.2%
Financial results	(542)	(755)	-28.2%
Net profit before income tax	1,798	1,662	8.2%

(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 half of 2017 was 3,106 thousand Euro, representing a slight decrease when compared to the same period of 2016.

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

Real Estate segment EBITDA in the first half of 2017 amounted to 2,540 thousand Euro, practically at the same level as in the same period last year.

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In the first half of 2017, operational results (EBIT) amounted to 2,340 thousand Euro, representing a decrease of 3.2% compared with the same period of 2016.

Financial results of the Real Estate segment in the first half of 2017 were negative in 542 thousand Euro, which represents an improvement of 28.2% when comparing to 755 thousand Euro negative in homologous period.

Real Estate segment's net profit before income tax reached to 1,798 thousand Euro, higher in 8.2% when compared to the amount recorded in the same period of 2016.

INVESTMENTS AND DEBT

Ramada Group investments in the first half of 2017 amounted to 2,345 thousand Euro.

The nominal net debt of the Ramada Group as of 30 June, 2017 reached 68,152 thousand Euro. As of 31 December, 2016 it was 72,973 thousand Euro.

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SUBSEQUENT EVENTS

On July 19, 2017, F. Ramada – Investimentos, SGPS, S.A., together with the other shareholders, entered into an agreement with Medicina Laboratorial – Doutor Carlos da Silva Torres, S.A. for the sale of its shares owned of BASE HOLDING, SGPS, S.A. ("BASE Holding").

The execution of the transaction is subject to prior notification to the Competition Authority, under the terms established in the competition legal regime, and, therefore, subject to the decision of non-opposition by the Competition Authority, and it is estimated that it will be concluded during the second half 2017.

It is further informed that the transaction, the total amount of which is subject to adjustments under the terms of the agreement, will result in an estimated capital gain of more than 40 million Euro for Ramada Investimentos.

On July 25, 2017, Ramada Investimentos sold all the own shares that it held until then (2,564,145 own shares representing 9.99% of its share capital). This sale was performed on the regulated market Euronext Lisbon to a group of qualified investors, having the transaction amounted to 18,025,939.35 Euro corresponding to the unit price of Euro 7.03 per share. As a result of this operation, Ramada Investimentos ceased to hold own shares.

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SECOND SEMESTER OUTLOOK

Taking into account the current situation in the molds sector, which has an impact on the special steel business, and the orders backlog as of 30 June, the Group is expected to have a good level of activity in the second half of the year.

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CORPORATE GOVERNANCE

In accordance with the current legislation, the Group is not required to provide information regarding corporate governance, since this information is only compulsory together with the annual management report. The detailed annual report of corporate governance is included in the Financial Reporting of 2016 and it is available in our site (www.ramadainvestimentos.pt).

In this point, however, it should be noted that the Shareholders' General Meeting held on April 26, 2017 elected the corporate bodies for the 2017-2019 triennium.

Therefore, the following were elected to the Board of Directors for the 2017/2019 term:

- João Manuel Matos Borges de Oliveira - President
- Paulo Jorge dos Santos Fernandes – Member
- Domingos José Vieira de Matos – Member
- Pedro Miguel Matos Borges de Oliveira – Member
- Ana Rebelo Carvalho Menéres de Mendonça – Member

To the Statutory Audit Board were elected the following:

- Pedro Nuno Fernandes de Sá Pessanha da Costa – President
- António Luís Isidro de Pinho – Member
- Guilherme Paulo Aires da Mota Correia Monteiro – Member
- André Seabra Ferreira Pinto – Substitue

The Statutory Auditor elected for the 2017-2019 triennium was Ernst & Young Audit & Associados - SROC, S.A., represented by Rui Manuel da Cunha Vieira or Rui Abel Serra Martins.

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LEGAL MATTERS

Own Shares

Pursuant to the requirements of article 66 and of nr 2 of article 324 of the Commercial Companies' Code (Código das Sociedades Comerciais), the Directors inform that as of 30 June 2017 it held 2,564,145 own shares representing 9.999996% of the share capital.

It should be referred that, on 25 July 2017, Ramada Investimentos sold all its own shares.

Shares held by the corporate bodies

Pursuant to the requirements of article 447 of the Commercial Companies' Code, F. Ramada Investimentos Directors inform that, as of 30 June 2017, they held the following shares:

João Manuel Matos Borges de Oliveira ^(a)	5,300,000
Paulo Jorge dos Santos Fernandes ^(b)	4,009,402
Domingos José Vieira de Matos ^(c)	2,606,124
Ana Rebelo de Carvalho Menéres de Mendonça ^(d)	4,945,383

(a) – 5,300,000 shares correspond to the total shares of F. Ramada - Investimentos, S.G.P.S., S.A. held by CADERNO AZUL S.G.P.S., S.A., of which the Director João Manuel Matos Borges de Oliveira is shareholder and director.

(b) – 4,009,402 shares correspond to the total shares of F. Ramada - Investimentos, SGPS, S.A. held by ACTIUM CAPITAL – SGPS, S.A., of which the Director Paulo Jorge dos Santos Fernandes is dominant shareholder and director.

(c) – 2,606,124 shares correspond to the total shares of F. Ramada - Investimentos, SGPS, S.A. held by LIVREFLUXO – SGPS, S.A., of which the Director Domingos José Vieira de Matos is dominant shareholder and director.

(d) – 4,945,383 shares correspond to the total shares of F. Ramada - Investimentos, SGPS, S.A. held by PROMENDO – SGPS, S.A., of which the Director Ana Rebelo de Carvalho Menéres de Mendonça is director and dominant shareholder.

As of 30 June 2017, the Statutory Auditor, the members of the Statutory Audit Board and the members of the Board of the General Shareholders' Meeting held no shares of F. Ramada Investimentos.

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Participation in the Company's share capital

Pursuant to the requirements of articles 16 and 20 of the Securities Code (Código de Valores Mobiliários) and article 448 of the Commercial Companies Code, the Directors inform that, in accordance with the notifications received, the companies and/or individuals that hold qualified participations exceeding 2%, 5%, 10%, 20%, 33% and 50% of the voting rights, and accordingly with the notifications received in head office of Group as of 30 June 2017 are as follows:

Pedro Miguel Matos Borges de Oliveira	No of shares held as of 30-Jun-2017	% share capital with voting rights
Through 1 Thing, Investments, SGPS, S.A. (of which is dominant shareholder and director)	2,072,862	8.08%
Total attributable	2,072,862	8.08%

Domingos José Vieira de Matos	No of shares held as of 30-Jun-2017	% share capital with voting rights
Through Livrefluxo - SGPS, S.A. (of which is dominant shareholder and director)	2,606,124	10.16%
Total attributable	2,606,124	10.16%

Paulo Jorge dos Santos Fernandes	No of shares held as of 30-Jun-2017	% share capital with voting rights
Through Actium Capital - SGPS, S.A. (of which is dominant shareholder and director)	4,009,402	15.64%
Total attributable	4,009,402	15.64%

Ana Rebelo Carvalho Menéres de Mendonça	No of shares held as of 30-Jun-2017	% share capital with voting rights
Through PROMENDO - SGPS, S.A. (of which is dominant shareholder and director)	4,945,383	19.29%
Total attributable	4,945,383	19.29%

João Manuel Matos Borges de Oliveira	No of shares held as of 30-Jun-2017	% share capital with voting rights
Through CADERNO AZUL - SGPS, S.A. (of which is dominant shareholder and director)	5,300,000	20.67%
Total attributable	5,300,000	20.67%

Ramada Group was not informed of any participation exceeding 33% of the voting rights.

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CLOSING REMARKS

We don't want to conclude without thanking our customers and suppliers, financial institutions and other partners of the Group for their trust in our organization. We would also like to thank the Statutory Audit Board for the continued monitoring of our operations.

Porto, 27 July 2017

Board of Directors

João Manuel Matos Borges de Oliveira

Paulo Jorge dos Santos Fernandes

Domingos José Vieira de Matos

Pedro Miguel Matos Borges de Oliveira

Ana Rebelo de Carvalho Menéres de Mendonça

80 Years innovating

In the offering, in the processes
and in technology.

Appendices to the Management Report



80 YEARS
Investing in industry

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STATEMENT UNDER ARTICLE 246, PARAGRAPH 1, C) OF THE SECURITIES CODE

The signatories individually declare that, to their knowledge, the Condensed Financial Statements were prepared in accordance with the International Financial Reporting Standards (“IFRS”) as adopted by the European Union, for the purpose of interim reporting, and the other accounting documents required by law or regulation, give a truthful and appropriate image, in all material respects, of the assets and liabilities, financial position and the consolidated results of F. Ramada Investimentos, S.G.P.S., S.A. and of the companies included in the consolidation perimeter, and that the Interim Director’s Report accurately explains the activity evolution, performance and financial position of F. Ramada Investimentos, SGPS, SA and the companies included in the consolidation perimeter, and contains a description of the major risks and uncertainties that they face.

DECLARATION OF RESPONSIBILITY

The members of the Board of Directors of F. Ramada Investimentos, S.G.P.S., S.A. declare that they assume responsibility for this information and assure that the items included herein are true and that, to the best of their knowledge, there are no omissions.

Under paragraph 3 of article 8 of the Securities Code, the members of the Board of Directors of F. Ramada Investimentos, S.G.P.S., S.A. declare that the accounts that are part of this interim report have not been subject to a Limited Review.

Pursuant to article 210 of the Social Security Code (approved by Law no. 110/2009, of 16 September) the Board of Directors informs that there are no overdue debts to the State, namely with respect to Social Security.

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Article 447 of the Portuguese Companies Act and Article 14, paragraph 7 of Portuguese Securities Regulator (CMVM) Regulation nr. 05/2008

Disclosure of shares and other securities held by members of the Board of Directors and by those discharging managerial responsibilities, as well as by people closely connected with them (article 248 B of the Securities Code), and disclosure of the respective transactions during the semester.

Members of the Board of Directors	Nr of shares held at		Nr of shares held at	
	31-Dec-2016	Aquisitions	Disposals	30-Jun-2017
João Manuel Matos Borges de Oliveira (imputation through CADERNO AZUL - SGPS, S.A.)	5,300,000	-	-	5,300,000
Paulo Jorge dos Santos Fernandes (imputation through ACTIUM CAPITAL - SGPS, S.A.)	4,009,402	-	-	4,009,402
Domingos José Vieira de Matos (imputation through LIVREFLUXO - SGPS, S.A.)	2,590,631	15,493	-	2,606,124
Ana Rebelo de Carvalho Menéres de Mendonça (imputation through PROMENDO - SGPS, S.A.)	4,945,383	-	-	4,945,383

Domingos José Vieira de Matos (imputation through LIVREFLUXO - SGPS, S.A.)

Date	Type	Volume	Price (€)	Local	Nr of shares
31-Dec-16	-	-	-	-	2,590,631
3-Jan-17	Acquisition	1,000	5.160000	Euronext Lisbon	2,591,631
3-Jan-17	Acquisition	4,250	5.150000	Euronext Lisbon	2,595,881
6-Jan-17	Acquisition	500	5.200000	Euronext Lisbon	2,596,381
9-Jan-17	Acquisition	1,000	5.250000	Euronext Lisbon	2,597,381
9-Jan-17	Acquisition	1,000	5.250000	Euronext Lisbon	2,598,381
11-Jan-17	Acquisition	300	5.440000	Euronext Lisbon	2,598,681
11-Jan-17	Acquisition	1,500	5.500000	Euronext Lisbon	2,600,181
17-Jan-17	Acquisition	1,000	5.720000	Euronext Lisbon	2,601,181
19-Jan-17	Acquisition	300	5.830000	Euronext Lisbon	2,601,481
19-Jan-17	Acquisition	42	5.830000	Euronext Lisbon	2,601,523
19-Jan-17	Acquisition	145	5.950000	Euronext Lisbon	2,601,668
19-Jan-17	Acquisition	1,900	5.990000	Euronext Lisbon	2,603,568
27-Jan-17	Acquisition	9	5.900000	Euronext Lisbon	2,603,577
27-Jan-17	Acquisition	191	5.900000	Euronext Lisbon	2,603,768
27-Jan-17	Acquisition	500	5.900000	Euronext Lisbon	2,604,268
2-Feb-17	Acquisition	31	5.889000	Euronext Lisbon	2,604,299
2-Feb-17	Acquisition	360	5.889000	Euronext Lisbon	2,604,659
2-Feb-17	Acquisition	465	5.890000	Euronext Lisbon	2,605,124
2-Feb-17	Acquisition	640	5.900000	Euronext Lisbon	2,605,764
2-Feb-17	Acquisition	360	5.900000	Euronext Lisbon	2,606,124
30-Jun-17	-	-	-	-	2,606,124

F. RAMADA INVESTIMENTOS, SGPS, S.A.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF 30 JUNE 2017 AND 31 DECEMBER 2016

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

(Amounts expressed in Euro)

ASSETS	Notes	30.06.2017	31.12.2016
NON CURRENT ASSETS			
Investment properties	6	84,853,689	84,853,689
Tangible assets		10,935,240	11,825,073
Intangible assets		31,245	21,949
Goodwill		1,245,520	1,245,520
Investments in associates	4.2	17,813,696	16,812,392
Other investments	4.3	4,246,313	3,493,138
Deferred tax assets	7	3,677,215	3,673,642
Total non current assets		<u>122,802,918</u>	<u>121,925,403</u>
CURRENT ASSETS			
Inventories		37,155,447	21,498,481
Clients		53,896,643	49,931,173
State and other public entities		1,501,253	548,145
Other debtors		1,735,719	2,284,712
Other current assets		264,092	2365,845
Cash and cash equivalents	8	18,545,692	17,220,214
Total current assets		<u>113,098,846</u>	<u>93,848,570</u>
Total assets		<u>235,901,764</u>	<u>215,773,973</u>
EQUITY AND LIABILITIES	Notes	30.06.2017	31.12.2016
EQUITY			
Share capital	9	25,641,459	25,641,459
Own shares		(1,641,053)	(1,641,053)
Legal reserve		6,460,878	6,231,961
Currency translation reserves		(1,024,744)	(891,241)
Other reserves		41,907,493	34,737,106
Consolidated net profit for the period		7,061,005	13,860,952
Total equity attributable to equity holders of the parent company		<u>78,405,038</u>	<u>77,939,184</u>
Non-controlling interests		151,891	142,364
Total equity		<u>78,556,929</u>	<u>78,081,548</u>
LIABILITIES			
NON CURRENT LIABILITIES			
Bank loans	10	39,487,401	43,473,155
Other loans	10	4,000,000	5,000,000
State and other public entities		311,787	311,787
Provisions	12	2,806,005	2,883,080
Deferred tax liabilities	7	29,225	31,125
Total non current liabilities		<u>46,634,418</u>	<u>51,699,147</u>
CURRENT LIABILITIES			
Bank loans	10	3,986,753	3,985,753
Other loans	10	39,223,797	37,734,033
Suppliers		24,229,549	18,133,024
State and other public entities		8,315,051	4,543,447
Other creditors		3,275,822	5,948,256
Other current liabilities	11	31,679,445	15,648,765
Total current liabilities		<u>110,710,417</u>	<u>85,993,278</u>
Total liabilities		<u>157,344,835</u>	<u>137,692,425</u>
Total equity and liabilities		<u>235,901,764</u>	<u>215,773,973</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 STATEMENTS OF PROFIT AND LOSS BY NATURE
FOR THE SIX MONTHS AND THREE MONTHS PERIODS ENDED AS 30 JUNE 2017 AND 2016

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

(Amounts expressed in Euro)

	Notes	Six months period ended as:		Three months period ended as:		
		30.06.2017	30.06.2016	30.06.2017	30.06.2016	
Sales and services rendered		69,308,537	62,224,788	34,803,396	34,248,743	
Other income		358,080	586,022	234,193	332,571	
Cost of sales		(34,555,176)	(31,791,391)	(17,201,535)	(18,763,659)	
External supplies and services		(13,861,766)	(11,879,895)	(7,188,082)	(5,372,736)	
Payroll expenses		(9,522,378)	(7,871,768)	(4,801,732)	(3,955,872)	
Amortisation and depreciation		(2,786,223)	(2,390,481)	(1,360,654)	(1,867,825)	
Provisions and impairment losses	12	558,464	(354,714)	552,790	(110,132)	
Other expenses		(679,370)	(376,093)	(348,132)	(178,309)	
Gains/losses related with associated companies	4.2	991,304	885,000	495,652	390,000	
Financial expenses		(765,273)	(1,120,264)	(400,283)	(604,708)	
Financial income		90,715	99,094	45,866	48,870	
		Profit before income tax	9,136,914	8,010,298	4,831,479	4,166,943
Income tax		(2,066,382)	(2,244,469)	(951,905)	(1,189,632)	
		Consolidated net profit	7,070,532	5,765,829	3,879,574	2,977,311
Attributable to:						
		Parent company's shareholders	7,061,005	5,749,481	3,857,048	2,951,139
		Non-controlling interests	9,527	16,348	22,526	26,172
Earnings per share						
Basic	13	0.31	0.25	0.17	0.13	
Diluted	13	0.31	0.25	0.17	0.13	

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 SIX MONTHS AND THREE MONTHS PERIODS ENDED AS 30 JUNE 2017 AND 2016
 (Translation of financial statements originally issued in Portuguese - Note 16)
 (Amounts expressed in Euro)

	Notes	Six months period ended as:		Three months period ended as:	
		30.06.2017	30.06.2016	30.06.2017	30.06.2016
Net consolidated profit for the period		7,070,532	5,765,829	3,879,574	2,977,311
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss:					
Fair value of derivatives		-	(36,461)	-	(19,838)
Exchange differences arising on translation of foreign operations		(133,503)	(579,532)	(100,808)	(202,926)
Other comprehensive income for the period		<u>(133,503)</u>	<u>(615,993)</u>	<u>(100,808)</u>	<u>(222,764)</u>
Total comprehensive income for the period		<u>6,937,029</u>	<u>5,149,836</u>	<u>3,778,766</u>	<u>2,754,547</u>
Attributable to:					
Parent company's shareholders		6,927,502	5,133,488	3,756,240	2,728,375
Non-controlling interests		<u>9,527</u>	<u>16,348</u>	<u>22,526</u>	<u>26,172</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 SIX MONTHS PERIOD ENDED AS 30 JUNE 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					Net profit	Total	Non-controlling interests	Total Equity
		Share capital	Own shares	Legal reserve	Currency translation reserves	Other reserves and retained earnings				
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 period		-	-	-	(579,532)	(36,461)	5,749,481	5,133,488	16,348	5,149,836
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 June 2016		<u>25,641,459</u>	<u>(1,641,053)</u>	<u>6,375,508</u>	<u>(706,151)</u>	<u>34,521,102</u>	<u>5,749,481</u>	<u>69,940,346</u>	<u>92,088</u>	<u>70,032,434</u>
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 period		-	-	-	(133,503)	-	7,061,005	6,927,502	9,527	6,937,029
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)
Balance as of 30 June 2017		<u>25,641,459</u>	<u>(1,641,053)</u>	<u>6,460,878</u>	<u>(1,024,744)</u>	<u>41,907,493</u>	<u>7,061,005</u>	<u>78,405,038</u>	<u>151,891</u>	<u>78,556,929</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 STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS AND THREE MONTHS PERIODS ENDED AS 30 JUNE 2017 AND 2016
(Translation of financial statements originally issued in Portuguese - Note 16)
(Amounts expressed in Euro)

	Notes	Six months period ended as:				Three months period ended as:	
		30.06.2017	30.06.2016	30.06.2017	30.06.2016		
Operating activities:							
Collections from customers		104,214,361	73,712,942	47,990,810	32,666,312		
Payments to suppliers		(72,813,225)	(52,953,610)	(36,177,331)	(26,614,179)		
Payments to personnel		(6,468,936)	(5,245,117)	(3,186,606)	(2,564,184)	8,626,874	3,487,949
Income tax paid/received		(668,464)	(874,310)	(521,939)	(752,574)		
Other collections/payments relating to operating activities		(6,019,146)	(4,653,860)	(2,727,010)	(2,310,291)	(3,248,949)	(3,062,865)
<i>Cash flow from operating activities (1)</i>		<u>18,244,590</u>	<u>9,966,045</u>	<u>9,966,045</u>	<u>5,377,925</u>		<u>425,084</u>
Investment activities:							
Collections arising from:							
Dividends		-	53	-	53		
Tangible assets		262,396	49,619	147,896	49,619		
Other assets		-	1,877	-	(7,348)		
Investment properties		991,276	-	-	-		
Financial investments		282	-	0	-		
Interests and similar income		79,225	92,954	48,199	(23,499)	196,096	18,825
Payments arising from:							
Financial investments		(478,012)	(1,146,369)	(417,805)	(1,143,786)		
Intangible assets		(16,217)	(20,036)	(4,163)	(20,036)		
Tangible assets		(6,452,562)	(5,806,587)	(1,449,441)	(3,372,426)		
Loans granted		-	(6,946,791)	(6,972,992)	(1,871,409)		(4,536,248)
<i>Cash flow from investment activities (2)</i>		<u>(5,613,612)</u>	<u>(6,828,489)</u>	<u>(6,828,489)</u>	<u>(1,675,313)</u>		<u>(4,517,423)</u>
Financing activities:							
Collections arising from:							
Loans obtained		4,759,531	2,044,150	3,149,391	2,044,150		
Payments arising from:							
Interests and similar costs		(1,252,407)	(1,147,636)	(440,721)	(429,059)		
Other financing operations		-	(56,671)	-	(28,508)		
Dividends		(6,461,422)	(4,846,066)	(6,461,422)	(4,846,066)		
Loans obtained		(6,234,171)	(7,485,753)	(1,007,695)	(3,395,955)	(7,909,838)	(8,699,588)
<i>Cash flow from financing activities (3)</i>		<u>(9,188,469)</u>	<u>(11,491,976)</u>	<u>(11,491,976)</u>	<u>(4,760,447)</u>		<u>(6,655,438)</u>
Cash and cash equivalents at the beginning of the year	8	10,037,127	15,863,614	14,513,515	18,055,667		
Effect of exchange rate changes		(96,684)	(340,548)	(72,728)	(119,245)		
Variation of cash and cash equivalents: (1)+(2)+(3)		3,442,509	(8,334,420)	(1,057,835)	(10,747,777)		
Cash and cash equivalents at the end of the period	8	13,382,952	7,188,646	13,382,952	7,188,646		

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 JUNE 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" or "Group") 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 June 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. 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 PREPARATION

The consolidated financial statements as of 30 June 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 30 JUNE 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 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 June 30, 2017, and December 31, 2016, are as follows:

Designation	Headquarters	Percentage of participation held		Activity
		30.06.2017	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

All the above companies were included in the consolidated financial statements of F. Ramada Group in accordance with the full consolidation method and there were no changes during the six-month period ended June 30, 2017 in the Group's consolidation perimeter.

4.2 Investments in associates

As of June 30, 2017, the caption "Investments in associates" includes the ownership of 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 there is impairment in investments in associates considers, 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 "Investments in associates" also included 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 six-months' period ended in June 30, 2017 was made based on preliminary and unaudited consolidated financial statements of the above company. The effect on the net profit of the year was recorded on the caption "Gains/losses related with associated companies" by the amount of 991,304 Euro (2,028,057 Euro in December 31, 2016). As of June 30, 2017 the investment in the mentioned associate amounted to 17,753,698 Euro (16,762,394 Euro 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.

On July 19, 2017, an agreement was entered between F. Ramada - Investimentos, SGPS, S.A., jointly with the other shareholders of Base Holding, SGPS, S.A., and Medicina Laboratorial – Doutor Carlos da Silva Torres, S.A. for the sale of all its shares owned of Base Holding, SGPS, S.A. of that associated company.

The execution of the transaction is subject to prior notification to the Competition Authority ("Autoridade da Concorrência"), under the terms established in the legal regime of competition, and, for this reason, conditioned to the decision of non-opposition of the Competition Authority. It's the Board of Directors expectation that the transaction will be approved until the end of 2017.

**NOTES TO THE CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS AS OF 30 JUNE 2017**
(TRANSLATION OF NOTES ORIGINALLY ISSUED IN PORTUGUESE – NOTE 16)
(Amounts expressed in Euro)

4.3 Other investments

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

	30.06.2017	31.12.2016
Investments	7,906,437	7,713,531
Impairment losses (note 12)	(3,660,124)	(4,220,393)
	4,246,313	3,493,138

As of June 30, 2017, the caption includes participations that do not give rise to a significant influence on the capital of the companies Base M – Investimentos e Serviços, S.A., CEV - Consumem Verde, Biotecnologia das Plantas, S.A., and Sociedade Converde Unipessoal, Lda.. This item also includes the loans granted to these entities.

As of June 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 there is impairment in investments in associates considers, 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. CHANGES IN THE CONSOLIDATION PERIMETER

During the six months' period ended 30 June 2017 there were no changes to the consolidation perimeter compared to 31 December 2016.

**NOTES TO THE CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS AS OF 30 JUNE 2017**
(TRANSLATION OF NOTES ORIGINALLY ISSUED IN PORTUGUESE – NOTE 16)
(Amounts expressed in Euro)

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 six-month period ended as of June 30, 2017 and the year ended 31 December 2016 is as follows:

	30.06.2017	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 12)	(1,100,000)	(1,100,000)
Closing balance (net)	84,853,689	84,853,689

The leased land generated, during the six-month period ended as of June 30, 2017, income amounting, to approximately, 3,091,500 Euro (approximately 6,311,140 Euro in 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 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.

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 June 30, 2017.

**NOTES TO THE CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS AS OF 30 JUNE 2017**
(TRANSLATION OF NOTES ORIGINALLY ISSUED IN PORTUGUESE – NOTE 16)
(Amounts expressed in Euro)

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

	30.06.2017	
	Deferred tax assets	Deferred tax liabilities
Balance as of January 1, 2017	3,673,642	31,125
Effects on income statement		
Others	3,573	(1,900)
Balance as of June 30, 2017	3,677,215	29,225

	30.06.2016	
	Deferred tax assets	Deferred tax liabilities
Balance as of January 1, 2016	1,778,714	35,081
Effects on income statement		
Others	(49,828)	-
Balance as of June 30, 2016	1,728,886	35,081

8. CASH AND CASH EQUIVALENTS

As of June 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:

	30.06.2017	31.12.2016
Cash	22,425	14,730
Bank deposits	18,523,267	17,205,484
	18,545,692	17,220,214
Bank overdrafts (note 10)	(5,162,740)	(7,183,087)
Cash and equivalents	13,382,952	10,037,127

9. SHARE CAPITAL

As of June 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. 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 Euro.

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

**NOTES TO THE CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS AS OF 30 JUNE 2017**
(TRANSLATION OF NOTES ORIGINALLY ISSUED IN PORTUGUESE – NOTE 16)
(Amounts expressed in Euro)

10. BANK LOANS AND OTHER LOANS

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

	30.06.2017		31.12.2016	
	Current	Non current	Current	Non current
Bank loans	3,986,753	39,487,401	3,985,753	43,473,155
Commercial paper	25,500,000	4,000,000	22,250,000	5,000,000
Other bank loans	7,050,005	-	6,650,005	-
Bank overdrafts	5,162,740	-	7,183,087	-
Factoring	1,511,052	-	1,650,941	-
Other loans	39,223,797	4,000,000	37,734,033	5,000,000
	43,210,550	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.

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

30.06.2017			31.12.2016		
Reimbursement year	Amount	Estimated interests	Reimbursement year	Amount	Estimated interests
Current			Current		
2017	-	-	2017	41,719,786	757,000
2018	43,210,550	707,000		41,719,786	757,000
	43,210,550	707,000			
Non current			Non current		
2018	1,000,000	25,000	2018	5,985,755	687,000
2019	6,000,000	615,000	2019	6,000,000	603,000
2020	5,000,000	528,000	2020	5,000,000	517,000
2021	4,000,000	459,000	2021	4,000,000	449,000
2022	4,000,000	396,000	2022	4,000,000	388,000
2023	4,000,000	333,000	2023	4,000,000	326,000
2024	3,987,401	271,000	2024	3,987,400	265,000
2025	3,500,000	215,000	2025	3,500,000	210,000
2026	3,500,000	159,000	2026	3,500,000	156,000
2027	3,500,000	103,000	2027	3,500,000	101,000
2028	5,000,000	19,000	2028	5,000,000	19,000
	43,487,401	3,123,000		48,473,155	3,721,000
	86,697,951	3,830,000		90,192,941	4,478,000

**NOTES TO THE CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS AS OF 30 JUNE 2017**
(TRANSLATION OF NOTES ORIGINALLY ISSUED IN PORTUGUESE – NOTE 16)
(Amounts expressed in Euro)

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

	June 30, 2017		December 31, 2016	
	Authorized amount	Used amount	Authorized amount	Used amount
Other bank loans	21,200,000	7,050,005	21,200,000	6,650,005
Bank overdrafts	15,000,000	5,162,740	15,000,000	7,183,087
Commercial paper program				
12/2017	5,000,000	4,750,000	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	-
	34,250,000	29,500,000	34,250,000	27,250,000

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

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

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

11. OTHER CURRENT LIABILITIES

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

	30.06.2017	31.12.2016
Accrued expenses		
Accrued payroll	4,813,802	4,450,848
Interests payable	324,659	779,491
Other	2,916,080	2,101,239
Deferred income	23,624,904	8,317,187
	31,679,445	15,648,765

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

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12. PROVISIONS AND IMPAIRMENT LOSSES

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

	Provisions	Impairment losses in current assets	Impairment losses in investments	Impairment losses in inventory	Impairment losses in investments properties	Total
			(note 4.3)		(note 6)	
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	(297)	(193)	-	(436)	-	(926)
Increases	23,222	161,529	192,906	10,610	-	388,267
Reversals	(100,000)	(93,420)	(753,175)	(136)	-	(946,731)
Utilizations	-	(1,408,172)	-	-	-	(1,408,172)
Closing balance 30.06.2017	<u>2,806,005</u>	<u>12,915,901</u>	<u>3,660,124</u>	<u>1,438,086</u>	<u>1,100,000</u>	<u>21,920,116</u>

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

The amount recorded in the caption “Provisions” as of June 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 June 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 June, 2017.

13. EARNINGS PER SHARE

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

	30.06.2017	30.06.2016
Net profit considered for the computation of basic and diluted earnings per share	7,061,005	5,749,481
Number of shares	25,641,459	25,641,459
Number of own shares	<u>2,564,145</u>	<u>2,564,145</u>
Weighted average number of shares used to compute the basic and diluted earnings per share	<u>23,077,314</u>	<u>23,077,314</u>
Earnings per share		
Basic	<u>0.31</u>	<u>0.25</u>
Diluted	<u>0.31</u>	<u>0.25</u>

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.

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14. RELATED PARTIES

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

	Rents	
	30.06.2017	30.06.2016
Altri Group	3,091,500	3,091,500
	3,091,500	3,091,500

Apart from the companies included in the consolidation (Note 4), the companies considered to be related parties as of June 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.
- Base Holding SGPS, S.A.
- Expeliarmus-Consultoria, 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 Abastecimento de Madeira, S.A.
- Altri Sales, S.A.
- Altri, Participaciones Y Trading, S.L.
- Altri, SGPS, S.A.
- 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, 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.

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- 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.

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 June 30, 2017 and 2016 is made up as follows:

	June 30, 2017			Total
	Industry	Real Estate	Intra-group eliminations	
Total assets	151,861,110	91,808,198	(7,767,544)	235,901,764
Total liabilities	97,394,928	67,717,451	(7,767,544)	157,344,835
Operating investments (a)	2,344,772	-	-	2,344,772
Profit from foreign market customers	66,561,069	3,105,548	-	69,666,617
Profit from operations with other segments	21,912	685,998	(707,910)	-
Cash-flow from operating activities (b)	8,402,797	3,203,594	-	11,606,391
Amortizations	(2,587,035)	(199,188)	-	(2,786,223)
Earnings before interest and taxes (c)	5,815,762	3,004,406	-	8,820,168
Financial profits	165,099	-	(74,384)	90,715
Financial costs	(297,567)	(542,090)	74,384	(765,273)
Share of results of joint ventures and associated companies	991,304	-	-	991,304
Earnings before taxes	6,674,598	2,462,316	-	9,136,914
Income taxes	(1,391,257)	(675,125)	-	(2,066,382)
Net profit	5,283,341	1,787,191	-	7,070,532

(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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	June 30, 2016			
	Industry	Real Estate	Intra-group eliminations	Total
Total assets	113,107,252	91,343,782	(7,639,877)	196,811,157
Total liabilities	63,515,639	70,902,961	(7,639,877)	126,778,723
Operating investments (a)	2,953,714	192,170	-	3,145,884
Profit from foreign market customers	59,681,113	3,129,697	-	62,810,810
Profit from operations with other segments	21,912	682,326	(704,238)	-
Cash-flow from operating activities (b)	7,984,043	2,552,906	-	10,536,949
Amortizations	<u>(2,254,797)</u>	<u>(135,684)</u>	-	<u>(2,390,481)</u>
Earnings before interest and taxes (c)	<u>5,729,246</u>	<u>2,417,222</u>	-	<u>8,146,468</u>
Financial profits	218,143	-	(119,049)	99,094
Financial costs	(484,353)	(754,960)	119,049	(1,120,264)
Share of results of joint ventures and associated companies	885,000	-	-	885,000
Earnings before taxes	<u>6,348,036</u>	<u>1,662,262</u>	-	<u>8,010,298</u>
Income taxes	<u>(1,579,883)</u>	<u>(664,586)</u>	-	<u>(2,244,469)</u>
Net profit	<u>4,768,153</u>	<u>997,676</u>	-	<u>5,765,829</u>

(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

16. FINANCIAL 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 July 27, 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